

CANYONS SCHOOL DISTRICT

**9150 South 500 West
Sandy, Utah 84070
www.canyonsdistrict.org**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013

**Sherril H. Taylor, President of the Board
Ginger Rhode, Ph.D., Interim Superintendent
Leon O. Wilcox, CPA, Interim Business Administrator**

**Prepared by
Leon O. Wilcox, CPA, Interim Business Administrator
and Steven C. Reese, CPA, Accountant**

CANYONS SCHOOL DISTRICT

Table of Contents

Fiscal Year Ended June 30, 2013

Page

INTRODUCTORY SECTION

Letter of Transmittal.....	1
List of Elected and Appointed Officials.....	6
School Board Boundaries.....	7
Organization Chart.....	8
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	9
ASBO Certificate of Excellence in Financial Reporting.....	10

FINANCIAL SECTION

Independent Auditor's Report	11
Management's Discussion and Analysis.....	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	24
Statement of Activities.....	25
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund.....	30
Statement of Fund Net Position - Proprietary Fund.....	31
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund.....	32
Statement of Fund Cash Flows - Proprietary Fund.....	33
Notes to the Basic Financial Statements.....	34
Required Supplementary Information:	
Schedule of Funding Progress - District Retirement Benefits.....	51
Combining and Individual Fund Statements and Schedules:	
Major Governmental Funds:	
Comparative Balance Sheets - General Fund.....	54
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund.....	55
Comparative Balance Sheets - Debt Service Fund.....	56

CANYONS SCHOOL DISTRICT

Table of Contents

Fiscal Year Ended June 30, 2013

Page

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Fund.....	57
Comparative Balance Sheets - Capital Outlay Fund.....	58
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Outlay Fund.....	59
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds.....	62
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	63
Comparative Balance Sheets - Nutrition Services Fund.....	64
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nutrition Services Fund.....	65
Comparative Balance Sheets - Student Activities Fund.....	66
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Student Activities Fund.....	67
Comparative Balance Sheets - Non K-12 Programs Fund.....	68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Non K-12 Programs Fund.....	69
Comparative Balance Sheets - Canyons School District Education Foundation Fund.....	70
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Canyons School District Education Foundation Fund.....	71
Proprietary Fund (Internal Service Fund):	
Comparative Statements of Fund Net Position - Self-Insurance Fund.....	73
Comparative Statements of Revenues, Expenses, and Changes in Fund Net Position - Self-Insurance Fund.....	74
Comparative Statements of Fund Cash Flows - Self-Insurance Fund.....	75

STATISTICAL SECTION

Statistical Section - Table of Contents.....	77
Financial Trends:	
Comparative Statements of Net Position.....	79
Net Position by Component.....	80
Changes in Net Position.....	81
Fund Balances - Governmental Funds.....	82
Changes in Fund Balances - Governmental Funds.....	83
Comparative Balance Sheets - General Fund.....	84
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances - General Fund.....	85

CANYONS SCHOOL DISTRICT

Table of Contents

Fiscal Year Ended June 30, 2013

Page

Revenue Capacity:

Historical Summaries of Taxable Values of Property.....	86
Assessed Value and Estimated Actual Value of Taxable Property.....	87
Direct and Overlapping Property Tax Rates.....	88
Principal Property Tax Payers.....	89
Property Tax Levies and Collections.....	90

Debt Capacity:

Ratios of Outstanding Debt.....	91
Debt Service Schedule of Outstanding General Obligation Bonds Shared with the Jordan School District.....	92
Debt Service Schedule of Outstanding General Obligation Bonds.....	94
Direct and Overlapping General Obligation Debt.....	95
Legal Debt Margin Information.....	96

Demographic and Economic Information:

Demographic and Economic Statistics.....	97
Principal Employers.....	98

Operating Information:

Full-Time Equivalents by Functional Category.....	99
Expenses by Function - Statement of Activities.....	100
Expenses by Function per Pupil - Statement of Activities.....	101
Expenditures by Function - General Fund.....	102
Expenditures by Function per Pupil - General Fund.....	103
Average Daily Membership vs. Average Daily Attendance.....	104
History of High School Graduates.....	105
Capital Asset Information.....	106
Teacher Compensation Data.....	107
Students per Teacher.....	108
Nutrition Services - Facts and Figures.....	109

November 27, 2013

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, 2013.

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, 2013. 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, 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 fourth year of operations, the District's student population stood at 33,528. To accomplish its purpose, as of fall 2013, the District operates 29 elementary schools, 8 middle schools, 5 accredited high schools, and 4 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 estimated to be the 201st largest district in the nation.

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. However, the recent national economic downturn has affected many Utah industries. The lack of significant economic growth has greatly impacted public education for the past several years. 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 WPU from \$2,816 to \$2,842 for the fiscal year ended June 30, 2013. The WPU will increase to \$2,899 (or 2%) for the fiscal year ending June 30, 2014. The economic outlook calls for some minor expansion in 2014 with the hope for additional growth in 2015 and beyond. The unemployment rate for Salt Lake County was 5.5% at December 31, 2012 which is an improvement from the 6.5% rate at December 31, 2011. After four consecutive years of declining assessed valuations, the District is expecting a 4% to 5% increase in 2014. This is welcomed news; however assessed valuation needs to continue to increase to help provide financial stability to the District.

There will be considerable political pressure on the Legislature to at least maintain, if not slightly increase, funding for public education as it deals with potential budget deficits statewide. Nonetheless, the resources available may make that difficult to accomplish. With the slow-growing economy, the District will be forced to deal with strained budgets. Even with additional financial constraints, the District 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:

- 67% of the 2013 traditional high school graduates earned an advanced or honor's diploma, an increase from 65% from the prior year and 60% from two years ago.
- Of those earning the higher diplomas, 54% earned the more challenging honor's diploma, up from 49% from the prior year.
- Five National Merit Scholarship winners.
- The District was named to the College Board's prestigious Advanced Placement Honor Roll.
- The ACT test results for 11th graders improved in all four categories, highlighted by an 8% improvement on the English section.
- For 2014, the District successfully implemented its grade-reconfiguration academic model with sixth grade students moving to middle school and ninth grade students moving to high school.

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 District completed construction on Corner Canyon High, Butler Middle, and Draper Park Middle (formerly Crescent View Middle), all three schools opening in August 2013. Furthermore, additions were made to Brighton High and Hillcrest High to accommodate ninth graders moving to high school. For 2014, the District will begin re-construction of Mount Jordan Middle which will open in August 2015.

The 2010 bond had thirteen scheduled projects, eight of which have been completed. The remaining bond projects include rebuilding Midvale Middle (to open fall 2017), renovate Indian Hills middle (to open fall 2018), rebuild Butler Elementary (to open fall 2017), and rebuild an elementary school in the White City area (to open fall 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 build new school buildings and incur annual operational and facility expenses. However, the District has many aging schools and is conducting a facility assessment of its buildings. Information from this assessment will be 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. In spite of the recent state and national recession, the District has been able to strengthen its unassigned general fund balance from \$11.2 million in 2010 to \$19.3 million in 2013. The District has maintained resources set aside for economic stabilization at \$11.2 million (the 5% maximum allowed per State statute) and increased its assigned fund balance from \$2.7 million in 2010 to \$15.4 million in 2013. Furthermore, when many governments nationwide are struggling to fund their retirement plans, the Board has committed 105% of the accrued actuarial liability from the most recent actuarial study to fund its 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, 2012. This was the third 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, 2012. This was the third 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,



Ginger Rhode, Ph.D.
Interim Superintendent of Schools



Leon O. Wilcox, CPA
Interim Business Administrator

CANYONS SCHOOL DISTRICT
List of Elected and Appointed Officials
June 30, 2013

Elected Officials

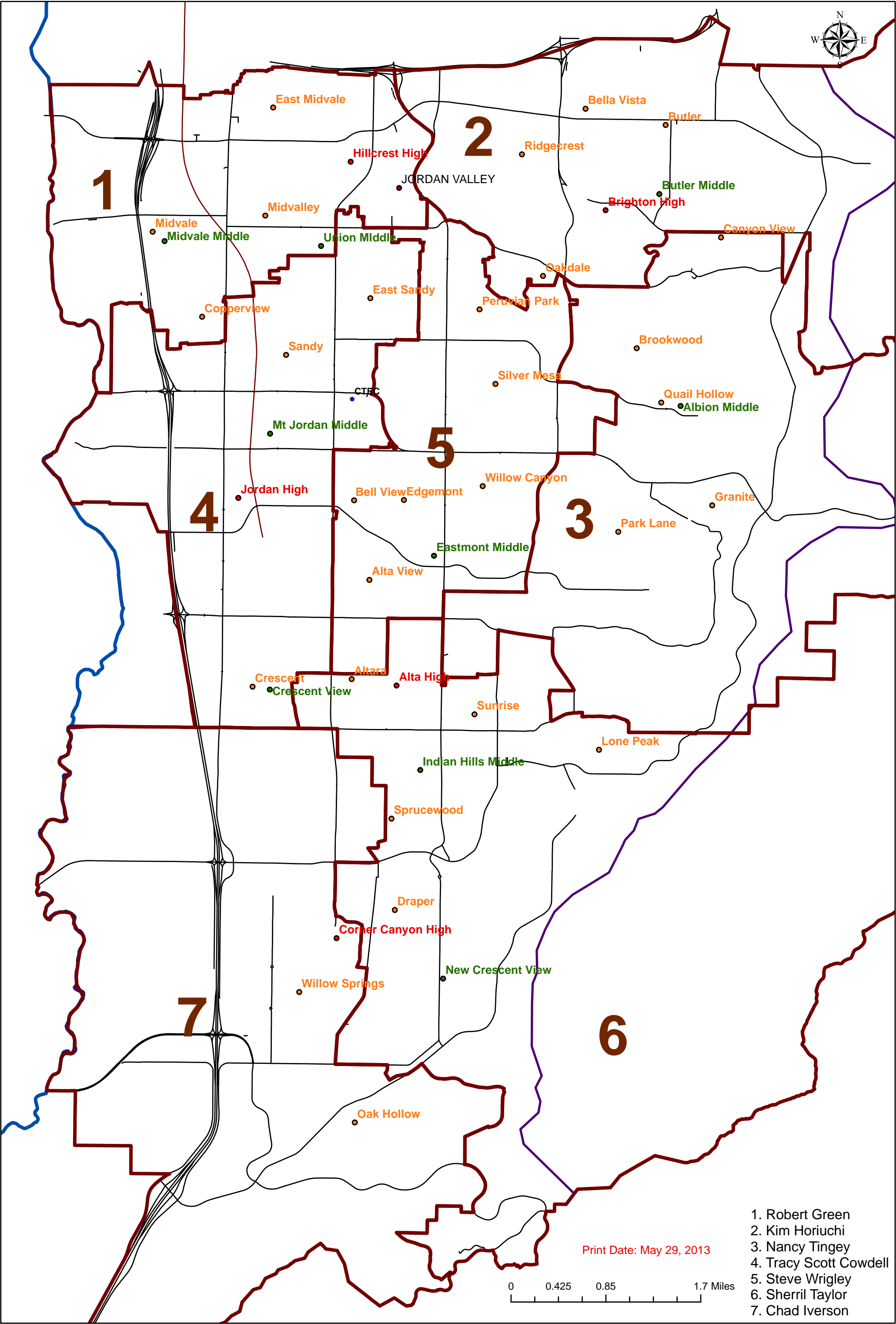
	Initial Appointment	Present Term Began	Present Term Expires
Sherril H. Taylor, President Precinct VI	January, 2005	January, 2011	December, 2014
Steve Wrigley, First Vice-President Precinct V	January, 2011	January, 2011	December, 2014
Nancy Tingey, Second Vice-President Precinct III	January, 2013	January, 2013	December, 2016
Robert Green, Member Precinct I	January, 2013	January, 2013	December, 2016
Kim M. Horiuchi, Member Precinct II	January, 2007	January, 2011	December, 2014
Tracy Scott Cowdell Precinct IV	January, 2007	January, 2011	December, 2014
Chad Iverson Precinct VII	January, 2013	January, 2013	December, 2016

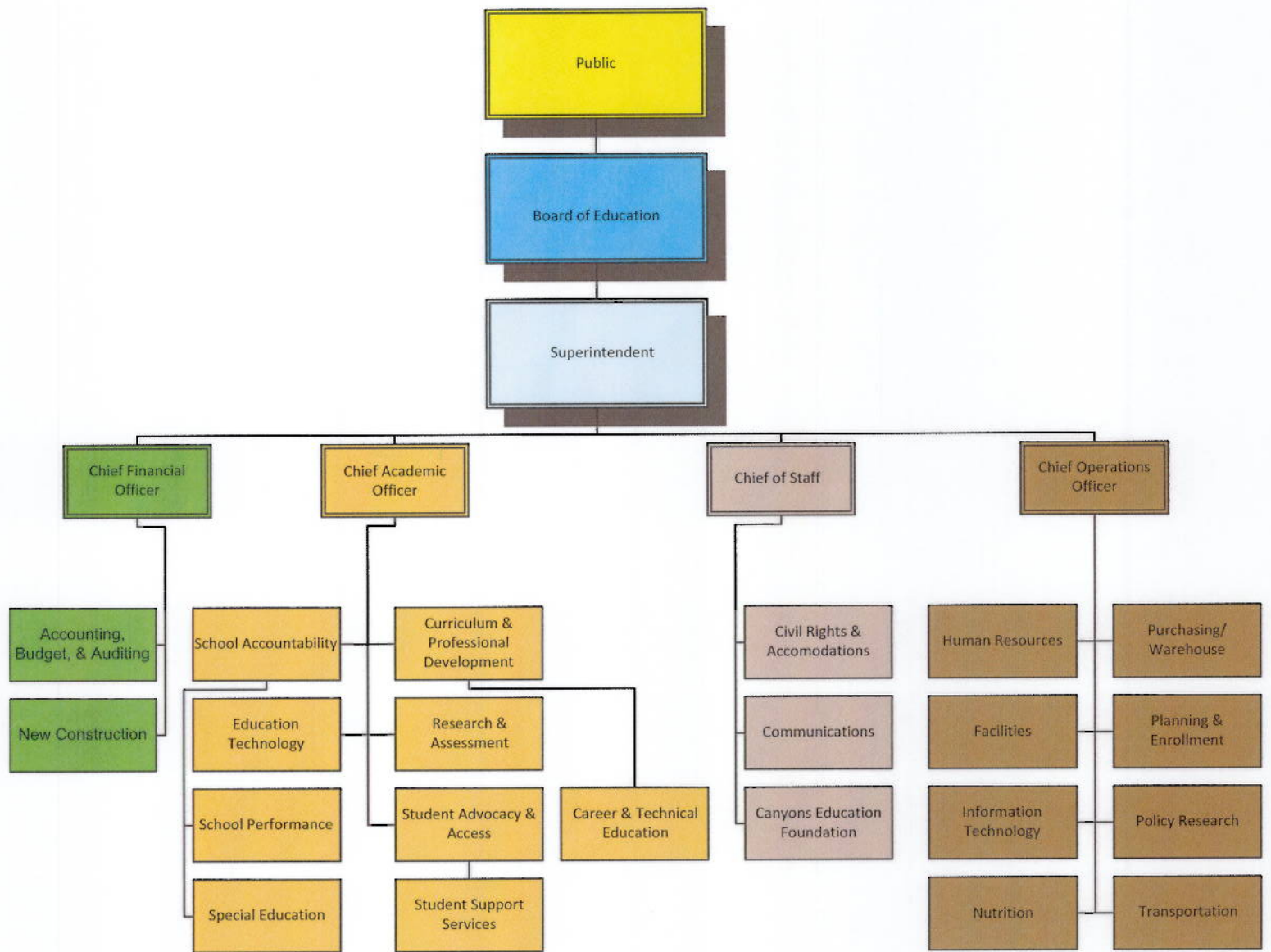
Appointed Officials

	Initial Appointment	Present Term Began	Present Term Expires
Dr. Ginger Rhode, Superintendent	July, 2013	July, 2013	June, 2014
Leon O. Wilcox Business Administrator	September, 2013	September, 2013	June, 2014

The Superintendent and Business Administrator have been appointed on an interim basis for the 2013-2014 school year.

CANYONS SCHOOL BOARD BOUNDARIES







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, 2012

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, 2012

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



Ron McCulley, CPPB, RSBO
President

John D. Musso, CAE, RSBA
Executive Director



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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, 2013, 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, 2013, 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 and the schedule of funding progress – district retirement benefits, as listed in the table of contents, 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 27, 2013, 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.



Orem, Utah
November 27, 2013

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, 2013. 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 forged 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, 2013 was the District's fourth fiscal year. The District has approximately 33,500 students and operates 42 traditional schools and 4 special program schools.
- The District's total net position increased by \$6.7 million or 2.0% during 2013. Most of the change is due to unspent tax proceeds reported in the General Fund.
- During 2013, the District retired \$19.7 million of general obligation bonds. Of that amount \$14.6 million were previously issued by the former Jordan School District and the remaining \$5.1 were issued by the District.
- As of the close of the current year, the District's governmental funds reported combined ending fund balances of \$150.4 million, a decrease of \$15.4 million. Most of this year's change is due to a decrease of \$21.0 million in the Capital Outlay Fund due to the construction on the new Corner Canyon High, and the rebuilding of Butler Middle and Draper Park Middle.
- The District issued \$80.0 million in general obligation bonds in August 2012 to fund these and other projects.
- At the end of the current year, unassigned fund balance for the General Fund was \$19.3 million or 9.0% of General Fund expenditures.
- Actual revenues were \$0.7 million less than budgeted for the General Fund and actual expenditures were \$8.0 million less than the amount budgeted.

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 other supplementary 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 (e.g., 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 24 and 25 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 seven 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 54 through 59 of this report. Data from the other four 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 62 through 71 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 26 through 30 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 31 through 33 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 34 through 50 of this report.

Other 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. Required supplementary information can be found on page 51 of this report.

The combining statements and individual fund statements and schedules referred to earlier in connection with governmental and proprietary funds are presented immediately following the required supplementary information on pages 54 to 75 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 \$340.0 million at the close of the most recent fiscal year, which is an increase of \$6.7 million from the prior year.

Canyons School District's Net Position June 30, 2013 and 2012 (in millions of dollars)

	Governmental Activities		
	2013	2012	Change 2013-2012
Current and other assets	\$ 335.7	\$ 353.2	\$ (17.5)
Capital assets	423.7	339.7	84.0
Total assets	759.4	692.9	66.5
Total deferred outflows of resources	0.4	0.6	(0.2)
Other liabilities	50.8	53.9	(3.1)
Long-term liabilities outstanding	256.0	196.0	60.0
Total liabilities	306.8	249.9	56.9
Total deferred inflows of resources	113.0	110.3	2.7
Net position:			
Net investment in capital assets	173.4	153.7	19.7
Restricted	71.9	97.3	(25.4)
Unrestricted	94.7	82.3	12.4
Total net position	\$ 340.0	\$ 333.3	\$ 6.7

The largest portion of the District's net position (51.0%) 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 (21.1%) 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 (27.9%) 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 \$19.7 million during the year ended June 30, 2013, due to the three major construction projects: new construction of Corner Canyon High, and rebuild of Butler Middle and Draper Park Middle.

Restricted net position decreased by \$25.4 million during the year ended June 30, 2013. The decrease is primarily a result of using resources restricted for capital outlay.

Unrestricted net position increased by \$12.4 million during the year ended June 30, 2013. This increase is mostly due to unspent tax revenues reported in the General Fund.

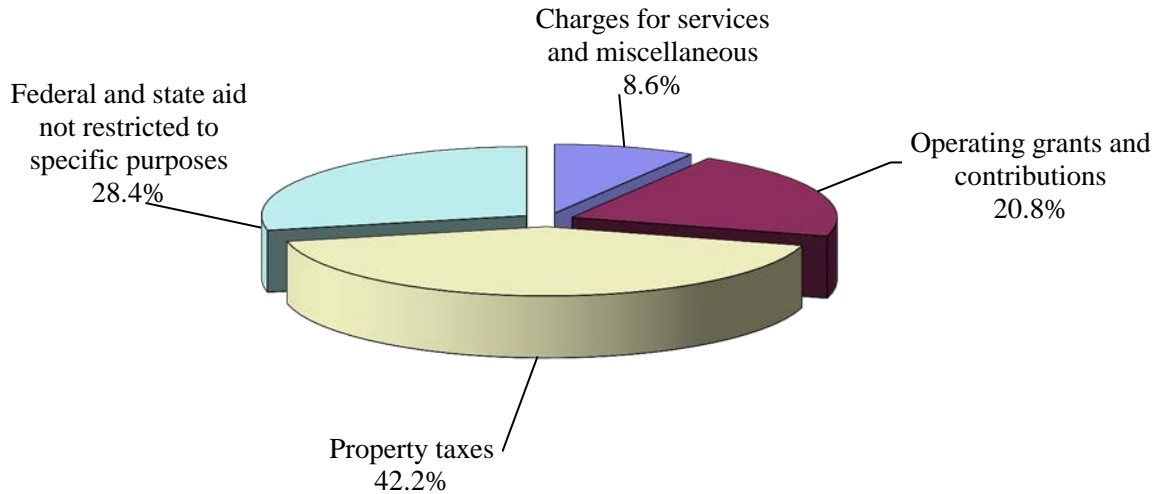
Governmental activities – The key elements of the increase of the District's net position for the year ended June 30, 2013 are as follows:

- Revenues totaled \$293.8 million for the fiscal year ended June 30, 2013. Also, total expenses were \$287.1 million during the same period. The increase in the District's net position for the year ended June 30, 2013 was \$6.7 million.
- Property taxes comprise 42.8% of the District's revenue. The District's tax rate for the 2012 calendar year of 0.008418 was applied to taxable value of property totaling \$15.6 billion.
- Revenues from the state of Utah comprise 41.5% of the District's revenue. State revenue is based primarily on weighted pupil units (WPUs) 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 \$2,842 for 2013. Student enrollment based on the October 1, 2012 count was 33,528.
- Revenues from federal awards comprise 7.4% 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 61.1% of District expenses for the year.

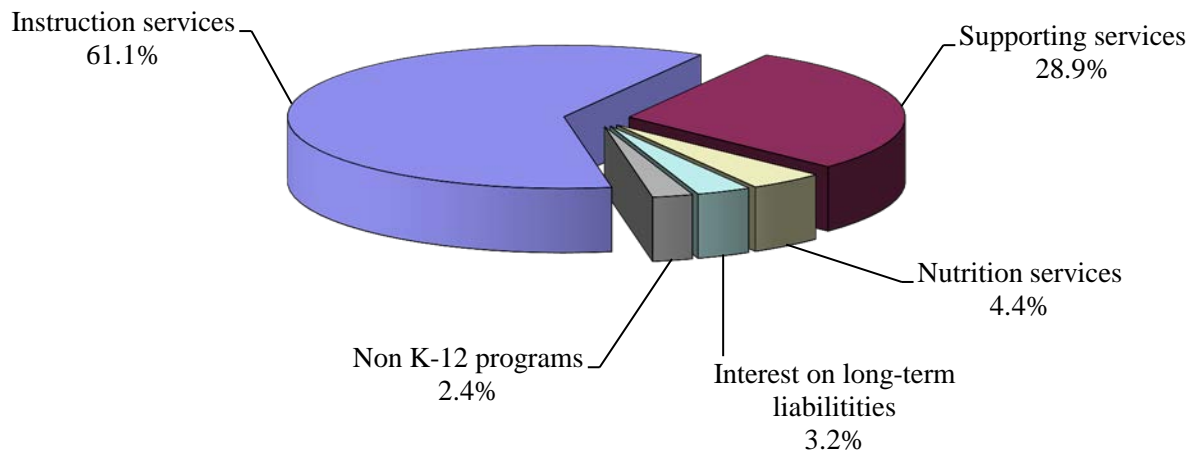
Canyons School District's Changes in Net Position
Fiscal Years Ended June 30, 2013 and 2012
(in millions of dollars)

	Governmental Activities		
	2013	2012	Change 2013-2012
Revenues:			
Program revenues:			
Charges for services	\$ 14.8	\$ 14.3	\$ 0.5
Operating grants and contributions	61.1	59.4	1.7
Capital grants and contributions	0.2	0.4	(0.2)
General revenues:			
Property taxes	123.9	123.5	0.4
Federal and state revenue not restricted to specific purposes	83.5	82.0	1.5
Interest	3.0	3.0	-
Miscellaneous	7.3	4.0	3.3
Total revenues	293.8	286.6	7.2
Expenses:			
Instruction	175.3	160.4	14.9
Supporting services:			
Students	9.1	8.4	0.7
Instructional staff	11.0	12.2	(1.2)
General district administration	2.8	2.1	0.7
School administration	15.8	15.0	0.8
Central	12.4	12.1	0.3
Operation and maintenance of school buildings	23.3	22.0	1.3
Student transportation	8.7	8.1	0.6
Nutrition services	12.7	12.6	0.1
Non K-12 programs	6.8	6.9	(0.1)
Interest on long-term liabilities	9.2	9.6	(0.4)
Total expenses	287.1	269.4	17.7
Increase in net position	6.7	17.2	(10.5)
Net position - beginning	333.3	316.1	17.2
Net position - ending	<u>\$ 340.0</u>	<u>\$ 333.3</u>	<u>\$ 6.7</u>

**Canyons School District
Revenues by Source - Governmental Activities
Year Ended June 30, 2013**



**Canyons School District
Expenses by Function - Governmental Activities
Year Ended June 30, 2013**



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 they represent 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, of 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, 2013, the District’s governmental funds reported a combined fund balance of \$150.4 million, or \$15.4 million less than the previous year. About \$19.2 million or 12.8% of the combined fund balance amount constitutes *unassigned* fund balance which is available for spending at the District’s discretion. The remainder for the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not spendable in form (\$1.5 million or 1.0 %), 2) legally required to be maintained intact (\$70.5 million or 46.9%), 3) committed by the District’s Board of Education for particular purposes (\$43.8 million or 29.1%), or assigned by the District’s management for particular purposes (\$15.4 million or 10.2%).

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 \$19.2 million, while total fund balance increased \$5.2 million to \$74.8 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 9.0% of total General Fund expenditures, while total fund balance represents approximately 35.2% of that same amount.

The General Fund balance increase was largely from an increase in property taxes. The following expenditures or balances in the General Fund should be noted:

- Expenditures for the General Fund totaled \$212.6 million, an increase of \$8.2 million from the prior fiscal year. Instruction represents \$134.5 million or 63.3% of General Fund expenditures.
- General Fund salaries totaled \$129.8 million while the associated fringe benefits of retirement, social security, unemployment, industrial insurance, and health and accident insurance added \$51.2 million to arrive at 85.1% of total General Fund expenditures.
- The District has committed to economic stabilization \$11.2 million of fund balance or 5.0% of 2014 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 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 \$24.4 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 \$3.0 million ending fund balance which is equal to the prior year. Tax revenues plus a budgeted transfer from the Capital Outlay fund equaled the principal and interest payments for the current period.

The Capital Outlay Fund, the remaining major governmental fund, had a decrease of \$21.0 in fund balance during the current fiscal year which put the overall fund balance at \$63.7 million. The decrease in fund balance was caused by spending tax resources obtained in prior periods on acquisition and construction in the current period. Capital Outlay Fund expenditures totaled \$124.6 million with \$94.6 being spent on new construction and other building improvements. The remainder was spent on purchases for land, equipment, and vehicles.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. During 2013, 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 \$4.2 million or 2.0% of in total General Fund revenues and an increase of \$3.3 million or 1.5% in total General Fund budgeted expenditures. The increase in revenues was primarily due to a higher collection percentage of property taxes than originally anticipated, while the increase in expenditures was due to a one-time retirement incentive for employees.

Final budget compared to actual results. Even with these adjustments, actual expenditures were \$8.0 million or 3.6% less than final budgeted amounts. The most significant variance was \$5.6 million in instruction due employee benefit costs being less than anticipated as well as schools not spending their full budgeted amounts for supplies and textbooks. Additionally, the operation and maintenance of school buildings was \$0.8 million under budget due to utility conservation. Conversely, actual revenues were \$0.7 million less than final budgeted amounts which primarily resulted from expenditure-driven federal and state 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. Therefore, actual grant revenues and expenditures are normally less than amounts budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2013 amounts to \$423.7 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, and furniture and equipment. The total increase in capital assets for the current year was \$84.0 million or 24.7%.

Canyons School District's Capital Assets June 30, 2013 and 2012 (net of accumulated depreciation, in millions of dollars)

	Governmental Activities		
	2013	2012	Change 2013-2012
Sites and improvements	\$ 59.4	\$ 43.9	\$ 15.5
Construction in progress	138.8	86.5	52.3
Buildings	216.8	195.9	20.9
Equipment	1.7	6.8	(5.1)
Vehicles	7.0	6.6	0.4
Total capital assets	<u>\$ 423.7</u>	<u>\$ 339.7</u>	<u>\$ 84.0</u>

The cost of various construction projects underway at June 30, 2013 are projected at a total cost of \$195.2 million. The largest projects are Corner Canyon High School with an estimated cost of \$71.0 million, Butler Middle and Draper Park Middle Schools with estimated costs of \$32.0 and \$38.0 million respectively. These three projects were completed and opened to students in the fall of 2013. The rebuild of Mount Jordan Middle has begun and will be completed in fall 2015 at an estimated cost of \$40.0 million.

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 \$250.7 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 increased by \$64.1 million or about 34.4%, during the current year. The increase was the result of issuing \$80.0 million of general obligation bonds with a \$4.3 million premium and paying \$19.7 million of bond principal.

Canyons School District's Outstanding General Obligation Debt

June 30, 2013 and 2012

(in millions of dollars)

	Governmental Activities		
	2013	2012	Change 2013-2012
General obligation bonds	\$ 243.9	\$ 183.6	\$ 60.3
Unamortized bond issuance premiums	6.8	3.0	3.8
Net bonds payable	<u>\$ 250.7</u>	<u>\$ 186.6</u>	<u>\$ 64.1</u>

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
- The final \$42.0 million is expected to be issued in the fall of 2015.

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, 2013 is estimated at \$659.7 million. Net general obligation debt at June 30, 2013 is \$250.7 million resulting in an estimated additional debt-incurring capacity of \$409.0 million.

All debt is on a 20-year (or shorter) repayment timetable and the District is scheduled to retire all of its general obligation bonds by 2032.

The bonds issuances received an underlying rating of "Aaa" from Moody's Investors Service. The District received an upgrade in February 2013 to "AAA" from "AA+" from Fitch Ratings. For the April 2011 issuance, the bond principal and interest payments for the next five years will, in part, be paid from restricted fund resources in the Capital Outlay Fund. While the August 2012 and October 2013 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 District is responsible for 58.0% of the debt service requirements of these bonds.

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**

<u>School Year</u>	<u>Enrollment</u>	<u>Change</u>
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.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Canyons School District finances of for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator, Canyons School District, 9150 South 500 West, Sandy, Utah 84070, or call 801.826.5000.

Basic Financial Statements

CANYONS SCHOOL DISTRICT**Statement of Net Position**

June 30, 2013

	Governmental Activities
Assets:	
Cash and investments	\$ 206,981,706
Accounts receivable:	
Property taxes	116,107,137
Other local	428,156
State of Utah	1,310,975
Federal government	3,755,600
Inventories	1,484,609
Net retirement asset	5,598,718
Capital assets:	
Sites and construction in progress	165,200,417
Buildings and other capital assets, net of accumulated depreciation	258,524,816
Total assets	<u>759,392,134</u>
Deferred outflows of resources:	
Deferred charges on refunding	<u>374,341</u>
Liabilities:	
Accounts payable	16,696,539
Accrued payroll and related benefits	21,745,992
Accrued interest	363,514
Unearned revenue:	
Local	418,229
State of Utah	9,371,194
Federal government	2,253,302
Long-term liabilities:	
Due or payable within one year	20,733,583
Due or payable after one year	<u>235,258,982</u>
Total liabilities	<u>306,841,335</u>
Deferred inflows of resources:	
Property taxes levied for future year	<u>112,955,158</u>
Net position:	
Net investment in capital assets	173,411,972
Restricted for:	
Debt service	23,788,889
Capital outlay	43,863,787
Nutrition services	2,950,219
Other purposes	1,267,955
Unrestricted	<u>94,687,160</u>
Total net position	<u>\$ 339,969,982</u>

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, 2013

Activities and Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Instruction	\$ 175,359,995	\$ 9,226,951	\$ 38,558,287	\$ 235,687	\$ (127,339,070)
Supporting services:					
Students	9,089,873	-	2,817,927	-	(6,271,946)
Instructional staff	10,984,333	-	2,730,272	-	(8,254,061)
District administration	2,799,252	-	-	-	(2,799,252)
School administration	15,769,736	-	541,939	-	(15,227,797)
Central	12,378,486	-	213,503	-	(12,164,983)
Operation and maintenance of school buildings	23,332,856	513,390	7,836	-	(22,811,630)
Student transportation	8,725,403	509,498	3,585,979	-	(4,629,926)
Nutrition services	12,678,765	4,161,767	7,652,675	-	(864,323)
Non K-12 programs	6,785,693	357,137	4,969,721	-	(1,458,835)
Interest on long-term liabilities	9,227,299	-	-	-	(9,227,299)
Total school district	<u>\$ 287,131,691</u>	<u>\$ 14,768,743</u>	<u>\$ 61,078,139</u>	<u>\$ 235,687</u>	<u>(211,049,122)</u>
General revenues:					
Property taxes levied for:					
Basic state supported program					24,292,479
Voted local program					23,542,074
School board local program					27,676,650
Debt service of general obligation bonds					23,821,636
Capital local for buildings and other capital needs					24,527,898
Total property tax revenue					123,860,737
Federal and state revenue not restricted to specific purposes					83,525,034
Interest					3,033,938
Miscellaneous					7,326,597
Total general revenues					217,746,306
Change in net position					6,697,184
Net position - beginning					333,272,798
Net position - ending					\$ 339,969,982

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

CANYONS SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2013

	Major Funds			Nonmajor	Total
	General	Debt Service	Capital Outlay	Governmental Funds	Governmental Funds
Assets:					
Cash and investments	\$ 106,379,873	\$ 3,082,285	\$ 75,812,512	\$ 8,927,957	\$ 194,202,627
Accounts receivable:					
Property taxes	71,290,794	22,537,426	21,341,100	937,817	116,107,137
Other local	358,618	-	21,101	2,110	381,829
State of Utah	95,903	-	199,766	1,015,306	1,310,975
Federal government	2,912,625	-	-	842,975	3,755,600
Inventories	1,139,299	-	-	345,310	1,484,609
Total assets	<u>\$ 182,177,112</u>	<u>\$ 25,619,711</u>	<u>\$ 97,374,479</u>	<u>\$ 12,071,475</u>	<u>\$ 317,242,777</u>
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Accounts and contracts payable	\$ 3,233,857	\$ -	\$ 12,378,510	\$ 1,084,172	\$ 16,696,539
Accrued payroll and related benefits	21,211,581	-	-	534,411	21,745,992
Unearned revenue:					
Local	-	-	-	418,229	418,229
State of Utah	9,199,758	-	-	171,436	9,371,194
Federal government	2,253,302	-	-	-	2,253,302
Total liabilities	<u>35,898,498</u>	<u>-</u>	<u>12,378,510</u>	<u>2,208,248</u>	<u>50,485,256</u>
Deferred inflows of resources:					
Unavailable property tax revenue	1,911,270	838,450	588,970	26,291	3,364,981
Property taxes levied for future year	69,522,091	21,800,527	20,718,614	913,926	112,955,158
Total deferred inflows of resources	<u>71,433,361</u>	<u>22,638,977</u>	<u>21,307,584</u>	<u>940,217</u>	<u>116,320,139</u>
Fund balances:					
Nonspendable:					
Inventories	1,139,299	-	-	345,310	1,484,609
Restricted for:					
Reading achievement	1,048,688	-	-	-	1,048,688
Tort liability	141,687	-	-	-	141,687
Debt service	-	2,980,734	20,500,000	-	23,480,734
Capital outlay	-	-	43,188,385	-	43,188,385
Nutrition services	-	-	-	2,604,909	2,604,909
Committed to:					
Economic stabilization	11,200,000	-	-	-	11,200,000
Employee benefit obligations	25,480,571	-	-	-	25,480,571
Contractual obligations	1,143,730	-	-	-	1,143,730
Schools	-	-	-	4,318,707	4,318,707
Community recreation	-	-	-	1,172,442	1,172,442
Foundation	-	-	-	481,642	481,642
Assigned to:					
Schools and programs	4,440,756	-	-	-	4,440,756
Self-insurance	7,000,000	-	-	-	7,000,000
Employees	4,000,000	-	-	-	4,000,000
Unassigned	19,250,522	-	-	-	19,250,522
Total fund balances	<u>74,845,253</u>	<u>2,980,734</u>	<u>63,688,385</u>	<u>8,923,010</u>	<u>150,437,382</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 182,177,112</u>	<u>\$ 25,619,711</u>	<u>\$ 97,374,479</u>	<u>\$ 12,071,475</u>	<u>\$ 317,242,777</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, 2013

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

Total fund balances for governmental funds	\$ 150,437,382
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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 \$697,730,215 and accumulated depreciation is \$274,004,982 (see Note 3).	423,725,233
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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.	3,364,981
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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.	8,828,453
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Certain retirement benefit payments in excess of actuarially required amounts are recognized as expenditures in governmental funds.	5,598,718
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Long-term liabilities, including bonds payable, 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	\$ (243,867,400)	
	Deferred amounts for issuance premium	(6,820,202)	
	Deferred charges on refunding	374,341	
	Accrued interest	(363,514)	
	Compensated absence obligation	(1,124,714)	
	Net other post-employment benefit obligation	(183,296)	
		(251,984,785)	
Total net position of governmental activities			\$ 339,969,982

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, 2013

	Major Funds			Nonmajor	Total
	General	Debt Service	Capital Outlay	Governmental Funds	Governmental Funds
Revenues:					
Property taxes	\$ 78,072,752	\$ 24,123,166	\$ 22,423,519	\$ 1,032,749	\$ 125,652,186
Interest earnings	1,360,881	49,546	1,389,478	169,980	2,969,885
Other local sources	6,886,113	-	222,713	12,526,016	19,634,842
State of Utah	116,576,679	-	235,687	6,093,957	122,906,323
Federal government	15,188,946	-	-	6,743,591	21,932,537
Total revenues	218,085,371	24,172,712	24,271,397	26,566,293	293,095,773
Expenditures:					
Current:					
Instruction	134,456,779	-	-	8,031,695	142,488,474
Supporting services:					
Students	8,925,363	-	-	-	8,925,363
Instructional staff	10,710,531	-	-	-	10,710,531
District administration	2,013,203	-	-	-	2,013,203
School administration	15,361,909	-	-	-	15,361,909
Central	11,564,452	-	-	-	11,564,452
Operation and maintenance of school buildings	22,305,809	-	-	-	22,305,809
Student transportation	7,243,946	-	-	-	7,243,946
Nutrition services	-	-	-	11,712,329	11,712,329
Non K-12 programs	-	-	-	6,746,259	6,746,259
Capital outlay	-	-	124,559,760	-	124,559,760
Debt service:					
Bond principal	-	19,745,300	-	-	19,745,300
Bond interest and fees	-	9,454,647	-	-	9,454,647
Total expenditures	212,581,992	29,199,947	124,559,760	26,490,283	392,831,982
Excess (deficiency) of revenues over (under) expenditures	5,503,379	(5,027,235)	(100,288,363)	76,010	(99,736,209)
Other financing sources (uses):					
General obligation bonds issued	-	-	80,000,000	-	80,000,000
Premiums on bonds issued	-	-	4,325,856	-	4,325,856
Transfer in (out)	(305,918)	5,000,000	(5,000,000)	305,918	-
Total other financing sources (uses)	(305,918)	5,000,000	79,325,856	305,918	84,325,856
Net change in fund balances	5,197,461	(27,235)	(20,962,507)	381,928	(15,410,353)
Fund balances - beginning	69,647,792	3,007,969	84,650,892	8,541,082	165,847,735
Fund balances - ending	\$ 74,845,253	\$ 2,980,734	\$ 63,688,385	\$ 8,923,010	\$ 150,437,382

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, 2013

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

Net change in fund balances-total governmental funds **\$ (15,410,353)**

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	\$ 105,966,275	
Loss on disposal of capital assets	(3,725,806)	
Depreciation expense	<u>(18,226,290)</u>	84,014,179

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.

General obligation bonds issued	(80,000,000)	
Premiums on bonds issued	(4,325,856)	
Repayment of bond principal	19,745,300	
Bond interest expense	(60,392)	
Amortization of deferred charges on refunding	(187,168)	
Amortization of bond premiums	<u>474,908</u>	(64,353,208)

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. (1,791,449)

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.

Net OPEB obligation	136,772	
Net retirement asset	941,580	
Compensated absences obligation	<u>3,620,993</u>	4,699,345

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. (461,330)

Change in net position of governmental activities **\$ 6,697,184**

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, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Property taxes	\$ 74,924,911	\$ 76,719,357	\$ 78,072,752	\$ 1,353,395
Interest earnings	750,000	1,350,000	1,360,881	10,881
Other local revenue	4,995,800	6,282,198	6,886,113	603,915
State of Utah	120,749,220	118,928,774	116,576,679	(2,352,095)
Federal government	13,164,584	15,526,211	15,188,946	(337,265)
Total revenues	214,584,515	218,806,540	218,085,371	(721,169)
Expenditures:				
Current:				
Instruction	137,415,306	140,066,738	134,456,779	5,609,959
Supporting services:				
Students	9,492,082	9,417,660	8,925,363	492,297
Instructional staff	10,699,746	11,337,804	10,710,531	627,273
District administration	2,060,886	2,118,530	2,013,203	105,327
School administration	15,840,440	15,951,702	15,361,909	589,793
Central	11,334,816	11,551,035	11,564,452	(13,417)
Operation and maintenance of school buildings	23,266,055	23,138,614	22,305,809	832,805
Student transportation	7,228,477	7,026,238	7,243,946	(217,708)
Total expenditures	217,337,808	220,608,321	212,581,992	8,026,329
Excess (deficiency) of revenues over (under) expenditures	(2,753,293)	(1,801,781)	5,503,379	7,305,160
Other financing sources (uses):				
Transfer out	(313,007)	(324,767)	(305,918)	18,849
Total other financing sources (uses)	(313,007)	(324,767)	(305,918)	18,849
Net change in fund balances	(3,066,300)	(2,126,548)	5,197,461	7,324,009
Fund balances - beginning	69,647,792	69,647,792	69,647,792	-
Fund balances - ending	\$ 66,581,492	\$ 67,521,244	\$ 74,845,253	\$ 7,324,009

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, 2013

	Governmental Activities - Internal Service Fund <u>Self-Insurance</u>
Assets:	
Current assets:	
Cash and investments	\$ 12,779,079
Accounts receivable, local	<u>46,327</u>
	<u>12,825,406</u>
Liabilities:	
Current liabilities:	
Claims payable	<u>3,996,953</u>
Net position:	
Unrestricted	<u><u>\$ 8,828,453</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, 2013

	Governmental Activities - Internal Service Fund
	<u>Self-Insurance</u>
Operating revenues:	
Insurance premiums	<u>\$ 24,524,328</u>
Operating expenses:	
Medical claims	17,773,604
Prescription claims	5,335,264
Industrial insurance claims	618,464
Administration and other	<u>1,322,379</u>
Total operating expenses	<u>25,049,711</u>
Operating loss	(525,383)
Nonoperating income:	
Interest	<u>64,053</u>
Change in net position	(461,330)
Net position - beginning	<u>9,289,783</u>
Net position - ending	<u><u>\$ 8,828,453</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, 2013

	<u>Governmental Activities - Internal Service Fund</u> <u>Self-Insurance</u>
Cash flows from operating activities:	
Receipts from interfund services provided	\$ 24,478,001
Payments to suppliers	(1,322,379)
Payments for medical fees and insurance claims	<u>(24,061,217)</u>
Net cash used by operating activities	(905,595)
Cash flows from investing activities:	
Interest received	<u>64,053</u>
Net decrease in cash and cash equivalents	(841,542)
Cash and cash equivalents - beginning	<u>13,620,621</u>
Cash and cash equivalents - ending	<u><u>\$ 12,779,079</u></u>
(Displayed on statements of fund net position as Cash and investments)	
 Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (525,383)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Increase in accounts receivable	(46,327)
Decrease in claims payable	<u>(333,885)</u>
Net cash used by operating activities	<u><u>\$ (905,595)</u></u>
 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

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 9150 South 500 West, Sandy, Utah 84170.

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.

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

CANYONS SCHOOL DISTRICT

Notes to the Basic Financial Statements

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 sixty 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 other postemployment benefits and compensated 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.

CANYONS SCHOOL DISTRICT

Notes to the Basic Financial Statements

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, 2013 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, 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.

CANYONS SCHOOL DISTRICT

Notes to the Basic Financial Statements

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 investment 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 fair 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 fair 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
Vehicles	10 years
Equipment	5 years

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.

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/Inflows of Resources – Beginning with 2013, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These Statements provide financial reporting guidance to standardize the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. They also establish accounting standards and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of these new Statements resulted in a restatement of the District's government-wide financial statement of net position beginning balance (see Note 13).

CANYONS SCHOOL DISTRICT

Notes to the Basic Financial Statements

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 one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A 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.

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 District has two items, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The item, *revenue for future year*, is reported in both the statement of net position and the governmental funds balance sheet. This amount accounts for property taxes levied on January 1, 2013 for the 2013-2014 school year.

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 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, debt service, and tort liability).
 - b) Local match for state reading achievement program.
 - c) Remaining fund balances in the Nutrition Services Fund.

CANYONS SCHOOL DISTRICT

Notes to the Basic Financial Statements

- **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 of Education. 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 of Education has approved to commit fund balance amounts to the following purposes:
 - a) Economic stabilization (\$11,200,000). As defined in Utah law as an "undistributed reserve," the District maintains for economic stabilization up to 5% of 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 (\$24,355,857) and for unpaid compensated absences (\$1,124,714).
 - c) Unfulfilled non-construction contractual obligations (\$1,143,730) at June 30, 2013 that are expected to be completed in 2014.
 - d) Resources held by the schools and the Foundation as wells as unspent local revenues set aside for community recreation.
- **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. This intent is expressed by written approval of the District's administration comprised of superintendent, assistant superintendents, and business administrator. 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 \$4,000,000 for a bonus to be paid to employees November 2013 and \$7,000,000 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 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 policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the

CANYONS SCHOOL DISTRICT

Notes to the Basic Financial Statements

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, 2013, as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 9,088,492
Carrying amount of investments	<u>197,893,214</u>
Total cash and investments	<u><u>\$ 206,981,706</u></u>
Governmental funds cash and investments	\$ 194,202,627
Internal service fund cash and investments	<u>12,779,079</u>
Total cash and investments	<u><u>\$ 206,981,706</u></u>

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 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, 2013, the District and the Foundation have the following deposits with financial institutions:

	Carrying Amount	Bank Balance	Amount Insured
Canyons School District	\$ 8,845,765	\$ 6,505,731	\$ 3,675,057
Canyons School District Education Foundation	<u>242,727</u>	<u>242,727</u>	<u>221,037</u>
Total deposits	<u><u>\$ 9,088,492</u></u>	<u><u>\$ 6,748,458</u></u>	<u><u>\$ 3,896,094</u></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, 2013, \$2,852,364 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.

CANYONS SCHOOL DISTRICT

Notes to the Basic Financial Statements

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 (75%), money market mutual funds (5%), top-rated commercial paper (18%), and certificates of deposit (2%). The portfolio has a weighted average maturity of 74 days. The PTIF is not rated. The reported value of the pool is the same as the fair value of the pool shares. The District's fair value of PTIF investments at June 30, 2013 was \$40,880,679.

At June 30, 2013, the District had purchased nineteen investment-grade corporate bonds through a broker at a fair value of \$156,767,328. Each bond is rated A or higher by Moody's Investor Services or by Standard & Poor's. The weighted average to maturity is 17 months, with 53.1% of investments maturing within one year and all investments 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, 2013, the Foundation invested in mutual funds with a fair value of \$245,207. 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 not have a formal investment policy for interest rate risk but manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of 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 not have a formal investment policy for credit risk but manages its exposure to credit risk by complying with 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 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 not have a formal investment policy for concentration of credit risk but manages this risk by complying with 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 not have a formal investment policy for custodial credit risk but manages this risk by complying with the Act and related rules. The

CANYONS SCHOOL DISTRICT
Notes to the Basic Financial Statements

Foundation's investments are held in a brokerage account which is covered by Securities Investor Protection Corporation up to \$500,000.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 is as follows:

	June 30, 2012 Balance	Increases	Decreases	June 30, 2013 Balance
Governmental activities:				
Capital assets, not being depreciated				
Sites	\$ 15,762,871	\$ 10,664,347	\$ -	\$ 26,427,218
Construction in progress	86,504,618	93,046,636	(40,778,055)	138,773,199
Total capital assets, not being depreciated	102,267,489	103,710,983	(40,778,055)	165,200,417
Capital assets, being depreciated:				
Site improvements	40,247,801	7,199,806	(1,888,015)	45,559,592
Buildings	382,239,390	33,578,249	(10,360,024)	405,457,615
Equipment	72,765,263	422,172	(11,244,476)	61,942,959
Vehicles	18,893,360	1,833,120	(1,156,848)	19,569,632
Total capital assets, being depreciated	514,145,814	43,033,347	(24,649,363)	532,529,798
Accumulated depreciation for:				
Site improvements	(12,168,305)	(1,230,840)	822,400	(12,576,745)
Buildings	(186,327,375)	(10,229,053)	7,948,441	(188,607,987)
Equipment	(65,944,589)	(5,276,731)	11,011,891	(60,209,429)
Vehicles	(12,261,980)	(1,489,666)	1,140,825	(12,610,821)
Total accumulated depreciation	(276,702,249)	(18,226,290)	20,923,557	(274,004,982)
Total capital assets, being depreciated, net	237,443,565	24,807,057	(3,725,806)	258,524,816
Governmental activity capital assets, net	\$ 339,711,054	\$ 128,518,040	\$ (44,503,861)	\$ 423,725,233

Depreciation expense for the year ended June 30, 2013 was charged to functions of the District as follows:

Governmental activities:	
Instruction	\$ 12,731,273
Supporting services:	
Students	105,711
Instructional staff	258,566
General district administration	121,651
School administration	261,903
Central	1,375,253
Operation and maintenance of school buildings	1,168,572
Student transportation	1,458,866
Nutrition services	720,297
Non K-12 programs	24,198
Total depreciation expense, governmental activities	\$ 18,226,290

CANYONS SCHOOL DISTRICT
Notes to the Basic Financial Statements

The District is obligated at June 30, 2013 under construction commitments with remaining costs to complete totaling \$53,905,786 that will be financed from the Capital Outlay Fund as follows:

Project	Project Authorized	Costs to Date	Costs to Complete
Corner Canyon High (new school)	\$ 71,000,000	\$ 67,609,804	\$ 3,390,196
Draper Park Middle rebuild	38,000,000	33,687,576	4,312,424
Butler Middle rebuild	32,000,000	28,368,168	3,631,832
Mount Jordan rebuild	40,000,000	133,680	39,866,320
Other projects	14,155,000	11,449,986	2,705,014
Total	<u>\$ 195,155,000</u>	<u>\$ 141,249,214</u>	<u>\$ 53,905,786</u>

4. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2013, is as follows:

	June 30, 2012 Balance	Additions	Reductions	June 30, 2013 Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 183,612,700	\$ 80,000,000	\$ (19,745,300)	\$ 243,867,400	\$ 16,362,100
Deferred amounts for issuance premium	2,969,254	4,325,856	(474,908)	6,820,202	-
Total bonds payable, net	<u>186,581,954</u>	<u>84,325,856</u>	<u>(20,220,208)</u>	<u>250,687,602</u>	<u>16,362,100</u>
Compensated absences	1,153,668 *	1,848,401	(1,877,355)	1,124,714	374,530
Claims payable	4,330,838	25,049,711	(25,383,596)	3,996,953	3,996,953
Net OPEB obligation	<u>320,068</u>	<u>233,414</u>	<u>(370,186)</u>	<u>183,296</u>	<u>-</u>
Total governmental activity long-term liabilities	<u>\$ 192,386,528</u>	<u>\$ 111,457,382</u>	<u>\$ (47,851,345)</u>	<u>\$ 255,992,565</u>	<u>\$ 20,733,583</u>

* Adjusted by \$3,592,039 to reclassify portion as retiree benefit and recorded with District retirement plan.

CANYONS SCHOOL DISTRICT

Notes to the Basic Financial Statements

General Obligation Bonds Payable – Bonds payable at June 30, 2013 are comprised of the following general obligation issues and are serviced by property tax revenues received by the Debt Service Fund and resources in the Capital Outlay Fund:

Series	Purpose	Original Amount	Remaining Interest Rate Range	Final Maturity Date	Current Outstanding Balance
Canyons School District Portion of Former Jordan School District Bonded Debt *					
2001	School building	\$ 10,000,000	4.40% to 4.55%	June 15, 2016	\$ 1,458,700
2002	Bond refunding	39,540,000	4.00%	June 15, 2015	2,204,000
2003	School building and bond refunding	20,200,000	3.50% to 4.00%	June 15, 2017	1,969,100
2003A	School building	20,000,000	3.80% to 4.20%	June 15, 2018	4,596,500
2004	School building	15,000,000	3.50% to 4.00%	June 15, 2019	4,007,800
2005	School building	25,000,000	4.00% to 4.13%	June 15, 2020	8,320,100
2006	School building	15,000,000	4.00% to 4.13%	June 15, 2021	5,228,700
2007	School building	196,000,000	4.00% to 5.00%	June 15, 2022	<u>75,182,500</u>
Total former Jordan School District general obligation bonds payable as of June 30, 2013					102,967,400
Canyons School District Bonded Debt					
2011	School building	68,000,000	2.50% to 4.50%	June 15, 2031	63,425,000
2012	School building	80,000,000	1.50% to 4.00%	June 15, 2032	<u>77,475,000</u>
Total general obligation bonds payable as of June 30, 2013					<u>\$ 243,867,400</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 represent 58% of the outstanding balances on the bonds.

The bonds issued by the former Jordan School District received an underlying rating of “AAA” by Fitch Ratings and “Aaa” by Moody’s Investors Service based on the guaranty provided by the Utah School Bond Guaranty Program. The bonds issued by the District received an underlying rating of “AAA” by Fitch Ratings and “Aaa” by Moody’s Investor Service. Debt service requirements to maturity, including interest for the general obligation bonds payable, are summarized as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 16,362,100	\$ 9,358,526	\$ 25,720,626
2015	16,138,900	8,748,140	24,887,040
2016	15,980,000	8,190,837	24,170,837
2017	16,094,800	7,609,620	23,704,420
2018	16,272,500	7,006,581	23,279,081
2019-2023	70,229,100	25,636,489	95,865,589
2024-2028	50,245,000	13,762,840	64,007,840
2029-2032	<u>42,545,000</u>	<u>3,617,902</u>	<u>46,162,902</u>
Total	<u>\$ 243,867,400</u>	<u>\$ 83,930,935</u>	<u>\$ 327,798,335</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, 2013, \$148.0 million of the bonds have been

CANYONS SCHOOL DISTRICT

Notes to the Basic Financial Statements

issued under this authorization. In October 2013, an additional \$60.0 million of bonds were issued; see Note 12. The remaining amount will be issued in future years.

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.

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 \$3,996,953 at June 30, 2013. 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, 2013 and 2012.

	2013	2012
Accrued claims payable (beginning of year)	\$ 4,330,838	\$ 3,388,170
Claims (including incurred but not reported)	25,049,711	25,517,669
Payments of claims	<u>(25,383,596)</u>	<u>(24,575,001)</u>
Accrued claims payable (end of year)	<u>\$ 3,996,953</u>	<u>\$ 4,330,838</u>

5. PROPERTY TAXES

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

CANYONS SCHOOL DISTRICT

Notes to the Basic Financial Statements

to other school districts within Salt Lake County; the District records property tax revenue from this levy in the Capital Outlay Fund.

6. STATE RETIREMENT PLANS

Defined Benefit Plans – The District contributes to State and School Division cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (the URS) and Plans (the System).

The System provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

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

The contribution requirements of the System are authorized by state statute and specified by the Utah State Retirement Board. The District's required contribution rates (actuarially determined) for the fiscal year ended June 30, 2013 range from 6.6% to 19.3% of covered salaries.

For the fiscal years ended June 30, 2013, 2012, and 2011, the District contributed \$22,081,590, \$19,547,958, and \$18,462,265, respectively. Contributions were equal to the required contributions for each year.

Defined Contribution Plans – The District participates in a deferred compensation plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the System. During the fiscal year ended June 30, 2013, District contributions for participating employees ranged from 1.5% to 10.0% of covered salaries based on the plan within the System.

Employees can make additional contributions up to specified limits. For the fiscal years ended June 30, 2013, 2012, and 2011, the District contributed \$2,395,155, \$2,357,071, and \$2,383,168, respectively, and employees contributed \$3,236,485, \$2,635,182, and \$2,847,833, respectively. The 401(k) plan funds are fully vested to participants at the time of deposit. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. Plan assets are administered and held by the URS and the URS has the authority to establish or amend contribution requirements and other plan provisions.

The District also offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to all full-time employees, permits employees to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan totaled \$369,063, \$240,547 and \$269,268 for the fiscal years ended June 30, 2013, 2012, and 2011, respectively. The assets of the plan are administered and held by the URS and the URS has the authority to establish or amend contribution requirements and other plan provisions.

IRA Plans – In addition to the defined contribution and deferred compensation plans, the District offers its employees tax-advantaged savings plans authorized by Internal Revenue Service Code Section 408 (Traditional and Roth IRA Plans). Employees are eligible to participate from the date of employment and

CANYONS SCHOOL DISTRICT

Notes to the Basic Financial Statements

are vested immediately upon participation. For the fiscal years ended June 30, 2013, 2012, and 2011, employee contributions were \$62,458, \$60,672, and \$30,576, respectively. The assets of the plans are administered and held by the URS and the URS has the authority to establish or amend contribution requirements and other plan provisions.

7. 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 will continue under the District, effective July 1, 2010, when the District assumed the obligation to provide these benefits for eligible employees and retirees.

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 27 in the month of June 2013.

Annual OPEB Cost and Net OPEB Obligation (Retirement Asset) – The District’s annual 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 OPEB cost for the year, the amount actually contributed to the plans, and changes in the District’s net OPEB obligation (retirement asset).

	<u>Cash Stipends</u>	<u>Health-Care</u>
Annual required contribution (ARC)	\$ 1,590,556	\$ 239,080
Interest on net OPEB obligation (retirement asset)	(186,286)	12,803
Adjustment to ARC	<u>268,739</u>	<u>(18,469)</u>
Annual retirement/OPEB cost	1,673,009	233,414
Contributions made	<u>(2,614,589)</u>	<u>(370,186)</u>
Change in net OPEB obligation (retirement asset)	(941,580)	(136,772)
Net OPEB obligation (retirement asset) - beginning of year	<u>(4,657,138)</u>	<u>320,068</u>
Net OPEB obligation (retirement asset) - end of year	<u><u>\$ (5,598,718)</u></u>	<u><u>\$ 183,296</u></u>

The District annual OPEB cost, the percentage of annual OPEB cost contributed to the plans and the net OPEB obligation (retirement asset) for the fiscal years ended June 30, 2013, 2012, and 2011 are based on the September 1, 2012 and 2010 actuarial studies, are summarized below.

CANYONS SCHOOL DISTRICT

Notes to the Basic Financial Statements

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
2013	\$ 1,673,009	\$ 233,414	156.3%	158.6%	\$ (5,598,718)	\$ 183,296
2012	1,091,854	260,896	221.2%	57.9%	(4,657,138)	320,068
2011	1,116,409	256,952	398.6%	18.2%	(3,333,946)	210,196

Funded Status – As of September 1, 2012, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for the cash stipends was \$20,740,297 and for the health-care benefits was \$2,455,757 which is also the unfunded actuarial accrued liability (UAAL). The District has committed \$24,355,857, 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, 2013, based on the September 1, 2012 actuarial study, is summarized below.

	Cash Stipends	Health-Care
Actuarial accrued liability (AAL)	\$ 20,740,297	\$ 2,455,757
Actuarial value of plan assets	-	-
Unfunded actuarial accrued liability (UAAL)	\$ 20,740,297	\$ 2,455,757
Funded ratio (actuarial value of plan assets/AAL)	0.0%	0.0%
Covered payroll	95,398,639	118,968,560
UAAL as a percentage of covered payroll	21.7%	2.1%

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, 2012 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 7.9% for fiscal year 2012-13, 7.0% for fiscal year 2013-14, 6.2% for fiscal year 2014-15 at which point it gradually grades down to a 4.6% increase for fiscal year 2081-82 and beyond with inflation at 2.8%. 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.

CANYONS SCHOOL DISTRICT
Notes to the Basic Financial Statements

8. 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.

9. 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.

10. TRANSFERS

During the year ended June 30, 2013, the District transferred \$305,918 from the General Fund to the Canyons School District Education Foundation Special Revenue Fund to cover the administration expenditures of the Foundation. The District also transferred \$5.0 million from the Capital Outlay Fund to the Debt Service Fund to cover the principal and interest payments for the general obligation bonds.

11. LITIGATION

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.

12. SUBSEQUENT EVENT

Subsequent to the date of these financial statements, the Canyons School District issued \$60.0 million in general obligation school building bonds from the \$250.0 million approved by the voters in June 2010; see Note 4. These bonds bear an interest rate of 3.0% and have a 20-year life and are backed by the Utah School Bond Guaranty Program. The bond proceeds from this issue will be used to finance the construction and improvement of new and existing school buildings and will be repaid from future tax revenues in the Debt Service Fund.

CANYONS SCHOOL DISTRICT
Notes to the Basic Financial Statements

13. RESTATEMENT

The beginning net position in the government-wide statement of net position for governmental activities has been restated to reflect the effects of implementing GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities* (see Note 1) as follows:

	Government-wide Financial Statements - Governmental Activities
Net position, as originally stated - June 30, 2012	\$ 334,384,336
Restate bond issuance costs as expense when occurred per GASB Statements Nos. 63 and 65	<u>(1,111,538)</u>
Net position, as restated - June 30, 2012	<u><u>\$ 333,272,798</u></u>

CANYONS SCHOOL DISTRICT
Required Supplementary Information
June 30, 2013

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]
9/1/2012	\$ -	\$ 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]
9/1/2012	\$ -	\$ 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, 2014.

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 7 to the basic financial statements). These allocations have been committed for employee benefit obligations.

Combining and Individual Fund Financial Statements and Schedules

Major Governmental Funds

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, 2013 and 2012

	2013	2012
Assets:		
Cash and investments	\$ 106,379,873	\$ 99,780,860
Accounts receivable:		
Property taxes	71,290,794	70,981,853
Other local	358,618	139,638
State of Utah	95,903	100,806
Federal government	2,912,625	4,348,914
Inventories	1,139,299	1,621,452
Prepaid items	-	400,000
Total assets	<u>\$ 182,177,112</u>	<u>\$ 177,373,523</u>
Liabilities, deferred inflows of resources, and fund balances:		
Liabilities:		
Accounts and contracts payable	\$ 3,233,857	\$ 3,371,459
Accrued payroll and related benefits	21,211,581	19,721,635
Unearned revenue:		
State of Utah	9,199,758	10,844,314
Federal government	2,253,302	2,763,187
Total liabilities	<u>35,898,498</u>	<u>36,700,595</u>
Deferred inflows of resources:		
Unavailable property tax revenue	1,911,270	68,076,754
Property taxes levied for future year	69,522,091	2,948,382
Total deferred inflows of resources	<u>71,433,361</u>	<u>71,025,136</u>
Fund balances:		
Nonspendable:		
Inventories and prepaid items	1,139,299	2,021,452
Restricted for:		
Reading achievement	1,048,688	1,074,908
Student transportation	-	1,912,468
Tort liability	141,687	826,298
Committed to:		
Economic stabilization	11,200,000	10,100,000
Employee benefit obligations	25,480,571	25,142,438
Contractual obligations	1,143,730	652,481
Assigned to:		
Schools and programs	4,440,756	3,965,251
Self insurance	7,000,000	5,000,000
Employees	4,000,000	-
Unassigned	19,250,522	18,952,496
Total fund balances	<u>74,845,253</u>	<u>69,647,792</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 182,177,112</u>	<u>\$ 177,373,523</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, 2013 with Comparative Totals for 2012

	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 76,719,357	\$ 78,072,752	\$ 1,353,395	\$ 74,710,870
Interest earnings	1,350,000	1,360,881	10,881	826,496
Other local	6,282,198	6,886,113	603,915	5,589,296
State of Utah	118,928,774	116,576,679	(2,352,095)	115,282,496
Federal government	15,526,211	15,188,946	(337,265)	13,469,238
Total revenues	218,806,540	218,085,371	(721,169)	209,878,396
Expenditures:				
Current:				
Salaries	129,845,588	129,765,375	80,213	126,997,385
Employee benefits	54,154,256	51,233,256	2,921,000	47,165,635
Purchased professional services	4,557,105	3,870,995	686,110	3,531,476
Purchased property services	2,451,552	2,279,074	172,478	2,169,537
Other purchased services	4,360,614	4,183,141	177,473	3,532,377
Supplies	21,750,345	18,500,264	3,250,081	18,914,677
Property	3,157,511	2,517,317	640,194	1,858,196
Other	331,350	232,570	98,780	222,051
Total expenditures	220,608,321	212,581,992	8,026,329	204,391,334
Excess (deficiency) of revenues over (under) expenditures	(1,801,781)	5,503,379	7,305,160	5,487,062
Other financing sources (uses):				
Transfer out	(324,767)	(305,918)	18,849	(255,112)
Total other financing sources (uses)	(324,767)	(305,918)	18,849	(255,112)
Net change in fund balances	(2,126,548)	5,197,461	7,324,009	5,231,950
Fund balances - beginning	69,647,792	69,647,792	-	64,415,842
Fund balances - ending	\$ 67,521,244	\$ 74,845,253	\$ 7,324,009	\$ 69,647,792

CANYONS SCHOOL DISTRICT
Comparative Balance Sheets
Debt Service Fund
A Major Governmental Fund
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Cash and investments	\$ 3,082,285	\$ 3,106,411
Accounts receivable:		
Property taxes	<u>22,537,426</u>	<u>22,689,809</u>
Total assets	<u><u>\$ 25,619,711</u></u>	<u><u>\$ 25,796,220</u></u>
 Deferred inflows of resources and fund balances:		
Deferred inflows of resources:		
Unavailable property tax revenue	\$ 838,450	\$ 21,483,674
Property taxes levied for future year	<u>21,800,527</u>	<u>1,304,577</u>
Total deferred inflows of resources	22,638,977	22,788,251
 Fund balances:		
Restricted for:		
Debt service	<u>2,980,734</u>	<u>3,007,969</u>
Total deferred inflows of resources and fund balances	<u><u>\$ 25,619,711</u></u>	<u><u>\$ 25,796,220</u></u>

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, 2013 with Comparative Totals for 2012

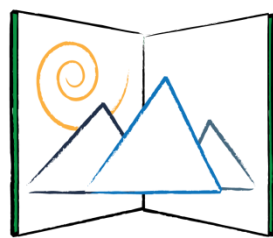
	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 24,070,040	\$ 24,123,166	\$ 53,126	\$ 24,844,151
Interest earnings	50,000	49,546	(454)	104,305
Total revenues	24,120,040	24,172,712	52,672	24,948,456
Expenditures:				
Debt service:				
Bond principal	19,745,300	19,745,300	-	19,544,700
Bond interest	9,450,613	9,450,613	-	8,701,803
Paying agent fees and other	9,300	4,034	5,266	1,085,808
Total expenditures	29,205,213	29,199,947	5,266	29,332,311
Excess (deficiency) of revenues over (under) expenditures	(5,085,173)	(5,027,235)	57,938	(4,383,855)
Other financing sources (uses):				
Transfer in	5,000,000	5,000,000	-	5,000,000
Total other financing sources (uses)	5,000,000	5,000,000	-	5,000,000
Net change in fund balances	(85,173)	(27,235)	57,938	616,145
Fund balances - beginning	3,007,969	3,007,969	-	2,391,824
Fund balances - ending	<u>\$ 2,922,796</u>	<u>\$ 2,980,734</u>	<u>\$ 57,938</u>	<u>\$ 3,007,969</u>

CANYONS SCHOOL DISTRICT
Comparative Balance Sheets
Capital Outlay Fund
A Major Governmental Fund
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Cash and investments	\$ 75,812,512	\$ 99,705,458
Accounts receivable:		
Property taxes	21,341,100	20,765,189
Other local	21,101	114
State of Utah	199,766	-
Total assets	<u>\$ 97,374,479</u>	<u>\$ 120,470,761</u>
Liabilities, deferred inflows of resources, and fund balances:		
Liabilities:		
Accounts and contracts payable	\$ 12,378,510	\$ 15,111,290
Deferred inflows of resources:		
Unavailable property tax revenue	588,970	19,844,110
Property taxes levied for future year	20,718,614	864,469
Total deferred inflows of resources	21,307,584	20,708,579
Fund balances:		
Restricted for:		
Debt service	20,500,000	25,000,000
Capital outlay	43,188,385	59,650,892
Total fund balances	63,688,385	84,650,892
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 97,374,479</u>	<u>\$ 120,470,761</u>

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, 2013 with Comparative Totals for 2012

	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 21,835,651	\$ 22,423,519	\$ 587,868	\$ 20,675,928
Interest earnings	1,430,000	1,389,478	(40,522)	1,917,847
Other local	-	222,713	222,713	25,741
Total local sources	23,265,651	24,035,710	770,059	22,619,516
State sources:				
State energy grant	35,921	235,687	199,766	415,632
Total revenues	23,301,572	24,271,397	969,825	23,035,148
Expenditures:				
Capital outlay:				
Sites and improvements	16,291,388	15,444,533	846,855	3,574,790
Buildings and improvements	95,785,174	94,616,973	1,168,201	81,189,806
Equipment and vehicles	11,644,634	10,257,931	1,386,703	6,998,050
Other capital outlay	5,135,445	4,240,323	895,122	5,250,325
Total expenditures	128,856,641	124,559,760	4,296,881	97,012,971
Excess (deficiency) of revenues over (under) expenditures	(105,555,069)	(100,288,363)	5,266,706	(73,977,823)
Other financing sources (uses):				
General obligation bonds issued	80,000,000	80,000,000	-	-
Premiums on bonds issued	4,325,856	4,325,856	-	-
Transfer out	(5,000,000)	(5,000,000)	-	(5,000,000)
Total other financing sources (uses)	79,325,856	79,325,856	-	(5,000,000)
Net change in fund balances	(26,229,213)	(20,962,507)	5,266,706	(78,977,823)
Fund balances - beginning	84,650,892	84,650,892	-	163,628,715
Fund balances - ending	<u>\$ 58,421,679</u>	<u>\$ 63,688,385</u>	<u>\$ 5,266,706</u>	<u>\$ 84,650,892</u>



CANYONS
School District

*"Celebrating the Highest
Standards of Educational Excellence"*

Nonmajor Governmental Funds

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.

Non K-12 Programs Fund - The purpose of this fund is to account for the costs of programs that are not part of the basic educational program of kindergarten through twelfth grade. Included in this fund are preschool, adult education, community education, and others. Costs associated with providing recreational programs within the District are also included in this fund.

Canyons School District Education Foundation Fund - The purpose of this fund is to 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, 2013

	Special Revenue				Total Nonmajor Governmental Funds
	Nutrition Services	Student Activities	Non K-12 Programs	Education Foundation	
Assets:					
Cash and investments	\$ 2,074,134	\$ 5,544,448	\$ 821,441	\$ 487,934	\$ 8,927,957
Accounts receivable:					
Property taxes	-	-	937,817	-	937,817
Other local	270	-	340	1,500	2,110
State of Utah	839,955	-	175,351	-	1,015,306
Federal government	134,791	-	708,184	-	842,975
Inventories	345,310	-	-	-	345,310
Total assets	<u>\$ 3,394,460</u>	<u>\$ 5,544,448</u>	<u>\$ 2,643,133</u>	<u>\$ 489,434</u>	<u>\$ 12,071,475</u>
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Accounts and contracts payable	\$ 29,728	\$ 1,032,200	\$ 14,452	\$ 7,792	\$ 1,084,172
Accrued payroll and related benefits	189,825	-	344,586	-	534,411
Unearned revenue:					
Local	224,688	193,541	-	-	418,229
State of Utah	-	-	171,436	-	171,436
Total liabilities	<u>444,241</u>	<u>1,225,741</u>	<u>530,474</u>	<u>7,792</u>	<u>2,208,248</u>
Deferred inflows of resources:					
Unavailable property tax revenue	-	-	26,291	-	26,291
Property taxes levied for future year	-	-	913,926	-	913,926
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>940,217</u>	<u>-</u>	<u>940,217</u>
Fund balances:					
Nonspendable:					
Inventories	345,310	-	-	-	345,310
Restricted for:					
Nutrition services	2,604,909	-	-	-	2,604,909
Committed to:					
Schools	-	4,318,707	-	-	4,318,707
Community recreation	-	-	1,172,442	-	1,172,442
Foundation	-	-	-	481,642	481,642
Total fund balances	<u>2,950,219</u>	<u>4,318,707</u>	<u>1,172,442</u>	<u>481,642</u>	<u>8,923,010</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,394,460</u>	<u>\$ 5,544,448</u>	<u>\$ 2,643,133</u>	<u>\$ 489,434</u>	<u>\$ 12,071,475</u>

CANYONS SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2013

	Special Revenue				Total Nonmajor Governmental Funds
	Nutrition Services	Student Activities	Non K-12 Programs	Education Foundation	
Revenues:					
Property taxes	\$ -	\$ -	\$ 1,032,749	\$ -	\$ 1,032,749
Tuitions, fees, and admissions	-	2,485,541	357,137	-	2,842,678
Lunch sales	4,092,731	-	-	-	4,092,731
Interest earnings	77,739	30,098	36,054	26,089	169,980
Other local sources	69,036	5,128,396	-	393,175	5,590,607
State of Utah	1,913,309	-	4,180,648	-	6,093,957
Federal government	5,739,366	-	1,004,225	-	6,743,591
Total revenues	<u>11,892,181</u>	<u>7,644,035</u>	<u>6,610,813</u>	<u>419,264</u>	<u>26,566,293</u>
Expenditures:					
Current:					
Instruction	-	7,396,606	-	635,089	8,031,695
Nutrition services	11,712,329	-	-	-	11,712,329
Non K-12 programs	-	-	6,746,259	-	6,746,259
Total expenditures	<u>11,712,329</u>	<u>7,396,606</u>	<u>6,746,259</u>	<u>635,089</u>	<u>26,490,283</u>
Excess (deficiency) of revenues over (under) expenditures	179,852	247,429	(135,446)	(215,825)	76,010
Other financing sources:					
Transfer in	-	-	-	305,918	305,918
Net change in fund balances	179,852	247,429	(135,446)	90,093	381,928
Fund balances - beginning	<u>2,770,367</u>	<u>4,071,278</u>	<u>1,307,888</u>	<u>391,549</u>	<u>8,541,082</u>
Fund balances - ending	<u>\$ 2,950,219</u>	<u>\$ 4,318,707</u>	<u>\$ 1,172,442</u>	<u>\$ 481,642</u>	<u>\$ 8,923,010</u>

CANYONS SCHOOL DISTRICT
Comparative Balance Sheets
Nutrition Services Fund
A Nonmajor Special Revenue Fund
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Cash and investments	\$ 2,074,134	\$ 2,119,106
Accounts receivable:		
Other local	270	378
State of Utah	839,955	683,379
Federal government	134,791	128,453
Inventories	345,310	278,443
Total assets	<u>\$ 3,394,460</u>	<u>\$ 3,209,759</u>
Liabilities and fund balances:		
Liabilities:		
Accounts and contracts payable	\$ 29,728	\$ 16,185
Accrued payroll and related benefits	189,825	213,085
Unearned revenue, local	224,688	210,122
Total liabilities	<u>444,241</u>	<u>439,392</u>
Fund balances:		
Nonspendable:		
Inventories	345,310	278,443
Restricted for:		
Nutrition services	2,604,909	2,491,924
Total fund balances	<u>2,950,219</u>	<u>2,770,367</u>
Total liabilities and fund balances	<u>\$ 3,394,460</u>	<u>\$ 3,209,759</u>

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, 2013 with Comparative Totals for 2012

	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Lunch sales - students	\$ 4,500,963	\$ 3,950,451	\$ (550,512)	\$ 4,427,392
Lunch sales - adult	155,315	142,280	(13,035)	152,389
Interest earnings	75,000	77,739	2,739	61,036
Other	50,000	69,036	19,036	55,959
Total local sources	<u>4,781,278</u>	<u>4,239,506</u>	<u>(541,772)</u>	<u>4,696,776</u>
State sources:				
State lunch program	<u>1,750,000</u>	<u>1,913,309</u>	<u>163,309</u>	<u>1,814,595</u>
Federal sources:				
Lunch program	856,300	967,611	111,311	867,979
Free and reduced meals reimbursement	3,250,000	3,272,001	22,001	3,297,519
Breakfast program	462,300	511,849	49,549	528,525
Other food programs	135,350	144,665	9,315	165,367
Commodity program	<u>890,000</u>	<u>843,240</u>	<u>(46,760)</u>	<u>891,633</u>
Total federal sources	<u>5,593,950</u>	<u>5,739,366</u>	<u>145,416</u>	<u>5,751,023</u>
Total revenues	<u>12,125,228</u>	<u>11,892,181</u>	<u>(233,047)</u>	<u>12,262,394</u>
Expenditures:				
Current:				
Salaries	4,229,895	4,087,418	142,477	4,235,711
Employee benefits	1,530,094	1,495,979	34,115	1,479,533
Purchased services	100,200	82,057	18,143	72,680
Supplies	263,088	187,094	75,994	155,497
Food	5,744,300	4,945,127	799,173	4,958,815
Property	139,674	113,440	26,234	80,818
Other	<u>837,000</u>	<u>801,214</u>	<u>35,786</u>	<u>899,834</u>
Total expenditures	<u>12,844,251</u>	<u>11,712,329</u>	<u>1,131,922</u>	<u>11,882,888</u>
Net change in fund balances	(719,023)	179,852	898,875	379,506
Fund balances - beginning	<u>2,770,367</u>	<u>2,770,367</u>	<u>-</u>	<u>2,390,861</u>
Fund balances - ending	<u>\$ 2,051,344</u>	<u>\$ 2,950,219</u>	<u>\$ 898,875</u>	<u>\$ 2,770,367</u>

CANYONS SCHOOL DISTRICT
Comparative Balance Sheets
Student Activities Fund
A Nonmajor Special Revenue Fund
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Cash and investments	\$ 5,544,448	\$ 4,833,170
	<u>5,544,448</u>	<u>4,833,170</u>
Liabilities and fund balances:		
Liabilities:		
Accounts and contracts payable	\$ 1,032,200	\$ 647,067
Unearned revenue, local	193,541	114,825
	<u>1,225,741</u>	<u>761,892</u>
Total liabilities		
Fund balances:		
Committed to:		
Schools	4,318,707	4,071,278
	<u>4,318,707</u>	<u>4,071,278</u>
Total liabilities and fund balances	\$ 5,544,448	\$ 4,833,170
	<u>5,544,448</u>	<u>4,833,170</u>

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, 2013 with Comparative Totals for 2012

	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Student fees	\$ 2,646,470	\$ 2,485,541	\$ (160,929)	\$ 2,384,207
Vending commissions	120,615	135,947	15,332	114,871
Fundraisers and donations	5,302,572	4,992,449	(310,123)	4,734,439
Interest earnings	30,000	30,098	98	23,383
Total revenues	<u>8,099,657</u>	<u>7,644,035</u>	<u>(455,622)</u>	<u>7,256,900</u>
Expenditures:				
Current:				
Purchased services	3,454,575	3,846,479	(391,904)	3,084,442
Supplies and materials	4,156,763	3,026,120	1,130,643	3,744,832
Property and equipment	334,036	251,063	82,973	202,754
Other	<u>235,330</u>	<u>272,944</u>	<u>(37,614)</u>	<u>213,936</u>
Total expenditures	<u>8,180,704</u>	<u>7,396,606</u>	<u>784,098</u>	<u>7,245,964</u>
Net change in fund balances	(81,047)	247,429	328,476	10,936
Fund balances - beginning	<u>4,071,278</u>	<u>4,071,278</u>	<u>-</u>	<u>4,060,342</u>
Fund balances - ending	<u><u>\$ 3,990,231</u></u>	<u><u>\$ 4,318,707</u></u>	<u><u>\$ 328,476</u></u>	<u><u>\$ 4,071,278</u></u>

CANYONS SCHOOL DISTRICT
Comparative Balance Sheets
Non K-12 Programs Fund
A Nonmajor Special Revenue Fund
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Cash and investments	\$ 821,441	\$ 1,212,719
Accounts receivable:		
Property taxes	937,817	947,925
Other local	340	113
State of Utah	175,351	203,235
Federal government	708,184	468,318
Total assets	<u>\$ 2,643,133</u>	<u>\$ 2,832,310</u>
Liabilities, deferred inflows of resources, and fund balances:		
Liabilities:		
Accounts and contracts payable	\$ 14,452	\$ 58,610
Accrued payroll and related benefits	344,586	304,292
Unearned revenue:		
State of Utah	171,436	229,819
Total liabilities	<u>530,474</u>	<u>592,721</u>
Deferred inflows of resources:		
Unavailable property tax revenue	26,291	892,699
Property taxes levied for future year	913,926	39,002
Total deferred inflows of resources	<u>940,217</u>	<u>931,701</u>
Fund balances:		
Restricted for:		
Community recreation	-	1,307,888
Committed to:		
Community recreation	1,172,442	-
Total fund balances	<u>1,172,442</u>	<u>1,307,888</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,643,133</u>	<u>\$ 2,832,310</u>

CANYONS SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Non K-12 Programs Fund
A Nonmajor Special Revenue Fund
Fiscal Year Ended June 30, 2013 with Comparative Totals for 2012

	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 1,014,846	\$ 1,032,749	\$ 17,903	\$ 2,397,140
Tuitions, sales, and other	401,500	357,137	(44,363)	410,402
Interest earnings	16,000	36,054	20,054	27,742
Total local sources	1,432,346	1,425,940	(6,406)	2,835,284
State sources:				
Special education - preschool and corrections	1,504,420	1,442,028	(62,392)	1,436,360
Adult and corrections education	2,528,600	2,495,956	(32,644)	2,604,397
Other	386,991	242,664	(144,327)	277,904
Total state sources	4,420,011	4,180,648	(239,363)	4,318,661
Federal sources:				
Special education - preschool and regular	781,891	582,754	(199,137)	543,335
Adult education	108,657	108,657	-	119,334
No child left behind	268,367	312,814	44,447	148,067
Total federal sources	1,158,915	1,004,225	(154,690)	810,736
Total revenues	7,011,272	6,610,813	(400,459)	7,964,681
Expenditures:				
Current:				
Salaries	4,427,776	4,334,485	93,291	4,222,182
Employee benefits	1,634,107	1,435,844	198,263	1,320,481
Purchased services	570,400	484,655	85,745	536,645
Supplies and materials	273,481	145,888	127,593	282,943
Property	50,000	13,955	36,045	70,452
Other	365,515	331,432	34,083	385,101
Total expenditures	7,321,279	6,746,259	575,020	6,817,804
Net change in fund balances	(310,007)	(135,446)	174,561	1,146,877
Fund balances - beginning	1,307,888	1,307,888	-	161,011
Fund balances - ending	<u>\$ 997,881</u>	<u>\$ 1,172,442</u>	<u>\$ 174,561</u>	<u>\$ 1,307,888</u>

CANYONS SCHOOL DISTRICT
Comparative Balance Sheets
Canyons School District Education Foundation Fund
A Nonmajor Special Revenue Fund
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Cash and investments	\$ 487,934	\$ 390,894
Accounts receivable, other local	<u>1,500</u>	<u>8,570</u>
Total assets	<u><u>\$ 489,434</u></u>	<u><u>\$ 399,464</u></u>
 Liabilities and fund balances:		
Liabilities:		
Accounts and contracts payable	<u>\$ 7,792</u>	<u>\$ 7,915</u>
 Fund balances:		
Committed to:		
Foundation	<u>481,642</u>	<u>391,549</u>
Total liabilities and fund balances	<u><u>\$ 489,434</u></u>	<u><u>\$ 399,464</u></u>

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, 2013 with Comparative Totals for 2012

	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Contributions	\$ 380,000	\$ 393,175	\$ 13,175	\$ 282,352
Interest earnings	13,000	26,089	13,089	689
Total revenues	<u>393,000</u>	<u>419,264</u>	<u>26,264</u>	<u>283,041</u>
Expenditures:				
Current:				
Salaries	215,932	215,757	175	188,912
Employee benefits	75,085	72,508	2,577	63,270
Purchased services	11,050	13,351	(2,301)	14,137
Supplies donated to schools	<u>389,700</u>	<u>333,473</u>	<u>56,227</u>	<u>244,465</u>
Total expenditures	<u>691,767</u>	<u>635,089</u>	<u>56,678</u>	<u>510,784</u>
Excess (deficiency) of revenues over (under) expenditures	(298,767)	(215,825)	82,942	(227,743)
Other financing sources:				
Transfer in	<u>324,767</u>	<u>305,918</u>	<u>(18,849)</u>	<u>255,112</u>
Net change in fund balance	26,000	90,093	64,093	27,369
Fund balances - beginning	<u>391,549</u>	<u>391,549</u>	<u>-</u>	<u>364,180</u>
Fund balances - ending	<u><u>\$ 417,549</u></u>	<u><u>\$ 481,642</u></u>	<u><u>\$ 64,093</u></u>	<u><u>\$ 391,549</u></u>

Proprietary Fund

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, 2013 and 2012

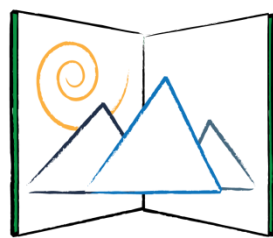
	<u>2013</u>	<u>2012</u>
Assets:		
Current assets:		
Cash and investments	\$ 12,779,079	\$ 13,620,621
Accounts receivable, local	46,327	-
Total assets	<u>12,825,406</u>	<u>13,620,621</u>
 Liabilities:		
Current liabilities:		
Claims payable	<u>3,996,953</u>	<u>4,330,838</u>
 Net position:		
Unrestricted	<u>\$ 8,828,453</u>	<u>\$ 9,289,783</u>

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, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Insurance premiums	\$ 24,524,328	\$ 23,565,777
Operating expenses:		
Medical claims	17,773,604	17,249,124
Prescription claims	5,335,264	5,098,815
Industrial insurance claims	618,464	562,937
Administration and other	1,322,379	384,806
Total operating expenses	25,049,711	23,295,682
Operating income (loss)	(525,383)	270,095
Nonoperating income:		
Interest	64,053	65,915
Change in net position	(461,330)	336,010
Net position - beginning	9,289,783	8,953,773
Net position - ending	<u>\$ 8,828,453</u>	<u>\$ 9,289,783</u>

CANYONS SCHOOL DISTRICT
Comparative Statements of Fund Cash Flows
Self-Insurance Fund
An Internal Service Fund
Fiscal Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Receipts from interfund services provided	\$ 24,478,001	\$ 23,565,777
Payments to suppliers	(1,322,379)	(384,806)
Payments for medical fees and insurance claims	<u>(24,061,217)</u>	<u>(21,968,208)</u>
Net cash provided (used) by operating activities	(905,595)	1,212,763
Cash flows from investing activities:		
Interest received	<u>64,053</u>	<u>65,915</u>
Net increase (decrease) in cash and cash equivalents	(841,542)	1,278,678
Cash and cash equivalents - beginning	<u>13,620,621</u>	<u>12,341,943</u>
Cash and cash equivalents - ending	<u><u>\$ 12,779,079</u></u>	<u><u>\$ 13,620,621</u></u>
(Displayed on statements of fund net position as Cash and investments)		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (525,383)	\$ 270,095
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Increase in accounts receivable	(46,327)	-
Increase (decrease) in claims payable	<u>(333,885)</u>	<u>942,668</u>
Net cash provided (used) by operating activities	<u><u>\$ (905,595)</u></u>	<u><u>\$ 1,212,763</u></u>
Noncash investing, capital, and financing activities:	none	none



CANYONS
School District

*"Celebrating the Highest
Standards of Educational Excellence"*

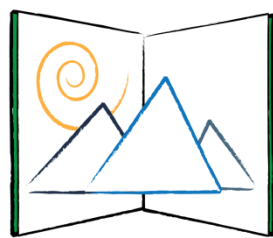
CANYONS SCHOOL DISTRICT
Statistical Section
Table of Contents

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.

Contents	Pages
Financial Trends.....	79-85
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity.....	86-90
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity.....	91-96
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information.....	97-98
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information.....	99-109
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.	

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 four 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.



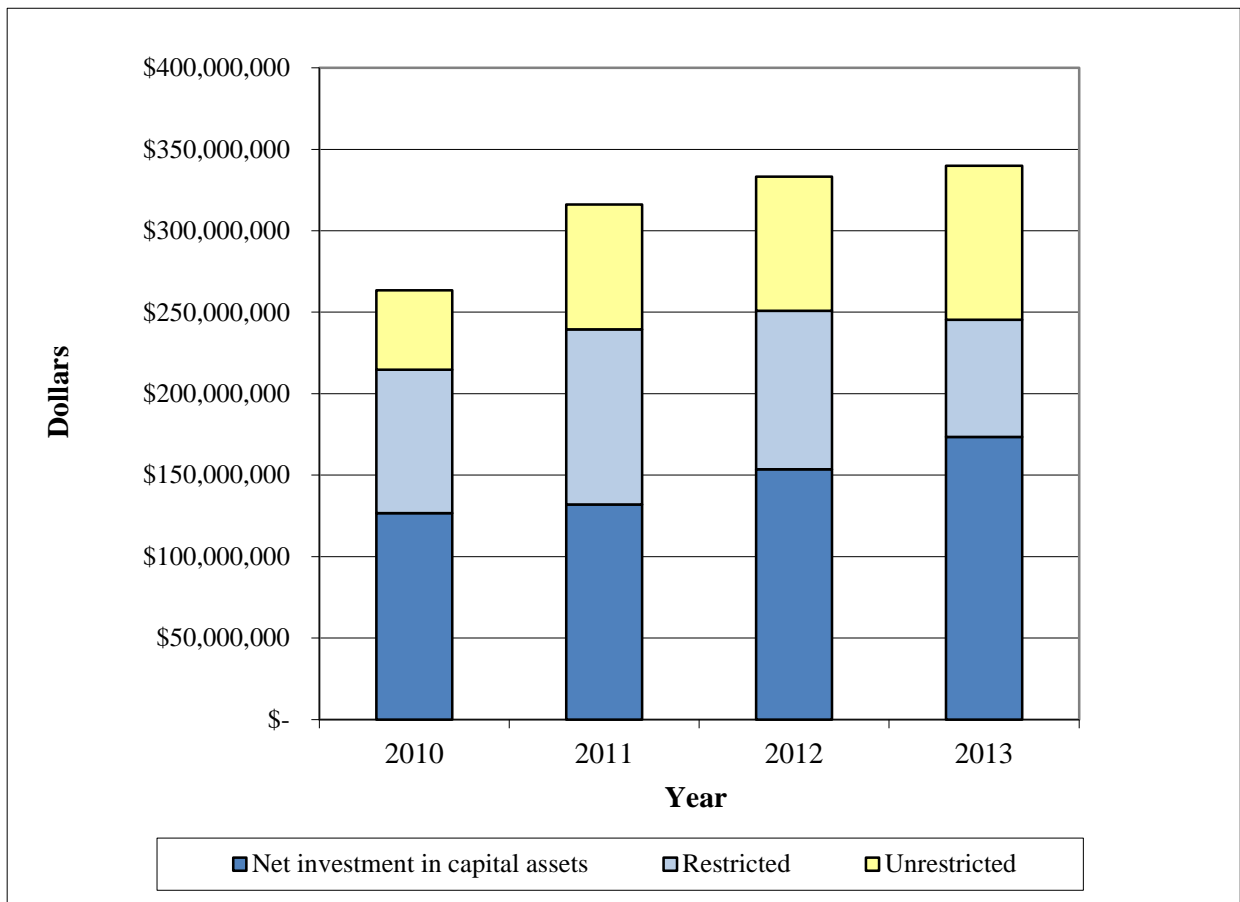
CANYONS
School District
*"Celebrating the Highest
Standards of Educational Excellence"*

CANYONS SCHOOL DISTRICT
Comparative Statements of Net Position
Last Four Fiscal Years

	2010	2011	2012	2013
Assets:				
Cash and investments	\$ 163,563,149	\$ 279,091,765	\$ 224,769,239	\$ 206,981,706
Accounts receivable:				
Property taxes	108,420,842	104,838,718	115,384,776	116,107,137
Other local	2,456,810	394,746	148,813	428,156
State of Utah	301,764	1,292,365	987,420	1,310,975
Federal government	10,230,693	7,743,628	4,945,685	3,755,600
Inventories	2,276,203	1,908,650	1,899,895	1,484,609
Prepaid expenses	354,440	400,000	400,000	-
Net retirement asset	-	3,333,946	4,657,138	5,598,718
Capital assets:				
Sites and construction in progress	16,233,014	22,531,653	102,267,489	165,200,417
Buildings and other capital assets, net of accumulated depreciation	263,568,577	250,732,635	237,443,565	258,524,816
Total assets	<u>567,405,492</u>	<u>672,268,106</u>	<u>692,904,020</u>	<u>759,392,134</u>
Deferred outflows of resources:				
Deferred charges on refunding	<u>1,297,766</u>	<u>929,639</u>	<u>561,509</u>	<u>374,341</u>
Liabilities:				
Accounts payable	3,704,011	5,893,637	19,212,526	16,696,539
Accrued payroll and related benefits	19,213,874	19,652,875	20,239,012	21,745,992
Accrued interest	267,574	336,304	303,122	363,514
Unearned revenue:				
Local	499,463	226,534	324,947	418,229
State of Utah	13,103,802	12,359,529	11,074,133	9,371,194
Federal government	749,756	2,976,016	2,763,187	2,253,302
Long-term liabilities:				
Due or payable within one year	21,487,049	24,374,559	22,719,554	20,733,583
Due or payable after one year	141,368,804	190,758,206	173,259,013	235,258,982
Total liabilities	<u>200,394,333</u>	<u>256,577,660</u>	<u>249,895,494</u>	<u>306,841,335</u>
Deferred inflows of resources:				
Property taxes levied for future year	<u>104,800,669</u>	<u>100,503,383</u>	<u>110,297,237</u>	<u>112,955,158</u>
Net Position:				
Net investment in capital assets	126,643,707	132,027,618	153,690,609	173,411,972
Restricted for:				
Debt service	2,276,557	2,908,778	28,696,562	23,788,889
Capital outlay	81,667,998	99,991,989	60,672,010	43,863,787
Nutrition services	2,220,921	2,390,861	2,770,367	2,950,219
Other purposes	2,010,980	2,237,663	5,121,562	1,267,955
Unrestricted	48,688,093	76,559,793	82,321,688	94,687,160
Total net position	<u>\$ 263,508,256</u>	<u>\$ 316,116,702</u>	<u>\$ 333,272,798</u>	<u>\$ 339,969,982</u>

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

<u>Year</u>	<u>Net invesment 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



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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses:				
Instruction	\$ 148,539,711	\$ 156,986,377	\$ 160,383,775	\$ 175,359,995
Supporting services:				
Students	7,390,809	7,723,388	8,433,794	9,089,873
Instructional staff	11,709,415	12,969,300	12,187,116	10,984,333
District administration	2,334,128	2,254,582	2,119,628	2,799,252
School administration	13,773,164	13,944,188	14,976,976	15,769,736
Central	11,304,689	11,154,831	12,124,999	12,378,486
Operation and maintenance of school buildings	20,325,380	21,586,479	21,957,201	23,332,856
Student transportation	7,138,925	7,475,764	8,139,130	8,725,403
Nutrition services	12,408,460	12,204,115	12,563,572	12,678,765
Non K-12 programs	6,301,400	6,652,431	6,905,505	6,785,693
Interest on long-term liabilities	7,757,267	7,000,592	9,640,880	9,227,299
Total expenses	<u>248,983,348</u>	<u>259,952,047</u>	<u>269,432,576</u>	<u>287,131,691</u>
Program revenues:				
Charges for services:				
Instruction	6,991,020	8,843,122	8,514,991	9,226,951
Supporting services	697,772	627,137	706,723	1,022,888
Nutrition services	5,194,035	4,678,684	4,635,740	4,161,767
Non K-12 programs	393,013	419,126	410,402	357,137
Operating grants and contributions	54,165,131	57,062,966	59,416,824	61,078,139
Capital grants and contributions	100,000	555,363	415,632	235,687
Total program revenues	<u>67,540,971</u>	<u>72,186,398</u>	<u>74,100,312</u>	<u>76,082,569</u>
Net (expense) revenue and changes in net position	<u>(181,442,377)</u>	<u>(187,765,649)</u>	<u>(195,332,264)</u>	<u>(211,049,122)</u>
General revenues and other changes in net position:				
Property taxes	115,559,235	124,427,561	123,481,339	123,860,737
Federal and state revenue not restricted to specific purposes	88,910,292	90,654,095	82,029,925	83,525,034
Interest	1,077,243	1,296,822	3,027,413	3,033,938
Miscellaneous	1,457,306	5,284,661	3,949,683	7,326,597
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>
Change in net position	25,561,699	33,897,490	17,156,096	6,697,184
Net position - beginning	-	263,508,256	316,116,702	333,272,798
Allocation from Jordan School District	<u>237,946,557</u>	<u>18,710,956</u>	<u>-</u>	<u>-</u>
Net position - ending	<u>\$ 263,508,256</u>	<u>\$ 316,116,702</u>	<u>\$ 333,272,798</u>	<u>\$ 339,969,982</u>

CANYONS SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Four Fiscal Years
(modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund balances:				
Nonspendable	\$ 2,052,440	\$ 1,892,362	\$ 2,021,452	\$ 1,139,299
Restricted	1,625,392	1,719,855	3,813,674	1,190,375
Committed	21,833,913	35,915,238	35,894,919	36,824,301
Assigned	2,781,172	5,444,933	8,965,251	16,440,756
Unassigned	11,248,910	19,443,454	18,952,496	19,250,522
Total	<u>39,541,827</u>	<u>64,415,842</u>	<u>69,647,792</u>	<u>74,845,253</u>
Debt service fund balances:				
Restricted	<u>1,821,174</u>	<u>2,391,824</u>	<u>3,007,969</u>	<u>2,980,734</u>
Capital outlay fund balances:				
Restricted	<u>80,813,430</u>	<u>163,628,715</u>	<u>84,650,892</u>	<u>63,688,385</u>
All other governmental fund balances:				
Nonspendable	578,203	416,288	278,443	345,310
Restricted	1,993,287	2,135,584	3,799,812	2,604,909
Committed	<u>3,615,107</u>	<u>4,424,522</u>	<u>4,462,827</u>	<u>5,972,791</u>
Total	<u>6,186,597</u>	<u>6,976,394</u>	<u>8,541,082</u>	<u>8,923,010</u>
Total governmental fund balances	<u><u>\$ 128,363,028</u></u>	<u><u>\$ 237,412,775</u></u>	<u><u>\$ 165,847,735</u></u>	<u><u>\$ 150,437,382</u></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 Four Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013
Revenues:				
Property taxes	\$ 116,066,380	\$ 123,657,127	\$ 122,628,089	\$ 125,652,186
Interest earnings	1,031,376	1,252,868	2,961,498	2,969,885
Other local sources	15,794,825	17,675,427	18,177,048	19,634,842
State of Utah	120,194,081	122,270,861	121,831,384	122,906,323
Federal government	22,907,479	25,882,586	20,030,997	21,932,537
Total revenues	<u>275,994,141</u>	<u>290,738,869</u>	<u>285,629,016</u>	<u>293,095,773</u>
Expenditures:				
Current:				
Instruction	125,196,555	131,257,175	135,608,993	142,488,474
Supporting services:				
Students	7,336,484	7,575,667	8,347,281	8,925,363
Instructional staff	11,483,579	12,649,687	11,908,506	10,710,531
District administration	2,272,323	2,086,863	1,999,219	2,013,203
School administration	13,618,836	13,615,074	14,754,707	15,361,909
Central	10,503,447	10,146,693	11,210,661	11,564,452
Operation and maintenance of school buildings	19,819,997	20,911,730	21,550,141	22,305,809
Student transportation	6,027,206	6,175,797	6,768,574	7,243,946
Nutrition services	11,822,097	11,440,473	11,882,888	11,712,329
Non K-12 programs	6,243,956	6,503,320	6,817,804	6,746,259
Capital outlay	11,972,731	24,280,558	97,012,971	124,559,760
Debt service:				
Bond principal	17,953,900	16,837,400	19,544,700	19,745,300
Bond interest and fees	7,065,886	6,338,203	9,787,611	9,454,647
Total expenditures	<u>251,316,997</u>	<u>269,818,640</u>	<u>357,194,056</u>	<u>392,831,982</u>
Excess (deficiency) of revenues over (under) expenditures	24,677,144	20,920,229	(71,565,040)	(99,736,209)
Other financing sources (uses):				
General obligation bonds issued	-	68,000,000	-	80,000,000
Premiums on bonds issued	-	1,418,562	-	4,325,856
Total other financing sources (uses)	<u>-</u>	<u>69,418,562</u>	<u>-</u>	<u>84,325,856</u>
Net change in fund balances	24,677,144	90,338,791	(71,565,040)	(15,410,353)
Fund balances - beginning	-	128,363,028	237,412,775	165,847,735
Allocation from Jordan School District	103,685,884	18,710,956	-	-
Fund balances - ending	<u>\$ 128,363,028</u>	<u>\$ 237,412,775</u>	<u>\$ 165,847,735</u>	<u>\$ 150,437,382</u>
Debt service as a percentage of noncapital expenditures	10.1%	9.0%	10.8%	10.2%

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

	2010	2011	2012	2013
Assets:				
Cash and investments	\$ 60,702,097	\$ 90,349,149	\$ 99,780,860	\$ 106,379,873
Accounts receivable:				
Property taxes	56,510,799	67,000,999	70,981,853	71,290,794
Other local	592,958	300,436	139,638	358,618
State of Utah	89,289	99,120	100,806	95,903
Federal government	9,936,195	7,415,201	4,348,914	2,912,625
Inventories	1,698,000	1,492,362	1,621,452	1,139,299
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>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 1,765,915	\$ 1,828,526	\$ 3,371,459	\$ 3,233,857
Accrued payroll and related benefits	18,689,413	19,049,430	19,721,635	21,211,581
Unearned revenue:				
Property taxes	56,411,138	66,998,977	71,025,136	71,433,361
State of Utah	12,725,729	11,788,476	10,844,314	9,199,758
Federal government	749,756	2,976,016	2,763,187	2,253,302
Total liabilities	<u>90,341,951</u>	<u>102,641,425</u>	<u>107,725,731</u>	<u>107,331,859</u>
Fund balance:				
Nonspendable	2,052,440	1,892,362	2,021,452	1,139,299
Restricted	1,625,392	1,719,855	3,813,674	1,190,375
Committed	21,833,913	35,915,238	35,894,919	37,824,301
Assigned	2,781,172	5,444,933	8,965,251	15,440,756
Unassigned	11,248,910	19,443,454	18,952,496	19,250,522
Total fund balances	<u>39,541,827</u>	<u>64,415,842</u>	<u>69,647,792</u>	<u>74,845,253</u>
Total liabilities and fund balance	<u>\$ 129,883,778</u>	<u>\$ 167,057,267</u>	<u>\$ 177,373,523</u>	<u>\$ 182,177,112</u>

CANYONS SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances -
General Fund

Last Four Fiscal Years and Proposed Budget for 2014

	2010	2011	2012	2013	Proposed Budget 2014
Revenues:					
Property taxes	\$ 58,555,843	\$ 66,652,969	\$ 74,710,870	\$ 78,072,752	\$ 76,973,100
Interest earnings	374,360	396,624	826,496	1,360,881	1,300,000
Other local	3,802,365	5,063,892	5,589,296	6,886,113	6,627,665
State of Utah	114,154,861	116,189,088	115,282,496	116,576,679	121,332,743
Federal government	17,688,416	19,322,016	13,469,238	15,188,946	14,296,770
Total revenues	<u>194,575,845</u>	<u>207,624,589</u>	<u>209,878,396</u>	<u>218,085,371</u>	<u>220,530,278</u>
Expenditures:					
Current:					
Instruction	118,816,244	124,029,593	127,852,245	134,456,779	141,426,713
Supporting services:					
Students	7,336,484	7,575,667	8,347,281	8,925,363	9,879,220
Instructional staff	11,483,579	12,649,687	11,908,506	10,710,531	11,587,308
District administration	2,272,323	2,086,863	1,999,219	2,013,203	2,110,627
School administration	13,618,836	13,615,074	14,754,707	15,361,909	15,760,810
Central	10,503,447	10,146,693	11,210,661	11,564,452	11,815,284
Operation and maintenance of school buildings	19,819,997	20,911,730	21,550,141	22,305,809	23,305,971
Student transportation	6,027,206	6,175,797	6,768,574	7,243,946	7,400,486
Total expenditures	<u>189,878,116</u>	<u>197,191,104</u>	<u>204,391,334</u>	<u>212,581,992</u>	<u>223,286,419</u>
Excess (deficiency) of revenues over (under) expenditures	4,697,729	10,433,485	5,487,062	5,503,379	(2,756,141)
Other financing sources (uses):					
Transfers out	<u>-</u>	<u>(169,505)</u>	<u>(255,112)</u>	<u>(305,918)</u>	<u>(272,072)</u>
Net change in fund balances	4,697,729	10,263,980	5,231,950	5,197,461	(3,028,213)
Fund balances - beginning	-	39,541,827	64,415,842	69,647,792	74,845,253
Allocation from Jordan School District	<u>34,844,098</u>	<u>14,610,035</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 39,541,827</u></u>	<u><u>\$ 64,415,842</u></u>	<u><u>\$ 69,647,792</u></u>	<u><u>\$ 74,845,253</u></u>	<u><u>\$ 71,817,040</u></u>

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

	<u>Tax Year 2009</u>	<u>Tax Year 2010</u>	<u>Tax Year 2011</u>	<u>Tax Year 2012</u>
Set by State Tax Commission:				
Centrally assessed	<u>\$ 338,631,746</u>	<u>\$ 366,135,845</u>	<u>\$ 371,176,002</u>	<u>\$ 380,330,920</u>
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
Residential - not primary use	1,126,227,610	992,921,370	949,725,290	886,405,890
Commercial and industrial	4,062,614,430	4,013,081,600	4,036,937,230	4,055,443,220
Agriculture and Farm Assessment Act (FAA)	1,345,120	1,263,820	1,165,820	1,267,660
Unimproved non FAA - vacant	<u>8,309,820</u>	<u>6,685,550</u>	<u>8,526,650</u>	<u>7,488,090</u>
Total real property	<u>15,180,092,487</u>	<u>14,763,530,521</u>	<u>14,314,042,365</u>	<u>14,050,262,233</u>
Personal property:				
Fee in lieu property	459,879,455	460,097,588	426,523,415	440,977,619
Mobile home - primary residential use	8,950,292	8,322,805	7,993,397	7,704,279
Mobile home - other use	447,978	560,203	399,872	480,657
Other personal property	<u>782,423,532</u>	<u>691,828,448</u>	<u>660,777,105</u>	<u>700,153,826</u>
Total personal property	<u>1,251,701,257</u>	<u>1,160,809,044</u>	<u>1,095,693,789</u>	<u>1,149,316,381</u>
Total locally assessed	<u>16,431,793,744</u>	<u>15,924,339,565</u>	<u>15,409,736,154</u>	<u>15,199,578,614</u>
Total taxable property	<u>\$16,770,425,490</u>	<u>\$16,290,475,410</u>	<u>\$15,780,912,156</u>	<u>\$15,579,909,534</u>

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 Four 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	Total	
2009	\$ 11,117,221,387	\$ 4,401,246,176	\$ 9,654,940	\$ 1,242,302,987	\$ 16,770,425,490	68.49%
2010	10,751,382,559	4,379,217,445	7,949,370	1,151,926,036	16,290,475,410	68.41%
2011	10,275,805,934	4,408,113,232	9,692,470	1,087,300,520	15,780,912,156	68.66%
2012	9,994,248,199	4,435,774,140	8,755,750	1,141,131,445	15,579,909,534	68.97%

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 Four Tax Years
 (rate per \$1 of assessed value)

	<u>Tax Year 2009</u>	<u>Tax Year 2010</u>	<u>Tax Year 2011</u>	<u>Tax Year 2012</u>
Canyons School District rates:				
General fund:				
Basic state supported program (1)	0.001433	0.001495	0.001591	0.001651
Voted leeway program (2)	0.001600	0.001600	0.001600	0.001600
Board local levy (3)	-	-	-	0.001881
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	-
Total general fund	<u>0.003596</u>	<u>0.004277</u>	<u>0.004862</u>	<u>0.005132</u>
Capital projects fund:				
Capital outlay (4)	0.001514	0.001585	0.000928	0.001067
County-wide equalization (5)	<u>0.000600</u>	<u>0.000600</u>	<u>0.000600</u>	<u>0.000600</u>
Total capital projects fund	<u>0.002114</u>	<u>0.002185</u>	<u>0.001528</u>	<u>0.001667</u>
Debt service fund:				
Debt service (6)	<u>0.001400</u>	<u>0.001520</u>	<u>0.001619</u>	<u>0.001619</u>
Other:				
Community recreation*	<u>0.000070</u>	<u>0.000078</u>	<u>0.000156</u>	-
Total direct rate	<u><u>0.007180</u></u>	<u><u>0.008060</u></u>	<u><u>0.008165</u></u>	<u><u>0.008418</u></u>
Overlapping rates:				
Salt Lake County	0.002842	0.003176	0.003300	0.003420
Alta	0.000980	0.001114	0.001084	0.001065
Cottonwood Heights	0.002399	0.002517	0.002586	0.002654
Draper	0.001818	0.001896	0.001996	0.002009
Midvale	0.002262	0.002669	0.002701	0.000687
Sandy	0.001356	0.001402	0.001481	0.001520
Central Utah Water Conservancy District	0.000400	0.000421	0.000436	0.000455
Other special districts	0 - 0.002635	0 - 0.003171	0 - 0.003803	0 - 0.003773

*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 Three Years Ago

Taxpayer	2012			2009		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Larry H. Miller Companies	\$ 140,738,978	1	0.93 %	\$ 147,351,265	1	0.90 %
Macerich St. Marketplace (South Towne Center)	138,435,284	2	0.91 %	130,146,230	3	0.80 %
Becton Dickinson	131,288,418	3	0.87 %	116,801,369	4	0.72 %
Rocky Mountain Power (PacifiCorp)	128,231,592	4	0.85 %	133,778,785	2	0.82 %
NOP Cottonwood Holdings (Real Estate Holdings)	77,835,000	5	0.51 %	79,472,300	6	0.49 %
DDR Corp.	74,942,500	6	0.50 %	71,558,820	8	0.44 %
Old Mill Corporate Center	74,328,500	7	0.49 %	59,297,900	10	0.36 %
Snowbird Ltd	67,196,808	8	0.44 %	76,230,539	7	0.47 %
Inland Diversified Draper Crossing, LLC	60,695,200	9	0.40 %			
Utah Soccer LLC	60,045,636	10	0.40 %			
Redevelopment Agency of Midvale				103,194,600	5	0.63 %
CenturyLink, Inc. (Qwest Communications)				66,673,288	9	0.41 %
	<u>\$ 953,737,916</u>		<u>6.30 %</u>	<u>\$ 984,505,096</u>		<u>6.04 %</u>
Total taxable value	\$15,138,931,915			\$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 Four Tax 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%	\$ 4,501,558	\$ 120,567,938	97.33%
2010	128,270,889	123,657,127	96.40%	4,026,946	127,684,073	99.54%
2011	125,220,579	120,535,487	96.26%	2,829,007	123,364,493	98.52%
2012	126,809,112	122,743,569	96.79%	-	122,743,569	96.79%

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 Four Fiscal Years

<u>Fiscal Year</u>	<u>Outstanding General Obligation Bonds</u>	<u>Net General Bonded Debt As Percentage of Taxable Value</u>	<u>Net Bonded Debt Per Capita</u>	<u>Net Bonded Debt Per Student *</u>
2010	\$ 151,994,800	0.91%	\$ 801	\$ 4,578
2011	203,157,400	1.25%	1,067	6,093
2012	183,612,700	1.16%	951	5,484
2013	243,867,400	1.57%	1,244	7,280

* 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, 2013

		2014	2015	2016	2017
Series 2001	Principal	\$ 800,000	\$ 840,000	\$ 875,000	\$ -
\$ 10,000,000	Interest	111,972	76,772	39,812	-
Series 2002	Principal	2,550,000	1,250,000	-	-
\$ 39,540,000	Interest	152,000	50,000	-	-
Series 2003	Principal	800,000	830,000	865,000	900,000
\$ 20,200,000	Interest	131,800	103,800	70,600	36,000
Series 2003A	Principal	1,450,000	1,525,000	1,575,000	1,650,000
\$ 20,000,000	Interest	317,675	262,575	203,100	140,100
Series 2004A	Principal	1,035,000	1,075,000	1,120,000	1,170,000
\$ 15,000,000	Interest	265,850	229,625	192,000	147,200
Series 2005	Principal	1,820,000	1,885,000	1,965,000	2,040,000
\$ 25,000,000	Interest	576,675	503,875	428,475	349,875
Series 2006	Principal	965,000	1,000,000	1,050,000	1,100,000
\$ 15,000,000	Interest	362,225	323,625	283,625	241,625
Series 2007	Principal	12,075,000	12,550,000	13,050,000	13,700,000
\$ 196,000,000	Interest	5,646,438	5,163,438	4,661,438	4,139,438
Total		<u>\$ 29,059,635</u>	<u>\$ 27,668,710</u>	<u>\$ 26,379,050</u>	<u>\$ 25,614,238</u>
Total principal		\$ 21,495,000	\$ 20,955,000	\$ 20,500,000	\$ 20,560,000
Total interest		<u>7,564,635</u>	<u>6,713,710</u>	<u>5,879,050</u>	<u>5,054,238</u>
Total		<u>\$ 29,059,635</u>	<u>\$ 27,668,710</u>	<u>\$ 26,379,050</u>	<u>\$ 25,614,238</u>
*Canyons School District principal		\$ 12,467,100	\$ 12,153,900	\$ 11,890,000	\$ 11,924,800
*Canyons School District interest		4,387,488	3,893,952	3,409,849	2,931,458
*Jordan School District principal		9,027,900	8,801,100	8,610,000	8,635,200
*Jordan School District interest		<u>3,177,147</u>	<u>2,819,758</u>	<u>2,469,201</u>	<u>2,122,780</u>
Total		<u>\$ 29,059,635</u>	<u>\$ 27,668,710</u>	<u>\$ 26,379,050</u>	<u>\$ 25,614,238</u>
			Principal	Interest	Total
Bonds Payable Summary:					
Bonds payable, June 30, 2013			\$ 177,530,000	\$ 37,852,184	\$ 215,382,184
Reported by Jordan School District			<u>(74,562,600)</u>	<u>(15,897,918)</u>	<u>(90,460,518)</u>
Reported by Canyons School District			<u>\$ 102,967,400</u>	<u>\$ 21,954,266</u>	<u>\$ 124,921,666</u>

* The debt presented on this schedule represents general obligation bonds issued by the Jordan School District prior to the creation of the Canyons School District. The Jordan School District is responsible for 42% of the outstanding debt and the Canyons School District is responsible for 58%.

Source: District records

2018	2019	2020	2021	2022	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,515,000
-	-	-	-	-	228,556
-	-	-	-	-	3,800,000
-	-	-	-	-	202,000
-	-	-	-	-	3,395,000
-	-	-	-	-	342,200
1,725,000	-	-	-	-	7,925,000
72,450	-	-	-	-	995,900
1,225,000	1,285,000	-	-	-	6,910,000
100,400	51,400	-	-	-	986,475
2,125,000	2,210,000	2,300,000	-	-	14,345,000
268,275	183,275	94,875	-	-	2,405,325
1,150,000	1,200,000	1,250,000	1,300,000	-	9,015,000
197,625	151,625	103,625	53,625	-	1,717,600
14,400,000	14,975,000	15,600,000	16,225,000	17,050,000	129,625,000
3,557,188	2,963,188	2,326,750	1,663,750	852,500	30,974,128
<u>\$ 24,820,938</u>	<u>\$ 23,019,488</u>	<u>\$ 21,675,250</u>	<u>\$ 19,242,375</u>	<u>\$ 17,902,500</u>	<u>\$ 215,382,184</u>
\$ 20,625,000	\$ 19,670,000	\$ 19,150,000	\$ 17,525,000	\$ 17,050,000	\$ 177,530,000
4,195,938	3,349,488	2,525,250	1,717,375	852,500	37,852,184
<u>\$ 24,820,938</u>	<u>\$ 23,019,488</u>	<u>\$ 21,675,250</u>	<u>\$ 19,242,375</u>	<u>\$ 17,902,500</u>	<u>\$ 215,382,184</u>
\$ 11,962,500	\$ 11,408,600	\$ 11,107,000	\$ 10,164,500	\$ 9,889,000	\$ 102,967,400
2,433,644	1,942,703	1,464,645	996,077	494,450	21,954,266
8,662,500	8,261,400	8,043,000	7,360,500	7,161,000	74,562,600
1,762,294	1,406,785	1,060,605	721,298	358,050	15,897,918
<u>\$ 24,820,938</u>	<u>\$ 23,019,488</u>	<u>\$ 21,675,250</u>	<u>\$ 19,242,375</u>	<u>\$ 17,902,500</u>	<u>\$ 215,382,184</u>

CANYONS SCHOOL DISTRICT
Debt Service Schedule of Outstanding General Obligation Bonds
As of June 30, 2013

Year Ending June 30,	Series 2011		Series 2012		Total
	\$68,000,000		\$80,000,000		
	Principal	Interest	Principal	Interest	
2014	\$ 2,620,000	\$ 2,404,600	\$ 1,275,000	\$ 2,566,438	\$ 8,866,038
2015	2,685,000	2,326,000	1,300,000	2,528,188	8,839,188
2016	2,765,000	2,272,300	1,325,000	2,508,688	8,870,988
2017	2,845,000	2,189,350	1,325,000	2,488,813	8,848,163
2018	2,935,000	2,104,000	1,375,000	2,468,938	8,882,938
2019	3,020,000	2,015,950	1,425,000	2,448,313	8,909,263
2020	3,110,000	1,925,350	1,500,000	2,426,938	8,962,288
2021	3,220,000	1,800,950	1,550,000	2,366,938	8,937,888
2022	3,350,000	1,672,150	1,650,000	2,304,938	8,977,088
2023	3,485,000	1,538,150	5,350,000	2,238,938	12,612,088
2024	3,620,000	1,398,750	5,625,000	2,078,438	12,722,188
2025	3,765,000	1,253,950	5,900,000	1,853,438	12,772,388
2026	3,920,000	1,103,350	6,150,000	1,676,438	12,849,788
2027	4,075,000	946,550	6,350,000	1,461,188	12,832,738
2028	4,240,000	783,550	6,600,000	1,207,188	12,830,738
2029	4,400,000	608,650	6,850,000	943,188	12,801,838
2030	4,590,000	421,650	7,050,000	737,688	12,799,338
2031	4,780,000	215,100	7,325,000	455,688	12,775,788
2032	-	-	7,550,000	235,938	7,785,938
	\$ 63,425,000	\$ 26,980,350	\$ 77,475,000	\$ 34,996,322	\$ 202,876,672

Source: District records

CANYONS SCHOOL DISTRICT
Direct and Overlapping General Obligation Debt
June 30, 2013

Taxing Entity (1)	2012 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)	\$ 111,670,779,911	\$ 15,298,896,848	13.7%	\$ 266,515,000	\$ 36,512,555
Salt Lake County	71,302,357,239	15,044,797,377	21.1%	242,555,000	51,179,105
Draper City	3,523,749,020	3,523,749,020	100.0%	5,095,000	5,095,000
Midvale City	1,579,206,183	1,579,206,183	100.0%	2,415,000	2,415,000
Cottonwood Heights Parks and Recreation Service Area	1,776,319,290	1,776,319,290	100.0%	7,040,000	7,040,000
Sandy Suburban Improvement District	2,837,646,295	2,837,646,295	100.0%	10,875,000	10,875,000
				Total overlapping general obligation debt	113,116,660
				Canyons School District direct general obligation debt	243,867,400
				Total direct and overlapping general obligation debt	<u>\$ 356,984,060</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 2012

CANYONS SCHOOL DISTRICT
Legal Debt Margin Information
Last Four Tax Years

<u>Tax Year</u>	<u>Estimated Fair Market Value</u>	<u>Debt Limit *</u>	<u>Less Net General Obligation Debt</u>	<u>Legal Debt Margin*</u>	<u>Percentage of Debt to Debt Limit</u>
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	22,590,409,630	903,616,385	250,687,602	652,928,783	27.74%

* The general obligation indebtedness (net of deferred amounts for issuance premium) 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 assessed value.

Source: District records

CANYONS SCHOOL DISTRICT
Demographic and Economic Statistics
 Last Four Fiscal Years

Fiscal Year	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	5,092
2012	193,107	1,047,746	40,995,436	39,081	6.5%	1,560,324,400	5,096
2013	196,074	1,063,842	N/A	N/A	5.5%	1,581,414,900	5,101

* 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 2013.

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

CANYONS SCHOOL DISTRICT
Principal Employers
Current Calendar Year and Three Years Ago

Employer *	2012				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%
Jet Blue Airways Corporation	2,500	3	1.3%	1.8%				
Wal-Mart Stores	2,000	4	1.0%	1.5%	2,000	3	1.1%	1.5%
Smith's Food Stores	1,500	5	0.8%	1.1%	1,500	4	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%				
1-800 Contacts	1,000	9	0.5%	0.7%	1,000	9	0.5%	0.8%
Becton Dickinson	1,000	10	0.5%	0.7%	1,000	10	0.5%	0.8%
ACS Business Solutions					1,500	7	0.8%	1.1%
Coca-Cola					1,000	8	0.5%	0.8%
Totals	22,500		11.7%	16.5%	21,000		11.0%	15.9%

* 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 Four Fiscal Years

Function:	2010	2011	2012	2013
Instruction	1,671.9	1,667.2	1,674.1	1,708.2
Supporting services:				
Students	96.9	98.3	106.7	110.8
Instructional staff	65.4	70.3	70.1	78.8
District administration	15.0	15.0	10.1	9.1
School administration	163.0	165.5	173.8	174.8
Central	96.0	92.0	99.0	98.0
Operation and maintenance of school buildings	180.0	179.0	189.6	188.6
Student transportation	102.3	102.5	109.3	115.9
Nutrition services	130.4	124.3	119.2	114.7
Non K-12 programs	77.0	101.2	64.1	67.9
Capital outlay	12.0	10.0	11.0	12.0
Total full-time equivalents	2,609.9	2,625.3	2,627.0	2,678.8

Source: District records - contract employees only

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

Function:	2010	2011	2012	2013
Instruction	\$ 148,539,711 59.66%	\$ 156,986,377 60.39%	\$ 160,383,775 59.53%	\$ 175,359,995 61.07%
Support services:				
Students	7,390,809 2.97%	7,723,388 2.97%	8,433,794 3.13%	9,089,873 3.17%
Instructional staff	11,709,415 4.70%	12,969,300 4.99%	12,187,116 4.52%	10,984,333 3.83%
District administration	2,334,128 0.94%	2,254,582 0.87%	2,119,628 0.79%	2,799,252 0.97%
School administration	13,773,164 5.53%	13,944,188 5.36%	14,976,976 5.56%	15,769,736 5.49%
Central	11,304,689 4.54%	11,154,831 4.29%	12,124,999 4.50%	12,378,486 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%
Student transportation	7,138,925 2.87%	7,475,764 2.88%	8,139,130 3.02%	8,725,403 3.04%
Nutrition services	12,408,460 4.98%	12,204,115 4.69%	12,563,572 4.66%	12,678,765 4.42%
Non K-12 programs	6,301,400 2.53%	6,652,431 2.56%	6,905,505 2.56%	6,785,693 2.36%
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%
Total expenses	<u>\$ 248,983,348</u>	<u>\$ 259,952,047</u>	<u>\$ 269,431,946</u>	<u>\$ 287,131,691</u>
Average Daily Membership	33,202	33,343	33,483	33,500
Average Expenses Per Pupil	\$ 7,499	\$ 7,796	\$ 8,047	\$ 8,571

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

Function:	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction	\$ 4,474 59.66%	\$ 4,708 60.39%	\$ 4,790 59.53%	\$ 5,235 61.07%
Support services:				
Students	223 2.97%	232 2.97%	252 3.13%	271 3.17%
Instructional staff	353 4.70%	389 4.99%	364 4.52%	328 3.83%
District administration	70 0.94%	68 0.87%	63 0.79%	84 0.97%
School administration	415 5.53%	418 5.36%	447 5.56%	471 5.49%
Central	340 4.54%	335 4.29%	362 4.50%	370 4.31%
Operation and maintenance of school buildings	612 8.16%	647 8.30%	656 8.15%	697 8.13%
Student transportation	215 2.87%	224 2.88%	243 3.02%	260 3.04%
Nutrition services	374 4.98%	366 4.69%	375 4.66%	378 4.42%
Non K-12 programs	190 2.53%	200 2.56%	206 2.56%	203 2.36%
Interest on long-tem liabilities	234 3.12%	210 2.69%	288 3.58%	275 3.21%
Total expenses	<u>\$ 7,499</u>	<u>\$ 7,796</u>	<u>\$ 8,047</u>	<u>\$ 8,571</u>
Average Daily Membership	33,202	33,343	33,483	33,500

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Function:				
Instruction	\$ 118,816,244 62.58%	\$ 124,029,593 62.90%	\$ 127,852,245 62.55%	\$ 134,456,779 63.25%
Support services:				
Students	7,336,484 3.86%	7,575,667 3.84%	8,347,281 4.08%	8,925,363 4.20%
Instructional staff	11,483,579 6.05%	12,649,687 6.41%	11,908,506 5.83%	10,710,531 5.04%
District administration	2,272,323 1.20%	2,086,863 1.06%	1,999,219 0.98%	2,013,203 0.95%
School administration	13,618,836 7.17%	13,615,074 6.90%	14,754,707 7.22%	15,361,909 7.23%
Central	10,503,447 5.53%	10,146,693 5.15%	11,210,661 5.48%	11,564,452 5.44%
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%
Student transportation	6,027,206 3.17%	6,175,797 3.13%	6,768,574 3.31%	7,243,946 3.41%
Total expenditures	<u>\$ 189,878,116</u>	<u>\$ 197,191,104</u>	<u>\$ 204,391,334</u>	<u>\$ 212,581,992</u>
Average Daily Membership	33,202	33,343	33,483	33,500
Average Expenditures Per Pupil	\$ 5,719	\$ 5,914	\$ 6,104	\$ 6,346

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

Function:	2010	2011	2012	2013
Instruction	\$ 3,579 62.58%	\$ 3,720 62.90%	\$ 3,818 62.55%	\$ 4,014 63.25%
Support services:				
Students	221 3.86%	227 3.84%	249 4.08%	266 4.20%
Instructional staff	346 6.05%	379 6.41%	356 5.83%	320 5.04%
District administration	68 1.20%	63 1.06%	60 0.98%	60 0.95%
School administration	410 7.17%	408 6.90%	441 7.22%	459 7.23%
Central	316 5.53%	304 5.15%	335 5.48%	345 5.44%
Operation and maintenance of school buildings	597 10.44%	627 10.60%	644 10.54%	666 10.49%
Student transportation	182 3.17%	185 3.13%	202 3.31%	216 3.41%
Total expenditures	<u>\$ 5,719</u>	<u>\$ 5,914</u>	<u>\$ 6,104</u>	<u>\$ 6,346</u>
Average Daily Membership	33,202	33,343	33,483	33,500

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

Fiscal Year Ended June 30	Average Daily Membership	Average Daily Attendance	Ratio of ADA to ADM	Official State October 1 Enrollment Count
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

Source: District records

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Alta*	795	730	706	711	716	753	815	721	787	794
Brighton*	695	613	657	581	622	645	570	613	565	579
Hillcrest*	453	463	395	399	405	386	435	422	368	444
Jordan*	578	606	514	539	523	527	478	478	507	491
Entrada**	-	-	-	-	-	-	254	145	104	136
South Park**	-	-	-	-	-	-	331	378	338	358
Total	<u>2,521</u>	<u>2,412</u>	<u>2,272</u>	<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>

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

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

Source: District records

CANYONS SCHOOL DISTRICT
Capital Asset Information
Last Four Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Buildings:				
Elementary:				
Number	29	29	29	29
Square feet	1,805,833	1,805,833	1,805,833	1,844,813
Capacity	19,509	19,509	19,509	20,375
Enrollment	17,958	18,108	18,208	18,295
Middle Schools:				
Number	8	8	8	8
Square feet	1,267,103	1,267,103	1,267,103	1,290,263
Capacity	10,565	10,565	10,565	10,450
Enrollment	7,499	7,403	7,441	7,491
High Schools:				
Number	4	4	4	5
Square feet	1,372,991	1,372,991	1,372,991	1,748,503
Capacity	9,321	9,321	9,321	12,431
Enrollment	7,592	7,725	7,624	7,522
Special Schools:				
Number	3	3	3	2
Square feet	148,569	148,569	147,719	136,757
Capacity *				
Enrollment	135	233	217	220
Total School Buildings:	44	44	44	44
Square feet	4,594,496	4,594,496	4,593,646	5,020,336
Capacity	39,395	39,395	39,395	43,256
Enrollment	33,184	33,469	33,490	33,528
Other Buildings:				
Number	7	6	6	5
Square feet	397,990	336,950	336,950	340,426
Acres of Land	870	870	870	886
Number of Portables	82	82	88	91
Number of Vehicles	289	329	346	345

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

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>
2004	\$ 25,614	\$ 51,493	\$ 37,514	\$ 14,940	\$ 52,454	\$ 53,395
2005	25,614	51,744	38,237	16,676	54,913	54,774
2006	26,382	53,260	38,149	19,057	57,206	55,941
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	65,464	45,230	19,195	64,425	69,531
2011	32,759	63,808	45,230	19,008	64,238	69,785
2012	34,157	66,437	45,165	19,580	64,745	70,883
2013	33,343	67,943	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 2013 numbers were not available when this schedule was prepared.

Note 1 - Data from 2004-2009 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Kindergarten	46.2	46.2	46.2	46.2	44.0	44.0	44.0	44.0	44.0	44.0
1	22.5	22.5	22.0	22.0	22.3	22.3	22.3	22.3	22.3	22.3
2	22.8	22.8	22.8	22.3	22.3	22.3	22.3	22.3	22.3	22.3
3	24.3	24.3	24.3	23.8	22.3	22.3	22.3	22.3	22.3	22.3
4	26.4	26.4	26.4	26.4	26.3	26.3	26.3	26.3	26.3	26.3
5	26.4	26.4	26.4	26.4	26.3	26.3	26.3	26.3	26.3	26.3
6	26.4	26.4	26.4	26.4	26.3	26.3	26.3	26.3	26.3	26.3
7	26.8	26.8	26.8	26.8	27.3	27.3	27.3	27.3	27.3	27.3
8	26.8	26.8	26.8	26.8	27.3	27.3	27.3	27.3	27.3	27.3
9	27.5	27.5	27.5	27.0	28.3	28.3	28.3	28.3	28.3	28.3
10	27.0	27.0	27.0	27.0	28.3	28.3	28.3	28.3	28.3	28.3
11	27.0	27.0	27.0	27.0	28.3	28.3	28.3	28.3	28.3	28.3
12	27.0	27.0	27.0	27.0	28.3	28.3	28.3	28.3	28.3	28.3

Note - Data from 2004 - 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 Four Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Participating schools:				
Lunch	43	43	43	43
Breakfast	25	25	25	26
Student lunches served:				
Free	944,856	1,028,671	1,129,915	1,090,227
Reduced	217,170	211,707	219,019	204,531
Fully paid	2,179,799	1,999,634	1,990,611	1,712,160
Total	<u>3,341,825</u>	<u>3,240,012</u>	<u>3,339,545</u>	<u>3,006,918</u>
Student breakfasts served:				
Free	230,401	243,532	275,848	260,808
Reduced	27,922	24,960	26,102	19,918
Fully paid	74,021	63,926	67,336	54,474
Total	<u>332,344</u>	<u>332,418</u>	<u>369,286</u>	<u>335,200</u>
Percentage of free/reduced/fully paid lunch:				
Free	28.27%	31.75%	33.83%	36.26%
Reduced	6.50%	6.53%	6.56%	6.80%
Fully paid	65.23%	61.72%	59.61%	56.94%
Percentage of free/reduced fully paid breakfast:				
Free	69.33%	73.26%	74.70%	77.81%
Reduced	8.40%	7.51%	7.07%	5.94%
Fully paid	22.27%	19.23%	18.23%	16.25%
Average daily participation:				
Lunch	18,774	18,514	18,761	16,893
Breakfast	1,867	1,900	2,075	1,883
Average daily membership	33,202	33,343	33,483	33,500
Percentage participating in school lunch/breakfast				
Lunch	56.55%	55.53%	56.03%	50.43%
Breakfast	5.62%	5.70%	6.20%	5.62%

Source: District records