

CANYONS SCHOOL DISTRICT

**9150 South 500 West
Sandy, Utah 84020
www.canyonsdistrict.org**

Comprehensive Annual Financial Report Year Ended June 30, 2010

**Tracy Scott Cowdell, President of the Board
David S. Doty, J.D., Ph.D., Chief Executive Officer
Keith L. Bradford, J.D., CPA, Chief Financial Officer**

**Prepared by
Leon O. Wilcox, CPA, Director of Accounting, Auditing and Budgeting**

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CFO/General Counsel
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November 30, 2010

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

State law requires that school districts publish within five months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2010.

To meet the needs of potential users, this report is presented in three major sections:

- **Introductory section.** Introduces the reader to the report and includes this transmittal letter, a list of elected and appointed officials, a map of the District, and the District's organizational chart.
- **Financial section.** Consists of the independent auditor's report, management's discussion and analysis, the basic financial statements (including the notes to the basic financial statements), required supplementary information, and combining and individual fund financial statements and schedules.
- **Statistical section.** Contains substantial financial information, but presents tables that differ from financial statements in that they present non-accounting data, cover several years, and are designed to reflect social and economic data, financial and fiscal trends, as well as the fiscal capacity of the District.

Management of the District is expressly responsible for both the content and presentation of the report. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects. To provide a reasonable basis for such a representation, management of the District has established a comprehensive internal control framework designed to both protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's internal controls are designed to provide reasonable assurance rather than absolute assurance that the financial statements are free from material misstatement.

Squire & Company, PC, a firm of licensed certified public accountants, has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2010 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2010 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

David S. Doty, J.D., Ph.D. – Superintendent of Schools
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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. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

As a recipient of federal funding (referred to as "awards"), the District's independent audit of the financial statements becomes a part of a broader, federally mandated "Single Audit" designed to meet the specific needs of federal grantor agencies. The standards governing a Single Audit require the independent auditor to report on the compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

As a recipient of state funding, the District was also subject to and underwent a state legal compliance audit, the purpose of which is to examine general and major state program compliance with applicable state laws and regulations.

A report including Single Audit and State of Utah Legal Compliance Audit reports is issued as a separate document.

PROFILE OF THE DISTRICT

Residents of the District voted to divide from the Jordan School District on November 6, 2007, thus forming their own school 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 Cottonwood Heights, Sandy, Draper, and Midvale 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 initial year of operations, the District's student population stood at 33,184. To accomplish its purpose, the District operates 29 elementary schools, 8 middle schools, 4 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.

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 1st. This budget includes proposed expenditures and the means of financing them. Included is a final budget for the current year ending June 30th. 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.

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 is impacting many Utah industries. The lack of economic growth has greatly impacted public education. The Weighted Pupil Unit (WPU) is the State's primary funding source to equalize funding throughout all Utah school districts. The Legislature kept the value of the WPU at \$2,577 for years ended June 30, 2009 and 2010. The WPU will remain at that level for 2011, despite necessary increases in District expenditures. The economic outlook calls for little, if any, expansion in 2011 and may not show improvement until well into 2012. The unemployment rate for Salt Lake County was 6.3 percent at December 31, 2009. Unemployment will most likely remain around that level in the coming months. There will be considerable political pressure on the Legislature to at least maintain funding for public education as it deals with potential budget deficits statewide. Nonetheless, the resources available may make that difficult to accomplish.

With the economy retracting, 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.

Another high priority is the physical assessment of school buildings. In 2009, the District hired an architect firm to assess the physical needs of all buildings. The firm determined that \$650.0 million is required to get all buildings adequately updated. The Board proposed a \$250.0 million bond election, which was approved by the voters on June 22, 2010. The bond proceeds will fund many projects over a five-year period. The first five projects are:

- Build a high school in Draper.
- Rebuild Butler Middle and Midvale Elementary.
- Remodel Albion Middle and Sandy Elementary.

Architects for these projects will be hired in the fall of 2010, with the major construction scheduled to begin in spring of 2011. Several other projects are due to be completed by 2015.

RELEVANT FINANCIAL POLICIES AND ISSUES

The District maintains a cash and investment pool that is available for use by all funds. The District invests all idle funds with the Utah Public Treasurers' Investment Fund. All investment activities fall within the guidelines of the State of Utah Money Management Act and the Money Management Council which governs the District's investment policies and provides a measure of depository protection. The Council issues a list of qualified depositories to public treasurers quarterly and monitors the maximum amount of public funds each depository is eligible to hold in accordance with the laws and the rules of the Council. State law 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 Council does not require collateralization of deposits. The District considers the actions of the Money Management Council to be helpful oversight for protection of its uninsured and uncollateralized bank deposits.

Long-term liabilities of the District include the following:

- 58 percent of the outstanding bonded debt issued by the former Jordan School District at June 30, 2009 is to be serviced by the District. At June 30, 2010, the principal amount owed is \$152.0 million and interest owed is \$38.9 million, for a total of \$190.9 million. The bond payments will be completed in 2022.
- As noted, residents of the District approved a \$250.0 million bond election on June 22, 2010. It is anticipated that the bonds will be issued in four phases with the first \$65.0 million expected to be issued in the spring of 2011.
- The District, by offering retiree benefits, has obligations to employees who will receive these benefits in the future. An actuary is currently determining the future obligation. The District has committed a portion of its General Fund balance to finance this obligation.

AWARDS AND ACKNOWLEDGEMENTS

The District will submit this financial report to the Government Finance Officers Association (GFOA) with the intention of receiving the Certificate of Achievement for Excellence in Financial Reporting. The District believes that its current comprehensive annual financial report (CAFR) meets the Certificate of Achievement Program's requirements and the District is submitting it to the GFOA to determine its eligibility for a certificate. 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 CAFR. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The District also will submit this financial report to the Association of School Business Officials (ASBO) International with the intention of being awarded their Certificate of Excellence in Financial Reporting. 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.

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 business department. Special appreciation is expressed to Leon Wilcox, Director of Accounting; Shana Lowe, Assistant Director; and Marie Humphrey, Auditor, for their contribution in the preparation of this report.

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

Respectfully submitted,



Dr. David S. Doty
Superintendent of Schools/
Chief Executive Officer



Keith L. Bradford
Business Administrator/
Chief Financial Officer/General Counsel

CANYONS SCHOOL DISTRICT
List of Elected and Appointed Officials
June 30, 2010

Elected Officials

	Initial Appointment	Present Term Began	Present Term Expires
Tracy Scott Cowdell, President Precinct 4	January, 2007	July, 2008	December, 2010
Sherril H. Taylor, Vice-President Precinct 6	January, 2005	July, 2008	December, 2010
Mont L. Millerberg, Member Precinct 1	July, 2008	July, 2008	December, 2012
Kim M. Horiuchi, Member Precinct 2	January, 2007	July, 2008	December, 2010
Kevin C. Cromar, Member Precinct 3	July, 2008	July, 2008	December, 2012
Ellen S. Wallace, Member Precinct 5	January, 1995	July, 2008	December, 2010
Dr. Paul J. McCarty, Member Precinct 7	July, 2008	July, 2008	December, 2012

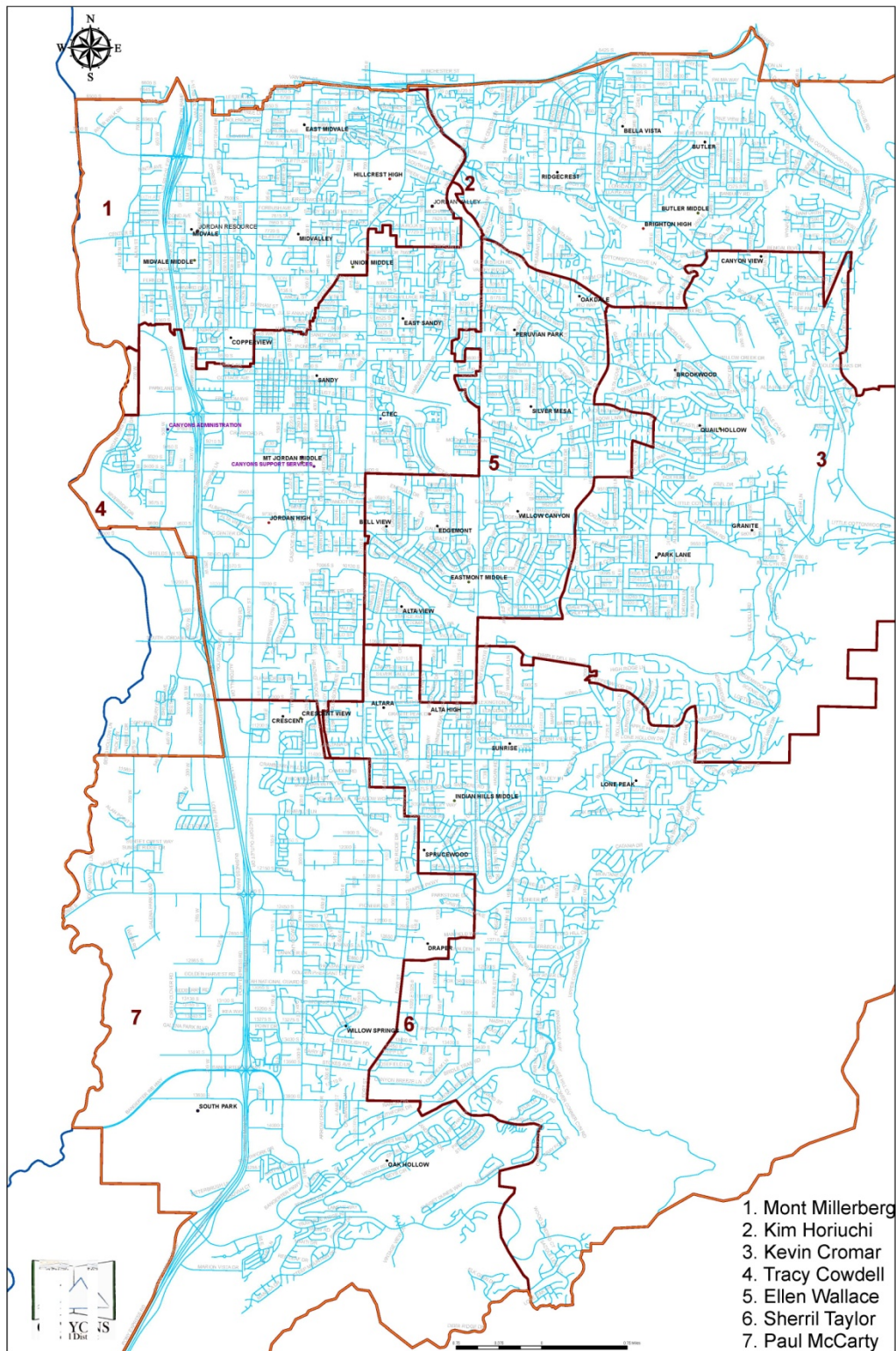
Board Members Cowdell, Taylor, Horiuchi, and Wallace were initially elected to serve on the former Jordan Board of Education. With the creation of the Canyons School District on July 1, 2009, state statute allowed them serve a 2.5 year term, with their terms expiring in December 2010. Board Members Millerberg, Cromar, and McCarty were elected to 4.5 year initial terms in July 2008. All future Board Member terms will be for 4 years.

Appointed Officials

	Initial Appointment	Present Term Began	Present Term Expires
Dr. David S. Doty, Superintendent/ Chief Executive Officer	September, 2008	September, 2010	September, 2012
Keith L. Bradford Business Administrator/ Chief Financial Officer	December, 2008	December, 2008	June, 2011

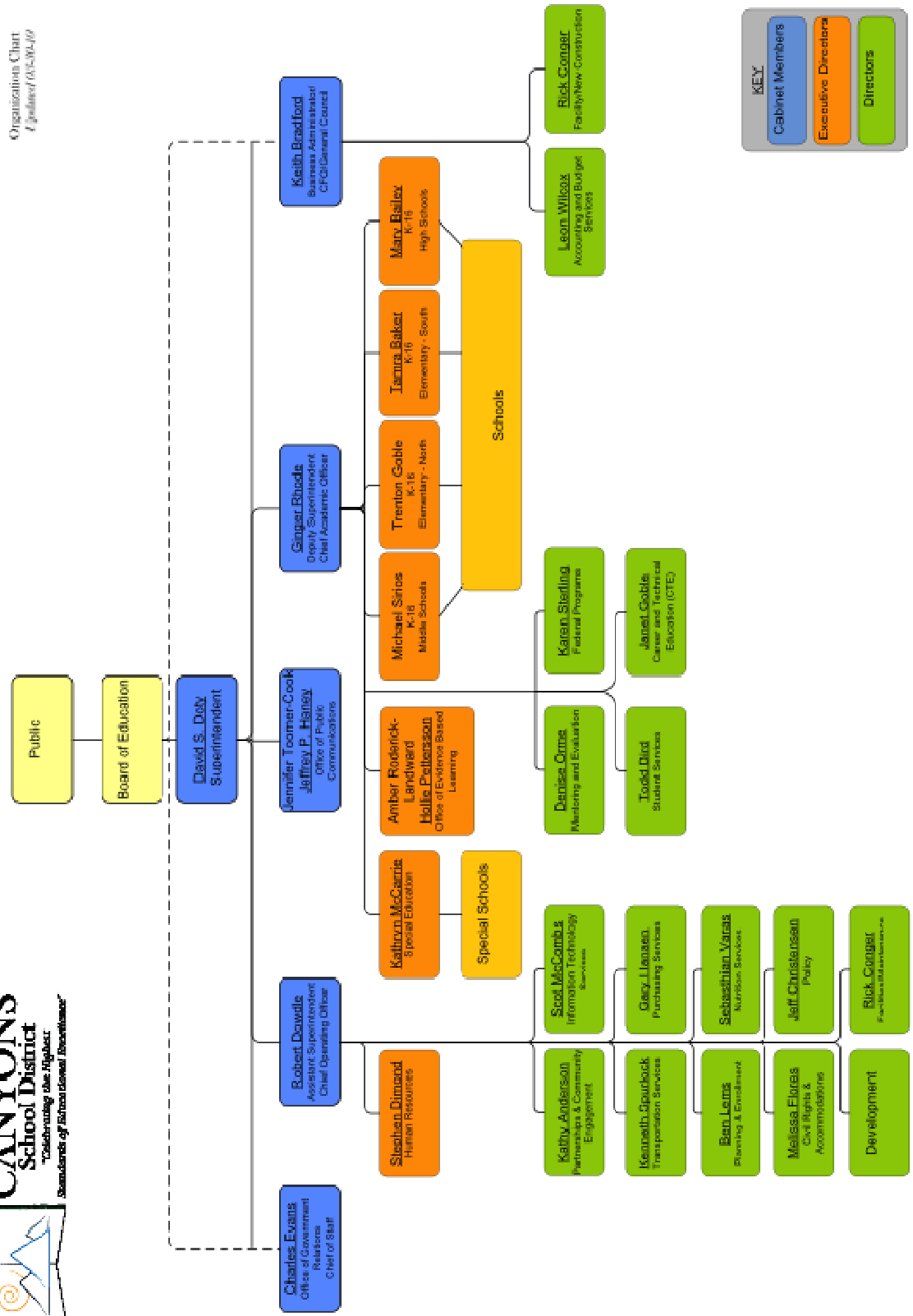
Future terms for the Superintendent and Business Administrator will be for two years.

School Board Boundaries





Organization Chart
Updated 6/15/2019





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Independent Auditor's Report

Board of Education
Canyons School District

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, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Canyons School District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2010 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 11 through 19 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation

of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Agui & Company, PC

November 30, 2010

Management's Discussion and Analysis

As management of the Canyons School District (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, 2010. 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 south east 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. Effective July 1, 2009, the District began operations with approximately 33,000 students and 41 traditional schools and 4 special program schools. On July 1, 2009, Jordan School District allocated \$237.9 million of resources, net of related obligations, to the newly created district.
- The District's total net assets increased by \$26.3 million during 2010. Unspent tax revenues restricted for capital projects comprise a major portion of this increase.
- During 2010, the District retired \$18.0 million of general obligation bonds previously issued by the former Jordan School District.
- As of the close of the current year, the District's governmental funds reported combined ending fund balances of \$128.4 million, an increase of \$24.7 million in comparison with the amount allocated from Jordan School District on July 1, 2009. Most of this year's change is due to an increase of \$19.7 in the Capital Projects Fund from an increase in unspent revenues restricted for capital projects.
- At the end of the current year, unassigned fund balances for the General Fund was \$11.2 million or six percent of General Fund expenditures.
- Actual revenues were less than budgeted for the General Fund. However, the District kept expenditures within spending limits through budget amendments and conservative budgeting and spending practices.

CREATION OF A NEW DISTRICT

Utah law provides cities to form school districts. On November 6, 2007, voters in the cities of Cottonwood Heights, Sandy, Draper, and Midvale, and the town of Alta voted to create a new district. Effective July 1, 2009, the District began operations with approximately 33,000 students and 41 traditional schools (29 elementary schools, 8 middle schools, 4 high schools) and 4 special program schools. The forming cities were located within east portion of the Jordan School District. On July 1, 2009, Jordan School District allocated \$237.9 million of resources, net of related obligations, to the newly created district. Basically, the former Jordan School District became two school districts. The newly formed district is Canyons School District. Jordan School District will continue to serve the cities of Bluffdale, Copperton, Herriman, Riverton, South Jordan, and West Jordan.

The bonded debt of the former district is to be repaid based on the created and remaining district's portion of assessed valuation of real property at the time a new district was created. Accordingly, the bonded debt of the former Jordan School District will be repaid 58 percent by Canyons School District and 42 percent by Jordan School District. All other assets and liabilities of the District were to be divided based on mutual agreement between two transition teams appointed by each district. When the transition teams could not agree, a three-member arbitration panel made a final decision. The arbitration panel's decision dated March 17, 2009, indicated the June 30, 2009 fund balances of the former Jordan School District were to be divided as follows:

- Balances specific to a school were allocated to the district in which the school was located.
- Unspent bond proceeds were to be allocated to the district in which related projects were located.
- The designation in the General Fund for retiree benefits is to be allocated as of June 30, 2010 with Jordan School District retaining all current retiree obligations as of that date and sufficient funds to pay those retirees in full. Any remaining balance is to be divided between Canyons School District and Jordan School District based on estimated future retiree liabilities of current employees. In 2011, the District expects to receive approximately \$15.0 million from Jordan School District to finance this benefit obligation.
- Capital assets (sites, site improvements, buildings, equipment, and vehicles) were allocated based on their geographical location and use.
- All other balances were allocated based on the student enrollment on October 1, 2008, which was 59 percent to Jordan School District and 41 percent to Canyons School District.
- The respective transition costs of the two districts were deducted from their final allocation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements 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.

Where possible, condensed data provides comparative information at July 1, 2009 (amounts allocated from Jordan School District) and June 30, 2010. Comparative data for activities will be provided in future reports.

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

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

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

The government-wide financial statements can be found on pages 22 through 23 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 Projects 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 schedules* found on pages 49 through 51 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 53 through 58 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 24 through 28 of this report.

- **Proprietary funds.** 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 29 through 31 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 32 through 45 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets exceeded liabilities by \$264.2 million at the close of the most recent fiscal year.

The largest portion of the District’s net assets (48 percent) reflects its investment in capital assets (e.g., sites, 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 assets (34 percent) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects. The

remaining net asset balance is unrestricted (18 percent) 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 current year, the District is able to report positive balances in all three categories of net assets.

Restricted net assets increased by \$18.3 million during the year ended June 30, 2010. Unspent tax revenues restricted for capital projects comprise a major portion of this increase.

Unrestricted net assets increased by \$6.8 million during the year ended June 30, 2010. This increase is mostly due to the results of operations in the General Fund provided from unrestricted state and local resources.

Canyons School District's Net Assets
(in millions of dollars)

	Governmental Activities		Change
	June 30, 2010	From Jordan School District *	from July 1, 2009 to June 30, 2010
Current and other assets	\$ 288.3	\$ 177.7	\$ 110.6
Capital assets	279.8	295.8	(16.0)
Total assets	568.1	473.5	94.6
Other liabilities	142.3	60.7	81.6
Long-term liabilities outstanding	161.6	174.9	(13.3)
Total liabilities	303.9	235.6	68.3
Net assets:			
Invested in capital assets, net of related debt	126.6	125.4	1.2
Restricted	88.9	70.6	18.3
Unrestricted	48.7	41.9	6.8
Total net assets	\$ 264.2	\$ 237.9	\$ 26.3

* On July 1, 2009, assets and liabilities were allocated to the newly formed Canyons School District from Jordan School District. See Note 9 to the basic financial statements.

Governmental activities – The key elements of the increase of the District's net assets for the year ended June 30, 2010 are as follows:

- Revenues totaled \$274.6 million for the year ended June 30, 2010. Also, total expenses were \$248.3 million during the same period. The increase in the District's net assets for the year ended June 30, 2010 was \$26.3 million.
- Property taxes comprise 42 percent of the District's revenue. The District's tax rate for the 2009 calendar year of 0.007180 was applied to taxable value of property totaling \$18.1 billion.
- Revenues from the state of Utah comprise 44 percent 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 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

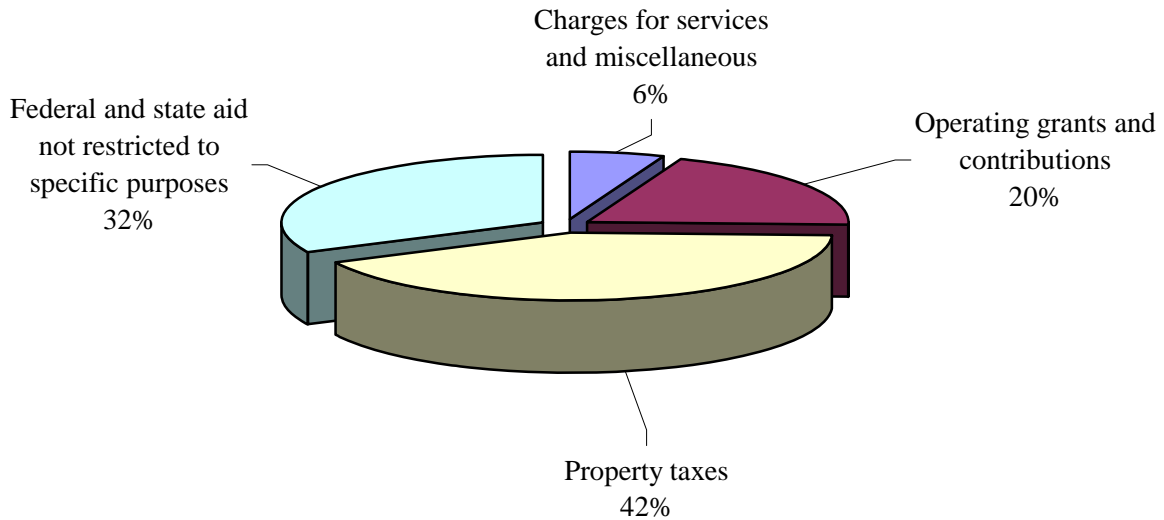
will make up the difference with additional state funding. The value of one WPU was \$2,577 for 2010. Student enrollment based on the October 1, 2009 count was 33,184.

- Revenues from federal awards comprise eight percent 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. Included in federal awards is \$6.5 million of state fiscal stabilization funding.
- Instruction services represents the 60 percent of District expenses for the year.

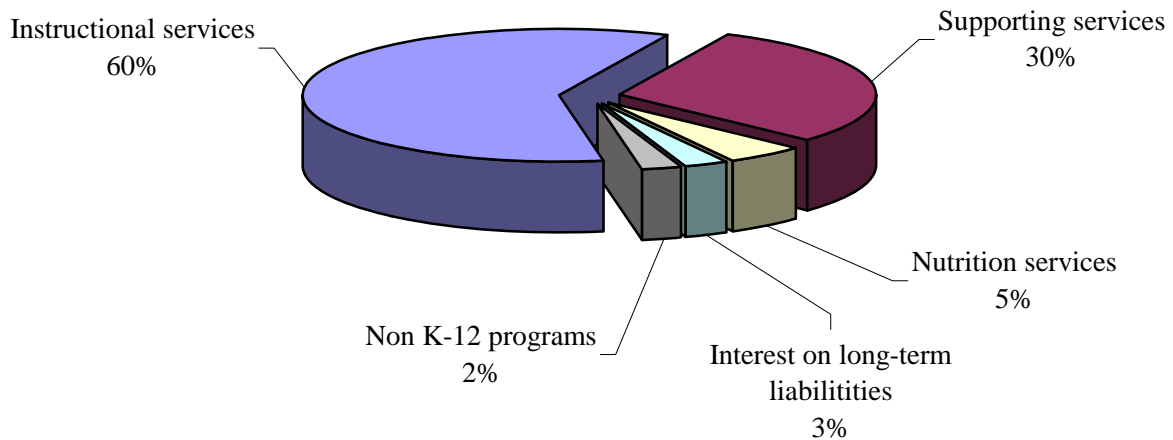
Canyons School District's Changes in Net Assets
Year Ended June 30, 2010
(in millions of dollars)

	Governmental Activities
Revenues:	
Program revenues:	
Charges for services	\$ 9.5
Operating grants and contributions	54.2
Capital grants and contributions	0.1
General revenues:	
Property taxes	115.6
Federal and state revenue not restricted to specific purposes	88.8
Interest	1.1
Miscellaneous	5.3
	<hr/>
Total revenues	274.6
	<hr/>
Expenses:	
Instruction	148.5
Supporting services:	
Students	7.4
Instructional staff	11.7
General district administration	2.3
School administration	13.8
Central	11.3
Operation and maintenance of school buildings	20.3
Student transportation	7.2
Nutrition services	12.4
Non K-12 programs	6.3
Interest on long-term liabilities	7.1
	<hr/>
Total expenses	248.3
	<hr/>
Increase in net assets	26.3
Net assets - beginning	-
Allocation from Jordan School District	237.9
	<hr/>
Net assets - ending	<u>\$ 264.2</u>

**Canyons School District
Revenues by Source - Governmental Activities
Year Ended June 30, 2010**



**Canyons School District
Expenses by Function - Governmental Activities
Year Ended June 30, 2010**



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. At June 30, 2010, the District’s governmental funds reported a combined fund balance of \$128.4 million, or \$24.7 million greater than what was allocated to the District from Jordan School District at the beginning of the year. Most of this year’s change in the combined fund balance is due to an increase of \$19.7 million in the Capital Projects Fund from an increase in unspent revenues restricted for capital projects (acquisition of sites, construction and renovation of facilities, and equipment). In addition, the following information on revenues and expenditures should be noted:

- Property tax revenues totaled \$116.1 million or 42 percent of total revenues. The General Fund, the Debt Service Fund, and the Capital Projects Fund received \$58.6 million, \$25.3 million, and \$31.1 million, respectively, of property taxes during the year.
- Federal and state revenues totaled \$143.1 million or 52 percent of total revenues. Most of the District’s federal and state funding is recorded in the General Fund.
- Expenditures for the General Fund totaled \$189.9 million. Instruction represents \$118.8 million or 63 percent of General Fund expenditures.
- General Fund salaries totaled \$123.1 million while the associated fringe benefits of retirement, social security, unemployment, industrial insurance, and health and accident insurance added \$41.2 million to arrive at 87 percent of total General Fund expenditures.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. *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. Restrictions include tax revenues levied for specific purposes. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. *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 and other governmental funds are those that do not meet the requirements of 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. At June 30, 2010, the District’s combined governmental fund balance is \$128.4 million (\$2.6 million in nonspendable, \$86.3 million in restricted, \$21.9 million in committed, \$6.4 million in assigned, and \$11.2 million in unassigned fund balances).

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the Board revised the District’s budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was a decrease of \$1.0 million in total General Fund budgeted expenditures.

Final budgeted revenues were less than original budgetary estimates by \$12.1 million or six percent, mostly to account for anticipated decreases in restricted federal and state awards.

With these adjustments, actual expenditures were \$8.4 million less than final budgeted amounts. The most significant positive variances were \$10.2 million in instruction and \$1.3 million in operation and maintenance of school buildings. The most significant negative variances were \$3.7 million in instructional staff (due to budgeting seven professional development days for teachers as instruction but properly charging actual costs to the instructional staff function) and \$15.0 million in the allocation from Jordan School District (which is

expected to be received from Jordan School District in 2011 for the District's retiree benefit obligation). Actual revenues were \$1.5 million less than final budgeted amounts.

Variances primarily result from expenditure-driven federal and state grants that are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures are incurred and all other grant requirements are met; unspent grant amounts are carried forward and included in the succeeding year's budget. Therefore, actual grant revenues and expenditures are normally less than the amounts budgeted.

The District maintains up to five percent of General Fund budgeted expenditures (as defined in Utah law as an "undistributed reserve") as a committed balance. The specific purpose of the commitment is for economic stabilization. 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). As defined by state law, the commitment is not to be used "in the negotiation or settlement of contract salaries for school district employees."

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. The District has two construction projects underway at June 30, 2010 with an anticipated total cost of \$1.4 million. Total additions to capital assets (sites, improvements, buildings, equipment, and vehicles) were \$2.5 million for the year.

Capital assets are outlined below:

Canyons School District's Capital Assets (net of accumulated depreciation, in millions of dollars)

	Governmental Activities		Change
	June 30, 2010	From Jordan School District *	from July 1, 2009 to June 30, 2010
Sites and improvements	\$ 38.0	\$ 38.9	\$ (0.9)
Construction in progress	0.5	-	0.5
Buildings	215.2	224.0	(8.8)
Equipment	20.6	27.3	(6.7)
Vehicles	5.5	5.6	(0.1)
Total capital assets	<u>\$ 279.8</u>	<u>\$ 295.8</u>	<u>\$ (16.0)</u>

* On July 1, 2009, capital assets and accumulated depreciation were allocated to the newly formed Canyons School District from Jordan School District. See Note 9 to the basic financial statements.

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

Debt administration – 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, 2010, no bonds have been issued under this authorization.

General obligation bonds issued by the former Jordan School District prior to the creation of the District have an underlying rating of “AAA” by Fitch Ratings and “Aaa” Moody’s Investors Service. As described earlier, the District is responsible for 58 percent of the debt service requirements of these bonds.

The general obligation bonded debt of the District is limited by state law to four percent of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2010 is about \$1.0 billion. Net bonds payable at June 30, 2010 is \$153.2 million, resulting in a legal debt margin of about \$855 million.

Canyons School District's Outstanding General Obligation Debt
(in millions of dollars)

	Governmental Activities		Change
	June 30, 2010	From Jordan School District *	from July 1, 2009 to June 30, 2010
General obligation bonds	\$ 152.0	\$ 170.0	\$ (18.0)
Deferred amounts	1.2	1.2	-
Net bonds payable	<u>\$ 153.2</u>	<u>\$ 171.2</u>	<u>\$ (18.0)</u>

* On July 1, 2009, general obligation bonds and related deferred amounts were allocated to the newly formed Canyons School District from Jordan School District. See Note 9 to the basic financial statements.

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

OTHER INFORMATION

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

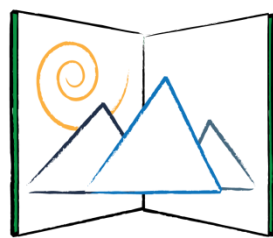
**Canyons School District's Enrollment
October 1 Count**

School Year	Enrollment	Change
2009-10	33,184	
2010-11	33,469	0.9%

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 finances of Canyons School District 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.



CANYONS
School District

*"Celebrating the Highest
Standards of Educational Excellence"*

Basic Financial Statements

CANYONS SCHOOL DISTRICT
Statement of Net Assets
June 30, 2010

	Governmental Activities
Assets:	
Cash and investments	\$ 163,563,149
Accounts receivable:	
Property taxes	108,420,842
Other local	2,456,810
State of Utah	301,764
Federal government	10,230,693
Inventories	2,276,203
Prepaid expenses	354,440
Bond issuance costs, net of accumulated amortization	677,081
Capital assets:	
Sites and construction in progress	16,233,014
Other capital assets, net of accumulated depreciation	263,568,577
Total assets	<u>568,082,573</u>
Liabilities:	
Accounts payable	3,704,011
Accrued payroll and related benefits	19,213,874
Accrued interest	267,574
Unearned revenue:	
Property taxes	104,800,669
Other local	499,463
State of Utah	13,103,802
Federal government	749,756
Long-term liabilities:	
Due or payable within one year	21,487,049
Due or payable after one year	140,071,038
Total liabilities	<u>303,897,236</u>
Net Assets:	
Invested in capital assets, net of related debt	127,320,788
Restricted for:	
Debt service	2,276,557
Capital projects	81,667,998
Nutrition services	2,220,921
Other purposes	2,010,980
Unrestricted	48,688,093
Total net assets	<u><u>\$ 264,185,337</u></u>

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

CANYONS SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2010

Activities and Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Instruction	\$ 148,539,711	\$ 3,218,684	\$ 33,877,415	\$ 100,000	\$ (111,343,612)
Supporting services:					
Students	7,390,809	-	1,588,816	-	(5,801,993)
Instructional staff	11,709,415	-	3,375,228	-	(8,334,187)
District administration	2,334,128	-	-	-	(2,334,128)
School administration	13,773,164	-	322,456	-	(13,450,708)
Central	11,304,689	15,924	112,336	-	(11,176,429)
Operation and maintenance of school buildings	20,325,380	172,521	3,920	-	(20,148,939)
Student transportation	7,138,925	509,327	3,844,886	-	(2,784,712)
Nutrition services	12,408,460	5,194,035	6,399,613	-	(814,812)
Non K-12 programs	6,301,400	393,013	4,640,461	-	(1,267,926)
Interest on long-term liabilities	7,080,186	-	-	-	(7,080,186)
Total school district	<u>\$ 248,306,267</u>	<u>\$ 9,503,504</u>	<u>\$ 54,165,131</u>	<u>\$ 100,000</u>	<u>(184,537,632)</u>
General revenues:					
Property taxes levied for:					
Basic state supported program for regular instruction					23,063,564
Voted leeway program for regular instruction					25,751,362
School board leeway program for class size reduction					6,437,840
School board leeway program for improvement of reading skills					1,947,447
Tort liability					354,081
Student transportation					321,892
Community recreation					1,126,622
Debt service of general obligation bonds					22,532,441
Capital outlay for buildings and other capital needs					34,023,986
Federal and state revenue not restricted to specific purposes					88,836,429
Interest					1,077,243
Miscellaneous					5,303,505
Total general revenues					<u>210,776,412</u>
Change in net assets					26,238,780
Net assets - beginning					-
Allocation from Jordan School District					<u>237,946,557</u>
Net assets - ending					\$ 264,185,337

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

CANYONS SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2010

	Major Funds			Other	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
Assets:					
Cash and investments	\$ 60,702,097	\$ 206,595	\$ 81,884,551	\$ 7,133,531	\$ 149,926,774
Accounts receivable:					
Property taxes	56,510,799	24,381,795	26,496,629	1,031,619	108,420,842
Other local	592,958	1,821,174	-	42,501	2,456,633
State of Utah	89,289	-	-	212,475	301,764
Federal government	9,936,195	-	-	294,498	10,230,693
Inventories	1,698,000	-	-	578,203	2,276,203
Prepaid expenditures	354,440	-	-	-	354,440
Total assets	<u>\$ 129,883,778</u>	<u>\$ 26,409,564</u>	<u>\$ 108,381,180</u>	<u>\$ 9,292,827</u>	<u>\$ 273,967,349</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 1,765,915	\$ -	\$ 1,262,638	\$ 675,458	\$ 3,704,011
Accrued payroll and related benefits	18,689,413	-	-	524,461	19,213,874
Deferred revenue:					
Property taxes	56,411,138	24,588,390	26,305,112	1,028,775	108,333,415
Other local	-	-	-	499,463	499,463
State of Utah	12,725,729	-	-	378,073	13,103,802
Federal government	749,756	-	-	-	749,756
Total liabilities	<u>90,341,951</u>	<u>24,588,390</u>	<u>27,567,750</u>	<u>3,106,230</u>	<u>145,604,321</u>
Fund balances:					
Nonspendable:					
Inventories and prepaid expenditures	2,052,440	-	-	578,203	2,630,643
Restricted for:					
Student transportation	999,632	-	-	-	999,632
K-3 reading	625,760	-	-	-	625,760
Debt service	-	1,821,174	-	-	1,821,174
Capital projects	-	-	80,813,430	-	80,813,430
Nutrition services	-	-	-	1,642,718	1,642,718
Other purposes	-	-	-	350,569	350,569
Committed to:					
Economic stabilization	10,000,000	-	-	-	10,000,000
Employee benefit obligations	8,482,047	-	-	-	8,482,047
Self insurance	2,000,000	-	-	-	2,000,000
Contractual obligations	1,351,866	-	-	-	1,351,866
Assigned to:					
Schools	2,781,172	-	-	-	2,781,172
Students	-	-	-	3,615,107	3,615,107
Unassigned	11,248,910	-	-	-	11,248,910
Total fund balances	<u>39,541,827</u>	<u>1,821,174</u>	<u>80,813,430</u>	<u>6,186,597</u>	<u>128,363,028</u>
Total liabilities and fund balances	<u>\$ 129,883,778</u>	<u>\$ 26,409,564</u>	<u>\$ 108,381,180</u>	<u>\$ 9,292,827</u>	<u>\$ 273,967,349</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 Assets
June 30, 2010

Total fund balance - governmental funds \$ 128,363,028

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$520,091,998 and accumulated depreciation is -\$240,290,407 (see Note 3). 279,801,591

Property tax revenue is recognized when levied (claim to resources established) rather than when "available." The portion not available soon enough to pay for the current period's expenditures is deferred in the funds. 3,532,746

Bond issuance costs are reported as expenditures in the governmental funds. The cost is \$1,294,403 and accumulated amortization is \$617,322. 677,081

An internal service fund is used by District 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. 10,218,396

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (267,574)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

General obligation bonds payable	\$ (151,994,800)	
Deferred amounts for issuance premium	(2,460,850)	
Deferred amounts on refundings	1,297,766	
Compensated absences obligation	(4,982,047)	(158,139,931)

Total net assets - governmental activities \$ 264,185,337

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
Year Ended June 30, 2010

	Major Funds			Other	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
Revenues:					
Property taxes	\$ 58,555,843	\$ 25,279,390	\$ 31,091,296	\$ 1,139,851	\$ 116,066,380
Interest earnings	374,360	93,524	466,376	97,116	1,031,376
Other local sources	3,802,365	-	2,371	11,990,089	15,794,825
State of Utah	114,154,861	-	100,000	5,939,220	120,194,081
Federal government	17,688,416	-	-	5,219,063	22,907,479
Total revenues	194,575,845	25,372,914	31,660,043	24,385,339	275,994,141
Expenditures:					
Current:					
Instruction	118,816,244	-	-	6,380,311	125,196,555
Supporting services:					
Students	7,336,484	-	-	-	7,336,484
Instructional staff	11,483,579	-	-	-	11,483,579
District administration	2,272,323	-	-	-	2,272,323
School administration	13,618,836	-	-	-	13,618,836
Central	10,503,447	-	-	-	10,503,447
Operation and maintenance of school buildings	19,819,997	-	-	-	19,819,997
Student transportation	6,027,206	-	-	-	6,027,206
Nutrition services	-	-	-	11,822,097	11,822,097
Non K-12 programs	-	-	-	6,243,956	6,243,956
Capital outlay	-	-	11,972,731	-	11,972,731
Debt service:					
Bond principal	-	17,953,900	-	-	17,953,900
Bond interest and fees	-	7,065,886	-	-	7,065,886
Total expenditures	189,878,116	25,019,786	11,972,731	24,446,364	251,316,997
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	4,697,729	353,128	19,687,312	(61,025)	24,677,144
Fund balances - beginning	-	-	-	-	-
Allocation from Jordan School District	34,844,098	1,468,046	61,126,118	6,247,622	103,685,884
Fund balances - ending	<u>\$ 39,541,827</u>	<u>\$ 1,821,174</u>	<u>\$ 80,813,430</u>	<u>\$ 6,186,597</u>	<u>\$ 128,363,028</u>

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

CANYONS SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2010

Net change in fund balances-total governmental funds \$ 24,677,144

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	Capital outlays	\$ 2,493,075	
	Depreciation expense	<u>(18,535,519)</u>	(16,042,444)

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

	Repayment of bond principal	17,953,900	
	Bond interest expense	22,673	
	Amortization of deferred amounts on refunding	(368,127)	
	Amortization of bond issuance costs	(96,776)	
	Amortization of bond premiums	<u>427,930</u>	17,939,600

Property taxes that are not collected for several months after the District's fiscal year end are not considered as available revenues in the governmental funds and are, instead, counted as deferred revenues. They are however, recorded as revenues in the statement of activities. (507,145)

In the statement of activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, compensated absences increased. (1,233,015)

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 assets of the internal service fund is reported with governmental activities. 1,404,640

Change in net assets of governmental activities \$ 26,238,780

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
Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Property taxes	\$ 57,534,733	\$ 59,229,945	\$ 58,555,843	\$ (674,102)
Interest	1,000,000	430,000	374,360	(55,640)
Other local revenue	3,565,120	2,271,100	3,802,365	1,531,265
State of Utah	125,309,661	114,214,455	114,154,861	(59,594)
Federal government	20,703,318	19,903,334	17,688,416	(2,214,918)
Total revenues	208,112,832	196,048,834	194,575,845	(1,472,989)
Expenditures:				
Current:				
Instruction	131,611,985	129,058,254	118,816,244	10,242,010
Supporting services:				
Students	9,721,639	7,024,677	7,336,484	(311,807)
Instructional staff	6,267,545	7,746,351	11,483,579	(3,737,228)
District administration	2,065,354	2,289,504	2,272,323	17,181
School administration	13,360,045	13,964,473	13,618,836	345,637
Central	9,634,445	10,547,600	10,503,447	44,153
Operation and maintenance of school buildings	20,509,607	21,090,017	19,819,997	1,270,020
Student transportation	6,112,644	6,515,308	6,027,206	488,102
Total expenditures	199,283,264	198,236,184	189,878,116	8,358,068
Excess (deficiency) of revenues over (under) expenditures	8,829,568	(2,187,350)	4,697,729	6,885,079
Other financing sources (uses):				
Transfer	3,455,000	-	-	-
Net change in fund balances	12,284,568	(2,187,350)	4,697,729	6,885,079
Fund balances - beginning	-	-	-	-
Allocation from Jordan School District	-	49,844,098	34,844,098	(15,000,000)
Fund balances - ending	<u>\$ 12,284,568</u>	<u>\$ 47,656,748</u>	<u>\$ 39,541,827</u>	<u>\$ (8,114,921)</u>

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

CANYONS SCHOOL DISTRICT
Statement of Fund Net Assets
Proprietary Fund
June 30, 2010

	Governmental Activities - Internal Service Fund <u>Self Insurance</u>
Assets:	
Current assets:	
Cash and investments	\$ 13,636,375
Accounts receivable - other local	<u>177</u>
Total assets	13,636,552
Liabilities:	
Current liabilities:	
Claims payable	<u>3,418,156</u>
Net assets:	
Unrestricted	<u><u>\$ 10,218,396</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 Assets
Proprietary Fund
Year Ended June 30, 2010

	Governmental Activities - Internal Service Fund
	<u>Self Insurance</u>
Operating revenues:	
Insurance premiums	<u>\$ 21,296,816</u>
Operating expenses:	
Medical claims	14,736,594
Prescription claims	4,231,298
Insurance premiums	687,856
Administration and other	<u>282,295</u>
Total operating expenses	<u>19,938,043</u>
Operating income	1,358,773
Nonoperating income:	
Interest	<u>45,867</u>
Change in net assets	1,404,640
Net assets - beginning	-
Allocation from Jordan School District	<u>8,813,756</u>
Net assets - ending	<u><u>\$ 10,218,396</u></u>

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

CANYONS SCHOOL DISTRICT
Statement of Fund Cash Flows
Proprietary Fund
Year Ended June 30, 2010

	Governmental Activities - Internal Service Fund <u>Self Insurance</u>
Cash flows from operating activities:	
Receipts from interfund services provided	\$ 21,296,639
Payments to suppliers	(282,295)
Payments for medical fees and insurance claims	<u>(16,237,592)</u>
Net cash provided by operating activities	4,776,752
Cash flows from investing activities:	
Interest received	<u>45,867</u>
Net increase in cash and cash equivalents	4,822,619
Cash and cash equivalents - beginning	-
Allocation from Jordan School District	<u>8,813,756</u>
Cash and cash equivalents - ending	<u><u>\$ 13,636,375</u></u>
(Displayed on statements of fund net assets as <i>Cash and investments</i>)	
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,358,773
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(177)
Increase in claims payable	<u>3,418,156</u>
Total adjustments	<u>3,417,979</u>
Net cash provided by operating activities	<u><u>\$ 4,776,752</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 Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Canyons School District (the District) are in conformity with accounting principles generally accepted in the United States of America applicable to local governmental units in general and Utah school districts in particular. The following is a summary of the more significant accounting policies applied by the District.

The Reporting Entity – The District was established by the citizens of Cottonwood Heights, Sandy, Draper, Midvale, and Alta in a November 2007 referendum vote. Effective July 1, 2009, the District formally began operations, providing elementary and secondary public education in southeastern Salt Lake County, Utah. The Board of Education, 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.

These basic financial statements present the activities of the District and its component unit, the 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.

- **Blended Component Unit.** The Canyons School District Foundation (Foundation) is a nonprofit organization incorporated in the state of Utah and has applied for exemption from federal income tax under Section 501(a) of the Internal Revenue Code, to be classified as a Section 501(c)(3) public charity. The Foundation acts as a conduit for charitable contributions to the District. The Foundation exclusively serves the District. The District makes all personnel decisions for the Foundation and pays for all operating costs of the Foundation. Although a legally separate entity, a blended component unit is, in substance, part of the District's operations. The Foundation is presented as a special revenue fund of the District.

Government-wide Financial Statements – The *statement of net assets* and the *statement of activities* report information on all of the activities of the District and the Foundation. As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements (e.g. internal service fund activity and indirect cost charges to programs).

The *statement of activities* presents the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expense allocations made in the funds are reversed for the *statement of activities*. Depreciation expense for capital assets specifically identified with a function is included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instruction, school administration, operation and maintenance of the building, and nutrition services) is ratably included in the direct expenses of the appropriate functions. Interest on long-term liabilities is considered an indirect expense and is presented as a separate line. Program revenues include: a) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and b) grants and contributions that are restricted to meeting the operating or capital requirements of a particular program. Revenues that are not classified as program revenues, including all 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 Basic Financial Statements

displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor 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. Nonoperating revenues, such as interest, result from nonexchange 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:

- **General Fund.** The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- **Debt Service Fund.** The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on general obligation bonds payable.
- **Capital Projects Fund.** The Capital Projects Fund accounts for the resources accumulated and payments made for the acquisition of capital assets and construction of major capital projects.

Additionally, the District reports the following fund type:

- **Internal Service Fund.** The Self Insurance Fund (a proprietary fund) is the only internal service fund used by the District and accounts for the activities 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.

Fund Balance Classifications – 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 and prepaid expenditures 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 projects, debt service, student transportation, K-3 reading program, and community recreation).
 - b) Remaining fund balances in the Nutrition Services Fund.
 - c) Donations held in the Canyons School District Education Foundation Fund.

CANYONS SCHOOL DISTRICT

Notes to 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 (for example, 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 for the following purposes:
 - a) As defined in Utah law as an "undistributed reserve," the District maintains for economic stabilization up to five percent 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."
 - b) The District's compensated absences liability includes amounts for accrued vacation and sick leave incentive totaling \$4,982,047. The District will also be obligated to pay retiree benefits to eligible employees. This obligation was retained by Jordan School District for 2010. An actuarial study will be prepared in 2011 to measure the District's obligation. The District has committed \$3,500,000 of its General Fund balance for this future obligation.
 - c) The District has committed \$2,000,000 of its General Fund balance to cover potential deficits in its Self Insurance Fund.
 - d) Contractual obligations of \$1,351,866 at June 30, 2010 are expected to be completed in 2011. Accordingly, a portion of the General Fund balance has been committed to meet these obligations.
- **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. This category also includes the remaining positive fund balance for other governmental funds. The District has assigned General Fund resources that are to be used for textbooks, supplies, and other unrestricted school programs. Resources held by schools in the other governmental funds are also assigned.
- **Unassigned.** Residual balances in the General Fund are classified as unassigned.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources. Of the unrestricted resources, committed resources will be used first, followed by assigned resources, and then unassigned resources.

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

CANYONS SCHOOL DISTRICT

Notes to Basic Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year end (or within thirty days after year end in the case of property tax revenue). Property taxes and interest are considered to be susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time. Expenditure-driven grants are recognized as revenue when the qualifying expenditures are incurred and all other grant requirements are met; grants received in advance are recorded as deferred revenue until earned. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term liabilities, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Budgets and Budgetary Accounting – The District operates within budget requirements for school districts as specified by Utah law and as interpreted by the State Superintendent of Public Instruction. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America using the modified accrual basis of accounting for all governmental funds and on the accrual method for the Self Insurance Fund (internal service fund). The budget for the Self Insurance Fund is not legally required for budgetary control; this budget is for management purposes. All annual appropriations lapse at fiscal year-end. 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 year ended June 30, 2010 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.

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 net asset value. The fair value of the District's position in the Public Treasurers' Investment Fund (PTIF) is nearly the same as the District's balance in the PTIF.

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

CANYONS SCHOOL DISTRICT

Notes to Basic Financial Statements

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 – All purchased furniture, 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 materially 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. Capital assets are recorded as expenditures in the governmental fund financial statements at the time of purchase or construction. Depreciation is provided on capital assets using the straight-line method over their estimated useful lives as follows:

Site improvements	40 years
Buildings.....	40 years
Furniture and equipment.....	5 to 10 years
Vehicles	5 to 10 years

Long-term Liabilities – In the government-wide financial statements, and the Self Insurance Fund (internal service fund), long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities or Self Insurance Fund *statement of net assets*. Bond premiums and discounts, as well as issuance and refunding costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance and refunding costs are reported as deferred charges and amortized over the term of the related debt.

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

Statement of Fund Cash Flows – For the *statement of fund cash flows* for the proprietary fund, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Investments in the Public Treasurers' Investment Fund are considered cash equivalents.

Variances between Budget and Actual Data – Expenditure-driven grants are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures are incurred and all other grant requirements are met; unspent grant amounts are carried forward and included in the succeeding fiscal year's budget. Therefore, actual grant revenues and expenditures are normally less than the amounts budgeted.

CANYONS SCHOOL DISTRICT

Notes to Basic Financial Statements

2. DEPOSITS AND INVESTMENTS

A reconciliation of cash and investments at June 30, 2010, as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 7,071,951
Carrying amount of investments:	
Mutual funds	179,041
Public Treasurers' Investment Fund	<u>156,312,157</u>
Total cash and investments	<u><u>\$ 163,563,149</u></u>
Governmental funds cash and investments	\$ 149,926,774
Internal service fund cash and investments	<u>13,636,375</u>
Total cash and investments	<u><u>\$ 163,563,149</u></u>

The District complies with the State Money Management Act (Utah Code Section 51, Chapter 7) (Act) and related Rules of the Money Management Council (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, US Treasury obligations, US 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, 2010, the District and the Foundation have the following deposits with financial institutions:

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Amount Insured</u>
Canyons School District	\$ 6,964,311	\$ 2,772,515	\$ 426,677
Canyons Education Foundation	<u>107,640</u>	<u>107,640</u>	<u>107,640</u>
Total deposits	<u><u>\$ 7,071,951</u></u>	<u><u>\$ 2,880,155</u></u>	<u><u>\$ 534,317</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, 2010, \$2,345,838 of the District's bank deposits was uninsured and uncollateralized. No deposits are collateralized nor are they required to be by state statute.

Investments – All of the District's investments are with the PTIF. The Foundation has deposits separate from the District and invests some private funds through a broker.

CANYONS SCHOOL DISTRICT

Notes to Basic Financial Statements

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 including certificates of deposit and top-rated commercial paper held by the Utah State Treasurer; the portfolio has a weighted average life of 90 days or less. The District has \$156,312,157 invested in the PTIF on June 30, 2010.

The Foundation's investment in mutual funds is invested in common stocks and has a fair value of \$179,041.

- **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 two 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. The District has no investment policy that would further limit its investment choices. The District's investment in the PTIF and the Foundation's investment in mutual funds are not rated.
- **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 five percent of the District's total portfolio with a single issuer. The District places no other limits on the amount it may invest in any one issuer. The Foundation can invest private funds in certain equity and fixed-income securities provided no more than five percent of all funds are invested in any one issuer and no more than twenty-five percent of all funds are invested in a particular industry. Also, for the Foundation's investments in private funds, no more than seventy-five percent may be invested in equity securities and no more than five percent 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 District places no other limit on the amount of investments to be held by counterparties. The Foundation's investments are held in a brokerage account which is covered by Securities Investor Protection Corporation up to \$500,000

CANYONS SCHOOL DISTRICT

Notes to Basic Financial Statements

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 is as follows:

	From Jordan School District *	Increases	Decreases	June 30, 2010 Balance
Governmental activities:				
Capital assets, not being depreciated				
Sites	\$ 15,762,871	\$ -	\$ -	\$ 15,762,871
Construction in progress	-	1,233,165	(763,022)	470,143
Total capital assets, not being depreciated	<u>15,762,871</u>	<u>1,233,165</u>	<u>(763,022)</u>	<u>16,233,014</u>
Capital assets, being depreciated:				
Site improvements	32,685,967	-	-	32,685,967
Buildings	382,972,571	763,022	-	383,735,593
Equipment	71,723,771	325,273	-	72,049,044
Vehicles	14,576,946	934,637	(123,203)	15,388,380
Total capital assets, being depreciated	<u>501,959,255</u>	<u>2,022,932</u>	<u>(123,203)</u>	<u>503,858,984</u>
Accumulated depreciation for:				
Site Improvements	(9,590,292)	(817,127)	-	(10,407,419)
Buildings	(158,884,679)	(9,574,314)	-	(168,458,993)
Equipment	(44,461,126)	(7,032,248)	-	(51,493,374)
Vehicles	(8,941,994)	(1,111,830)	123,203	(9,930,621)
Total accumulated depreciation	<u>(221,878,091)</u>	<u>(18,535,519)</u>	<u>123,203</u>	<u>(240,290,407)</u>
Total capital assets, being depreciated, net	<u>280,081,164</u>	<u>(16,512,587)</u>	<u>-</u>	<u>263,568,577</u>
Governmental activities capital assets, net	<u>\$ 295,844,035</u>	<u>\$ (15,279,422)</u>	<u>\$ (763,022)</u>	<u>\$ 279,801,591</u>

* On July 1, 2009, capital assets and accumulated depreciation were allocated to the newly formed Canyons School District from Jordan School District. See Note 9 to the basic financial statements.

Depreciation expense for the year ended June 30, 2010 was charged to functions of the District as follows:

Governmental activities:	
Instruction	\$ 13,513,688
Supporting services:	
Students	95,088
Instructional staff	253,011
General district administration	75,393
School administration	235,854
Central	1,183,957
Operation and maintenance of school buildings	1,259,949
Student transportation	1,166,070
Nutrition services	654,302
Non K-12 programs	98,207
Total depreciation expense, governmental activities	<u>\$ 18,535,519</u>

CANYONS SCHOOL DISTRICT

Notes to Basic Financial Statements

The District is obligated at June 30, 2010 under construction commitments totaling \$879,857 that will be financed from the Capital Projects Fund as follows:

Project	Project Authorized	Costs to Date	Costs to Complete
East Midvale parking lot upgrade	\$ 750,000	\$ 144,226	\$ 605,774
Brighton High track replacement	600,000	325,917	274,083
Total	<u>\$ 1,350,000</u>	<u>\$ 470,143</u>	<u>\$ 879,857</u>

Other significant commitments include encumbrances outstanding for the General Fund totaling \$1,351,866 primarily for textbooks and supplies.

4. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2010, is as follows:

	From Jordan School District *	Additions	Reductions	June 30, 2010 Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 169,948,700	\$ -	\$ (17,953,900)	\$ 151,994,800	\$ 16,837,400
Deferred amounts for issuance premium	2,888,780	-	(427,930)	2,460,850	-
Deferred amounts on refundings	(1,665,893)	-	368,127	(1,297,766)	-
Total bonds payable, net	<u>171,171,587</u>	<u>-</u>	<u>(18,013,703)</u>	<u>153,157,884</u>	<u>16,837,400</u>
Compensated absences	3,749,032	2,049,186	(816,171)	4,982,047	1,231,493
Claims payable	<u>-</u>	<u>19,655,748</u>	<u>(16,237,592)</u>	<u>3,418,156</u>	<u>3,418,156</u>
Total governmental activity long-term liabilities	<u>\$ 174,920,619</u>	<u>\$ 21,704,934</u>	<u>\$ (35,067,466)</u>	<u>\$ 161,558,087</u>	<u>\$ 21,487,049</u>

* On July 1, 2009, general obligation bonds and related deferred amounts and compensated absences were allocated to the newly formed Canyons School District from Jordan School District. See Note 9 to the basic financial statements.

CANYONS SCHOOL DISTRICT

Notes to Basic Financial Statements

General Obligation Bonds Payable – Bonds payable at June 30, 2010 are comprised of the following general obligation issues and are serviced by property tax revenues received by the Debt Service Fund:

Series	Purpose	Original Amount	Remaining Interest Rate Range	Final Maturity Date	Current Outstanding Balance *
September 15, 2001	School Building	\$ 10,000,000	4.25% to 4.55%	June 15, 2016	\$ 2,737,600
September 15, 2002	Bond Refunding	39,540,000	3.50% to 4.00%	June 15, 2015	14,085,300
May 15, 2003	School Building & Bond Refunding	20,200,000	3.00% to 4.00%	June 15, 2017	3,253,800
September 15, 2003	School Building	20,000,000	3.70% to 4.00%	June 15, 2018	6,931,000
March 1, 2004	Bond Refunding	30,585,000	4.50%	June 15, 2012	6,652,600
October 1, 2004	School Building	15,000,000	3.25% to 4.00%	June 15, 2019	5,684,000
October 1, 2005	School Building	25,000,000	3.63% to 4.13%	June 15, 2020	11,257,800
October 1, 2006	School Building	15,000,000	4.00% to 4.13%	June 15, 2021	6,780,200
October 1, 2007	School Building	196,000,000	4.00% to 5.00%	June 15, 2022	94,612,500
Total general obligation bonds payable as of June 30, 2010					<u><u>\$ 151,994,800</u></u>

* On July 1, 2009, general obligation bonds were allocated to the newly formed Canyons School District from Jordan School District. These balances represent 58% of the outstanding balances on the bonds. See Note 9 to the basic financial statements.

Bonds payable were obligations of Jordan School District prior to the creation of the District. The allocation of the bonds payable was based on assessed value of real property at the time the District was created. Accordingly, the District is responsible for 58 percent of the outstanding debt and Jordan School District is responsible for 42 percent.

All bonds are rated “AAA” by Fitch Ratings and “Aaa” by Moody’s Investors Service based on the guaranty provided by the Utah School Bond Default Avoidance Program. The former Jordan School District received an underlying rating of “AAA” by Fitch Ratings and “Aaa” by Moody’s Investors Service. The District has not been rated as of the date of this report. Debt service requirements to maturity, including interest for the general obligation bonds payable, are summarized as follows:

Year Ending June 30	Principal	Interest	Total
2011	\$ 16,837,400	\$ 6,335,448	\$ 23,172,848
2012	17,524,700	5,677,768	23,202,468
2013	14,665,300	4,968,689	19,633,989
2014	12,467,100	4,387,488	16,854,588
2015	12,153,900	3,893,952	16,047,852
2016-2020	58,292,900	12,182,299	70,475,199
2021-2022	20,053,500	1,490,527	21,544,027
Total	<u><u>\$ 151,994,800</u></u>	<u><u>\$ 38,936,171</u></u>	<u><u>\$ 190,930,971</u></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, 2010, no bonds have been issued under this authorization.

CANYONS SCHOOL DISTRICT

Notes to Basic Financial Statements

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. Additionally, retiring employees, employed before June 30, 2006, are eligible to receive an unused sick leave bonus from the District. This bonus ranges from 25 percent to 30 percent of the value of the sick leave accumulation and is paid only upon retirement. Based on a present value calculation using the long-term composite U.S. Treasury rate of 3.61 percent, the District estimates these obligations at June 30, 2010 to be \$4,982,047. 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. 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 \$3,418,156 at June 30, 2010. This liability is based on experience and information provided by the plan administrator and does not include costs to process the claims. The following table shows the activity of accrued claims payable for the year ended June 30, 2010.

Accrued claims payable (beginning of year)	\$ -
Claims (including incurred but not reported)	19,655,748
Payments of claims	<u>(16,237,592)</u>
Accrued claims payable (end of year)	<u><u>\$ 3,418,156</u></u>

5. PROPERTY TAXES

The budgeting and accounting for property taxes are handled 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 percent penalty of the property tax due, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at a rate determined by the County; the interest period is from January 1 until the taxes are paid. If in May of the fifth year the taxes remain delinquent, the County advertises and sells the property at a tax sale.

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

CANYONS SCHOOL DISTRICT

Notes to Basic Financial Statements

6. STATE RETIREMENT PLANS

Defined Benefit Plans – The District contributes to the State and School Noncontributory Retirement System (the System), which is cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems (URS). URS provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes. The System is established and governed by the respective section of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah Retirement Office Act in Chapter 49 provides for the administration of the URS and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The System issues a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

In the State and School Noncontributory Retirement System the District is required to contribute 14.22 percent of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized and specified by statute and by the Utah State Retirement Board.

The District's contributions to the State and School Noncontributory Retirement System for the year ended June 30, 2010 were \$14,498,872. The contributions were equal to the required contributions for each year.

Defined Contribution Plans – The District participates in a defined contribution plan, under Internal Revenue Code Section 401(k), to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of 1.5 percent of salary automatically made by the District. During the year ended June 30, 2010, employer contributions were \$2,278,760. Employees who are participants of the Systems can make additional contributions. These employee contributions were \$2,339,420 for the same period. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by URS. Plan provisions and contribution requirements are established by state statute and may be amended by the State.

The District also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan totaled \$194,669 for the year ended June 30, 2010. The assets of the plan are administered and held by URS. Plan provisions and contribution requirements are established by state statute and may be amended by the State.

7. RISK MANAGEMENT

The District also 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 (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 year. 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.

CANYONS SCHOOL DISTRICT

Notes to Basic Financial Statements

All District employees are covered for workers' compensation by the District's self-insured workers' compensation program. As the liability for workers' compensation as of June 30, 2010 is insignificant, no liability was recorded.

8. 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 is subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund; District administration believes such disallowance, if any, would be insignificant.

9. CREATION OF A NEW DISTRICT

Utah law provides cities to form school districts. On November 6, 2007, voters in the cities of Cottonwood Heights, Sandy, Draper, and Midvale, and the town of Alta voted to create a new district. Effective July 1, 2009, the District began operations with approximately 33,000 students and 41 traditional schools (29 elementary schools, 8 middle schools, 4 high schools) and 4 special program schools. The forming cities were located within east portion of the Jordan School District. On July 1, 2009, Jordan School District allocated \$237.9 million of resources, net of related obligations, to the newly created district. Basically, the former Jordan School District became two school districts. The newly formed district is Canyons School District. Jordan School District will continue to serve the cities of Bluffdale, Copperton, Herriman, Riverton, South Jordan, and West Jordan.

The bonded debt of the former district is to be repaid based on the created and remaining district's portion of assessed valuation of real property at the time a new district was created. Accordingly, the bonded debt of the former Jordan School District will be repaid 58 percent by Canyons School District and 42 percent by Jordan School District. All other assets and liabilities of the District were to be divided based on mutual agreement between two transition teams appointed by each district. When the transition teams could not agree, a three-member arbitration panel made a final decision. The arbitration panel's decision dated March 17, 2009 indicated the June 30, 2009 fund balances of the former Jordan School District were to be divided as follows:

- Balances specific to a school were allocated to the district in which the school was located.
- Unspent bond proceeds were to be allocated to the district in which related projects were located.
- The designation in the General Fund for retiree benefits is to be allocated as of June 30, 2010 with Jordan School District retaining all current retiree obligations as of that date and sufficient funds to pay those retirees in full. Any remaining balance is to be divided between Canyons School District and Jordan School District based on estimated future retiree liabilities of current employees. In 2011, the District expects to receive approximately \$15.0 million to fund these obligations.
- Capital assets (sites, site improvements, buildings, equipment, and vehicles) were allocated based on their geographical location and use.
- All other balances were allocated based on the student enrollment on October 1, 2008, which was 59 percent to Jordan School District and 41 percent to Canyons School District.
- The respective transition costs of the two districts were deducted from their final allocation.

CANYONS SCHOOL DISTRICT

Notes to Basic Financial Statements

Following is a summary of amounts allocated to the District from Jordan School District effective July 1, 2009:

Fund financial statements fund balance / net asset allocations:

Governmental Fund Balances:	
General fund	\$ 34,844,098
Debt service fund	1,468,046
Capital projects fund	61,126,118
Other governmental funds	<u>6,247,622</u>
Total government funds	103,685,884
Proprietary Fund Net Assets:	
Internal service fund	<u>8,813,756</u>
Total fund financial statement fund balance / net asset allocations	<u><u>112,499,640</u></u>

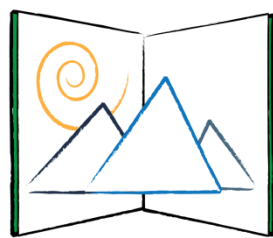
Government-wide financial statement net asset allocations:

Capital assets, net of accumulated depreciation (see Note 3 to the basic financial statements)	295,844,035
Unearned revenue	4,039,891
Long-term debt, liabilities, and related accounts (see Note 4 to the basic financial statements):	
General obligation bonds payable	(169,948,700)
Bond issuance costs	773,857
Deferred amounts for issuance premiums	(2,888,790)
Deferred amounts on refundings	1,665,893
Accrued interest	(290,247)
Compensated absences	<u>(3,749,032)</u>
Total government-wide financial statement net asset allocations	<u><u>\$ 237,946,547</u></u>

10. LITIGATION AND LEGAL COMPLIANCE

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

All funds balances are positive at June 30, 2010. Expenditures exceeded budgeted amounts by \$888,980 or 16.8% for the Student Activities Fund and \$67,436 or 1.1% for the Non K-12 Programs Fund for the year ended June 30, 2010. These funds are special revenue funds reported as other governmental funds of the District.



CANYONS
School District

*"Celebrating the Highest
Standards of Educational Excellence"*

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 Projects Fund

Capital Projects 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
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
A Major Governmental Fund
Year Ended June 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Property taxes	\$ 59,229,945	\$ 58,555,843	\$ (674,102)
Interest	430,000	374,360	(55,640)
Other local	2,271,100	3,802,365	1,531,265
State sources	114,214,455	114,154,861	(59,594)
Federal sources	19,903,334	17,688,416	(2,214,918)
Total revenues	<u>196,048,834</u>	<u>194,575,845</u>	<u>(1,472,989)</u>
Expenditures:			
Current:			
Salaries	122,320,047	123,065,389	(745,342)
Employee benefits	47,905,000	41,226,576	6,678,424
Purchased professional services	2,965,200	3,736,716	(771,516)
Purchased property services	838,308	650,237	188,071
Other purchased services	3,531,220	3,505,993	25,227
Supplies	17,992,609	16,386,363	1,606,246
Property	2,194,400	1,107,476	1,086,924
Other	489,403	199,366	290,037
Total expenditures	<u>198,236,187</u>	<u>189,878,116</u>	<u>8,358,071</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(2,187,353)	4,697,729	6,885,082
Fund balances - beginning	-	-	-
Allocation from Jordan School District	<u>49,844,098</u>	<u>34,844,098</u>	<u>(15,000,000)</u>
Fund balances - ending	<u><u>\$ 47,656,745</u></u>	<u><u>\$ 39,541,827</u></u>	<u><u>\$ (8,114,918)</u></u>

CANYONS SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service Fund
A Major Governmental Fund
Year Ended June 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Property taxes	\$ 24,360,000	\$ 25,279,390	\$ 919,390
Interest	58,000	93,524	35,524
Total revenues	<u>24,418,000</u>	<u>25,372,914</u>	<u>954,914</u>
Expenditures:			
Debt service:			
Bond principal	17,953,900	17,953,900	-
Bond interest	7,062,666	7,062,667	(1)
Paying agent fees and other	4,350	3,219	1,131
Total expenditures	<u>25,020,916</u>	<u>25,019,786</u>	<u>1,130</u>
Excess (deficiency) of revenues over (under) expenditures	(602,916)	353,128	956,044
Other Financing Sources (Uses):			
Other financing sources (uses)	1,468,046	-	(1,468,046)
Net change in fund balances	865,130	353,128	(512,002)
Fund balances - beginning	-	-	-
Allocation from Jordan School District	<u>1,468,046</u>	<u>1,468,046</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 2,333,176</u></u>	<u><u>\$ 1,821,174</u></u>	<u><u>\$ (512,002)</u></u>

CANYONS SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects Fund
A Major Governmental Fund
Year Ended June 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Local sources:			
Property taxes	\$ 31,025,108	\$ 31,091,296	\$ 66,188
Interest	450,000	466,376	16,376
Other local	-	2,371	2,371
Total local sources	<u>31,475,108</u>	<u>31,560,043</u>	<u>84,935</u>
State sources:			
Capital outlay foundation	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total revenues	<u>31,575,108</u>	<u>31,660,043</u>	<u>84,935</u>
Expenditures:			
Sites and improvements	815,000	702,785	112,215
Buildings	4,895,000	4,020,532	874,468
Equipment and vehicles	8,999,500	6,055,945	2,943,555
Other capital outlay	<u>1,447,992</u>	<u>1,193,469</u>	<u>254,523</u>
Total expenditures	<u>16,157,492</u>	<u>11,972,731</u>	<u>4,184,761</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	15,417,616	19,687,312	4,269,696
Fund balances - beginning	-	-	-
Allocation from Jordan School District	<u>61,126,118</u>	<u>61,126,118</u>	<u>-</u>
Fund balances - ending	<u>\$ 76,543,734</u>	<u>\$ 80,813,430</u>	<u>\$ 4,269,696</u>

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 for the State of Utah and the U.S. Department of Agriculture.

Student Activity 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, and 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 by 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, 2010

	Special Revenue				Total Nonmajor Governmental Funds
	Nutrition Services	Student Activities	Non K-12 Programs	Education Foundation	
Assets:					
Cash and investments	\$ 1,762,722	\$ 4,587,402	\$ 496,726	\$ 286,681	\$ 7,133,531
Accounts receivable:					
Property taxes	-	-	1,031,619	-	1,031,619
Other local	-	-	42,501	-	42,501
State of Utah	212,475	-	-	-	212,475
Federal government	88,549	-	205,949	-	294,498
Inventories	578,203	-	-	-	578,203
Total assets	<u>\$ 2,641,949</u>	<u>\$ 4,587,402</u>	<u>\$ 1,776,795</u>	<u>\$ 286,681</u>	<u>\$ 9,292,827</u>
Liabilities:					
Accounts payable	\$ 31,095	\$ 640,781	\$ 3,582	\$ -	\$ 675,458
Accrued payroll and related benefits	221,984		302,477		524,461
Deferred revenue:					
Property taxes	-	-	1,028,775	-	1,028,775
Other local	167,949	331,514	-	-	499,463
State of Utah	-	-	378,073	-	378,073
Total liabilities	<u>421,028</u>	<u>972,295</u>	<u>1,712,907</u>	<u>-</u>	<u>3,106,230</u>
Fund balances:					
Nonspendable:					
Inventories	578,203	-	-	-	578,203
Restricted for:					
Nutrition services	1,642,718	-	-	-	1,642,718
Community recreation	-	-	63,888	-	63,888
Schools	-	-	-	286,681	286,681
Assigned to:					
Schools	-	3,615,107	-	-	3,615,107
Unassigned	-	-	-	-	-
Total fund balances	<u>2,220,921</u>	<u>3,615,107</u>	<u>63,888</u>	<u>286,681</u>	<u>6,186,597</u>
Total liabilities and fund balances	<u>\$ 2,641,949</u>	<u>\$ 4,587,402</u>	<u>\$ 1,776,795</u>	<u>\$ 286,681</u>	<u>\$ 9,292,827</u>

CANYONS SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2010

	Special Revenue				Total Nonmajor Governmental Funds
	Nutrition Services	Student Activities	Non K-12 Programs	Education Foundation	
Revenues:					
Property taxes	\$ -	\$ -	\$ 1,139,851	\$ -	\$ 1,139,851
Sales, fees, admissions	-	2,556,842	393,013	-	2,949,855
Lunch sales	4,987,622	-	-	-	4,987,622
Interest	35,540	29,615	16,310	15,651	97,116
Other local	206,413	3,772,336	-	73,863	4,052,612
State of Utah	1,573,872	-	4,365,348	-	5,939,220
Federal government	4,825,741	-	393,322	-	5,219,063
Total revenues	<u>11,629,188</u>	<u>6,358,793</u>	<u>6,307,844</u>	<u>89,514</u>	<u>24,385,339</u>
Expenditures:					
Current:					
Instruction	-	6,188,980	-	191,331	6,380,311
Nutrition services	11,822,097	-	-	-	11,822,097
Non K-12 programs	-	-	6,243,956	-	6,243,956
Total expenditures	<u>11,822,097</u>	<u>6,188,980</u>	<u>6,243,956</u>	<u>191,331</u>	<u>24,446,364</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(192,909)	169,813	63,888	(101,817)	(61,025)
Fund balances - beginning	-	-	-	-	-
Allocation from Jordan School District	2,413,830	3,445,294	-	388,498	6,247,622
Fund balances - ending	<u>\$ 2,220,921</u>	<u>\$ 3,615,107</u>	<u>\$ 63,888</u>	<u>\$ 286,681</u>	<u>\$ 6,186,597</u>

CANYONS SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nutrition Services Fund
A Nonmajor Special Revenue Fund
Year Ended June 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Local sources:			
Lunch sales - students	\$ 5,109,347	\$ 4,796,007	\$ (313,340)
Lunch sales - adult	210,000	191,615	(18,385)
Interest	35,000	35,540	540
Other	70,000	206,413	136,413
Total local sources	<u>5,424,347</u>	<u>5,229,575</u>	<u>(194,772)</u>
State sources:			
State lunch program	<u>2,200,500</u>	<u>1,573,872</u>	<u>(626,628)</u>
Federal sources:			
Lunch program	942,687	839,510	(103,177)
Free and reduced reimbursement	2,500,000	2,776,246	276,246
Breakfast program	375,000	441,797	66,797
Other food programs	60,000	11,587	(48,413)
Commodity program	<u>545,000</u>	<u>756,601</u>	<u>211,601</u>
Total federal sources	<u>4,422,687</u>	<u>4,825,741</u>	<u>403,054</u>
Total revenues	<u>12,047,534</u>	<u>11,629,188</u>	<u>(418,346)</u>
Expenditures:			
Current:			
Salaries	3,780,753	4,594,453	(813,700)
Employee benefits	2,015,366	1,388,418	626,948
Purchased services	98,210	100,747	(2,537)
Supplies	220,250	152,567	67,683
Food	5,177,000	4,777,422	399,578
Property	113,550	108,329	5,221
Other	<u>740,000</u>	<u>700,161</u>	<u>39,839</u>
Total expenditures	<u>12,145,129</u>	<u>11,822,097</u>	<u>323,032</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(97,595)	(192,909)	(95,314)
Fund balances - beginning	-	-	-
Allocation from Jordan School District	<u>2,413,830</u>	<u>2,413,830</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,316,235</u>	<u>\$ 2,220,921</u>	<u>\$ (95,314)</u>

CANYONS SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Student Activities Fund
A Nonmajor Special Revenue Fund
Year Ended June 30, 2010

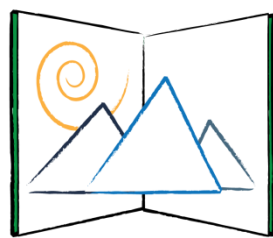
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Local sources:			
Student fees	\$ 5,400,000	\$ 2,556,842	\$ (2,843,158)
Vending commissions	-	91,756	91,756
Other	520,000	3,680,580	3,160,580
Interest	-	29,615	29,615
Total revenues	<u>5,920,000</u>	<u>6,358,793</u>	<u>438,793</u>
Expenditures:			
Current:			
Purchased services	300,000	2,054,234	(1,754,234)
Supplies and materials	4,650,000	3,774,298	875,702
Property and equipment	350,000	159,607	190,393
Other	-	200,841	(200,841)
Total expenditures	<u>5,300,000</u>	<u>6,188,980</u>	<u>(888,980)</u>
Net change in fund balances	620,000	169,813	(450,187)
Fund balances - beginning	-	-	-
Allocation from Jordan School District	<u>3,445,294</u>	<u>3,445,294</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 4,065,294</u></u>	<u><u>\$ 3,615,107</u></u>	<u><u>\$ (450,187)</u></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
Year Ended June 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Local sources:			
Property taxes	\$ 1,131,592	\$ 1,139,851	\$ 8,259
Tuitions, sales, and other	220,600	393,013	172,413
Interest	15,000	16,310	1,310
Total local sources	1,367,192	1,549,174	181,982
State sources:			
Special education - preschool	1,336,105	1,336,105	-
Adult education	1,450,393	1,450,393	-
Adult basic skills	108,044	80,518	(27,526)
Social security and retirement	120,000	115,832	(4,168)
Other	1,516,642	1,382,500	(134,142)
Total state sources	4,531,184	4,365,348	(165,836)
Federal sources:			
Special education - preschool	123,141	185,441	62,300
Adult education	39,066	39,066	-
Other	425,000	168,815	(256,185)
Total federal sources	587,207	393,322	(193,885)
Total revenues	6,485,583	6,307,844	(177,739)
Expenditures:			
Current:			
Salaries	4,109,120	4,045,004	64,116
Employee benefits	1,452,606	1,198,368	254,238
Purchased services	352,100	426,212	(74,112)
Supplies and materials	142,834	156,793	(13,959)
Property	22,880	121,159	(98,279)
Other	96,980	296,420	(199,440)
Total expenditures	6,176,520	6,243,956	(67,436)
Net change in fund balances	309,063	63,888	(245,175)
Fund balances - beginning	-	-	-
Allocation from Jordan School District	-	-	-
Fund balances - ending	\$ 309,063	\$ 63,888	\$ (245,175)

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
Year Ended June 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Local sources:			
Contributions	\$ 75,000	\$ 73,863	\$ (1,137)
Interest	5,000	15,651	10,651
Total revenues	<u>80,000</u>	<u>89,514</u>	<u>9,514</u>
Expenditures:			
Current:			
Salaries	133,000		133,000
Employee benefits	47,981		47,981
Purchased services	9,000	5,133	3,867
Supplies donated to schools	183,500	186,198	(2,698)
Total expenditures	<u>373,481</u>	<u>191,331</u>	<u>182,150</u>
Net change in fund balances	(293,481)	(101,817)	191,664
Fund balances - beginning	-	-	-
Allocation from Jordan School District	<u>388,498</u>	<u>388,498</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 95,017</u></u>	<u><u>\$ 286,681</u></u>	<u><u>\$ 191,664</u></u>



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	Page
Financial Trends.....	61-67
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.....	68-72
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity.....	73-77
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.....	78-79
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.....	80-90
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 June 30, 2010 comprehensive annual financial report. Since 2010 was the District's first year of operations, most schedules will show only data for this year. 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.

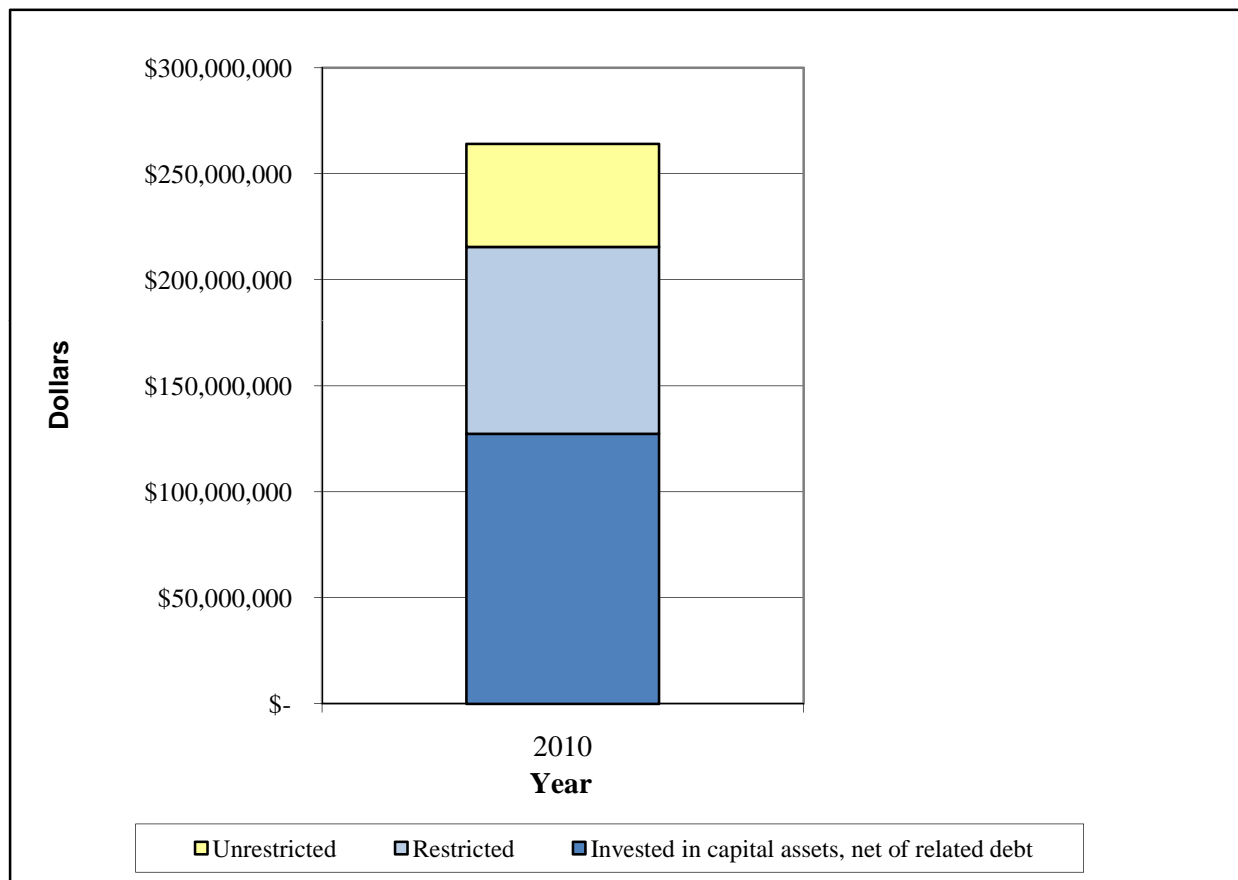
CANYONS SCHOOL DISTRICT
Statement of Net Assets

	June 30, 2010
Assets:	
Cash and investments	\$ 163,563,149
Accounts receivable:	
Property taxes	108,420,842
Other local	2,456,810
State of Utah	301,764
Federal government	10,230,693
Inventories	2,276,203
Prepaid expenses	354,440
Bond issuance costs, net of accumulated amortization	677,081
Capital assets:	
Sites and construction in progress	16,233,014
Other capital assets, net of accumulated depreciation	<u>263,568,577</u>
Total assets	<u><u>568,082,573</u></u>
 Liabilities:	
Accounts payable	3,704,011
Accrued payroll and related benefits	19,213,874
Accrued interest	267,574
Unearned revenue:	
Property taxes	104,800,669
Other local	499,463
State of Utah	13,103,802
Federal government	749,756
Long-term liabilities:	
Due or payable within one year	21,487,049
Due or payable after one year	<u>140,071,038</u>
Total liabilities	<u><u>303,897,236</u></u>
 Net Assets:	
Invested in capital assets, net of related debt	127,320,788
Restricted for:	
Debt service	2,276,557
Capital projects	81,667,998
Nutrition services	2,220,921
Other purposes	2,010,980
Unrestricted	<u>48,688,093</u>
Total net assets	<u><u>\$ 264,185,337</u></u>

Source: District records

CANYONS SCHOOL DISTRICT
Net Assets by Component
 (Accrual basis of accounting)

<u>Year</u>	<u>Invested in capital assets, net of related debt</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total net assets</u>
2010	\$ 127,320,788	\$ 88,176,456	\$ 48,688,093	\$ 264,185,337



Source: District records

CANYONS SCHOOL DISTRICT
Changes in Net Assets
(Accrual basis of accounting)

	Year Ended June 30, 2010
Expenses:	
Instruction	\$ 148,539,711
Supporting services:	
Students	7,390,809
Instructional staff	11,709,415
District administration	2,334,128
School administration	13,773,164
Central	11,304,689
Operation and maintenance of school buildings	20,325,380
Student transportation	7,138,925
Nutrition services	12,408,460
Non K-12 programs	6,301,400
Interest on long-term liabilities	7,080,186
	<hr/>
Total expenses	248,306,267
	<hr/>
Program revenues:	
Charges for services:	
Instructional services	3,218,684
Supporting services	697,772
Nutrition services	5,194,035
Non K-12 programs	393,013
Operating grants and contributions	54,165,131
Capital grants and contributions	100,000
	<hr/>
Total program revenues	63,768,635
	<hr/>
Net (Expense) Revenue and Changes in Net Assets	<hr/> (184,537,632)
	<hr/>
General revenue:	
Property taxes	115,559,235
Federal and state revenue not restricted to specific purposes	88,836,429
Interest	1,077,243
Miscellaneous	5,303,505
	<hr/>
Total general revenue and other changes in net assets	210,776,412
	<hr/>
Change in net assets	26,238,780
	<hr/>
Net assets - beginning	-
Allocation from Jordan School District	237,946,557
	<hr/>
Net assets - ending	\$ 264,185,337
	<hr/>

Source: District records

CANYONS SCHOOL DISTRICT

Fund Balances of Governmental Funds

	<u>June 30, 2010</u>
General fund balances:	
Nonspendable	\$ 2,052,440
Restricted	1,625,392
Committed	21,833,913
Assigned	2,781,172
Unassigned	<u>11,248,910</u>
Total general fund	<u>39,541,827</u>
Debt service fund balances:	
Restricted	<u>1,821,174</u>
Capital projects fund balances:	
Restricted	<u>80,813,430</u>
All other governmental fund balances:	
Nonspendable	578,203
Restricted	1,993,287
Assigned	<u>3,615,107</u>
Total all other governmental funds	<u>6,186,597</u>
Total governmental fund balances	<u><u>\$ 128,363,028</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 and other governmental funds are those that do not meet the requirements of 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.

Source: District records

CANYONS SCHOOL DISTRICT
Changes in Fund Balances of Governmental Funds

	Year Ended June 30, 2010
Revenues:	
Property taxes	\$ 116,066,380
Interest earnings	1,031,376
Other local sources	15,794,825
State of Utah	120,194,081
Federal government	22,907,479
Total revenues	<u>275,994,141</u>
Expenditures:	
Current:	
Instruction	125,196,555
Supporting services:	
Students	7,336,484
Instructional staff	11,483,579
District administration	2,272,323
School administration	13,618,836
Central	10,503,447
Operation and maintenance of school buildings	19,819,997
Student transportation	6,027,206
Nutrition services	11,822,097
Non K-12 programs	6,243,956
Capital outlay	11,972,731
Debt service:	
Bond principal	17,953,900
Bond interest and fees	7,065,886
Total expenditures	<u>251,316,997</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	24,677,144
Fund balances - beginning	-
Allocation from Jordan School District	<u>103,685,884</u>
Fund balances - ending	<u><u>\$ 128,363,028</u></u>
Debt service as a percentage of noncapital expenditures	10.1%

Source: District records

CANYONS SCHOOL DISTRICT

Balance Sheet of General Fund

	<u>June 30, 2010</u>
Assets:	
Cash and investments	\$ 60,702,097
Accounts receivable:	
Property taxes	56,510,799
Other local	592,958
State of Utah	89,289
Federal government	9,936,195
Inventories	1,698,000
Prepaid expenditures	<u>354,440</u>
Total assets	<u><u>\$ 129,883,778</u></u>
Liabilities and fund balances:	
Liabilities:	
Accounts payable	\$ 1,765,915
Accrued payroll and related benefits	18,689,413
Deferred revenue:	
Property taxes	56,411,138
Other local	-
State of Utah	12,725,729
Federal government	<u>749,756</u>
Total liabilities	<u>90,341,951</u>
Fund balance:	
Nonspendable	2,052,440
Restricted	1,625,392
Committed	21,833,913
Assigned	2,781,172
Unassigned	<u>11,248,910</u>
Total fund balances	<u>39,541,827</u>
Total liabilities and fund balance	<u><u>\$ 129,883,778</u></u>

Source: District records

CANYONS SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances -
General Fund
Year Ended June 30, 2010 and Proposed Budget for Year Ending June 30, 2011

	2010	Proposed Budget 2011
Revenues:		
Property taxes	\$ 58,555,843	\$ 64,715,996
Interest earnings	374,360	500,000
Other local	3,802,365	2,318,000
State of Utah	114,154,861	113,803,323
Federal government	17,688,416	14,400,920
Total revenues	<u>194,575,845</u>	<u>195,738,239</u>
Expenditures:		
Current:		
Instruction	118,816,244	128,556,933
Supporting services:		
Students	7,336,484	7,415,150
Instructional staff	11,483,579	7,907,167
District administration	2,272,323	2,343,982
School administration	13,618,836	14,097,107
Central	10,503,447	10,570,798
Operation and maintenance of school buildings	19,819,997	21,247,756
Student transportation	6,027,206	6,579,085
Total expenditures	<u>189,878,116</u>	<u>198,717,978</u>
Excess (deficiency) of revenues over (under) expenditures	4,697,729	(2,979,739)
Other financing sources (uses):		
Transfers in (out)	<u>-</u>	<u>2,000,000</u>
Net change in fund balances	4,697,729	(979,739)
Fund balances - beginning	-	47,656,748
Allocation from Jordan School District	<u>34,844,098</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 39,541,827</u></u>	<u><u>\$ 46,677,009</u></u>

Source: District records

CANYONS SCHOOL DISTRICT
Historical Summaries of Taxable Values of Property

	<u>Tax Year 2009</u>
Set by State Tax Commission:	
Centrally assessed	<u>\$ 1,066,269,768</u>
Set by County Assessor:	
Locally assessed	
Real property:	
Residential - primary use	9,981,595,507
Residential - not primary use	1,126,227,610
Commercial and industrial	4,062,614,430
Agriculture and Farm Assessment Act (FAA)	1,345,120
Unimproved non FAA - vacant	<u>8,309,820</u>
Total real property	<u>15,180,092,487</u>
Personal property:	
Fee in lieu property	1,057,330,298
Mobile home - primary residential use	8,950,292
Mobile home - other use	447,978
Other personal property	<u>782,423,532</u>
Total personal property	<u>1,849,152,100</u>
Total locally assessed	<u>17,029,244,587</u>
Total taxable property	<u><u>\$ 18,095,514,355</u></u>

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

CANYONS SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property

Tax Year	Taxable Assessed Value				Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential	Industrial & Commercial	Agriculture & Unimproved	Personal			
2009	\$ 11,107,823,117	\$ 5,128,884,198	\$ 9,654,940	\$ 1,849,152,100	0.007180	\$ 25,212,266,983	71.77%

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

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

Tax Year
2009

Canyons School District rates:

General fund:

Basic state supported program (1)	0.001433
Voted leeway program (2)	0.001600
School board leeway program (3)	0.000400
Board K-3 reading program (4)	0.000121
Tort liability (5)	0.000022
Special transportation (6)	0.000020
Total general fund	<u>0.003596</u>

Capital projects fund:

Capital outlay (7)	0.001514
County-wide equalization (8)	<u>0.000600</u>
Total capital projects fund	<u>0.002114</u>

Other:

Community recreation (9)	0.000070
Debt service (10)	<u>0.001400</u>
Total direct rate	<u><u>0.007180</u></u>

Overlapping rates:

Salt Lake County	0.002278
Alta	0.000980
Cottonwood Heights	0.002399
Draper	0.001818
Midvale	0.002262
Sandy	0.001356
Salt Lake County library	0.000564
Central Utah water project	0.000400
Other special districts	0 - 0.002635

Limitations per Utah State Statute:

- (1) Rate established annually by Utah State Legislature
- (2) Maximum rate is 0.001600
- (3) Maximum rate is 0.000400
- (4) Maximum rate is 0.000121
- (5) Maximum rate is 0.000100
- (6) Maximum rate is 0.000300
- (7) Maximum rate is 0.002400
- (8) Rate established by state law for districts located in first-class counties
- (9) Maximum rate based on formula and changes annually
- (10) No maximum rate, but must have voter approval for bonds issued

Source: Property Tax Division, Utah State Tax Commission-Approved Property Tax Rates by Year.

CANYONS SCHOOL DISTRICT
Principal Property Tax Payers

Taxpayer	Tax Year 2009		
	Taxable Value *	Rank	Percent of Total Taxable Value
Larry H. Miller Companies	\$ 145,656,000	1	0.90 %
Macerich St. Marketplace (South Towne Center)	138,657,500	2	0.85 %
Rocky Mountain Power	111,401,561	3	0.69 %
Redevelopment Agency of Midvale	103,194,600	4	0.64 %
NOP Cottonwood Holdings (Real Estate Holdings)	82,011,747	5	0.50 %
Qwest Communication	64,999,252	6	0.40 %
Old Mill Corporate Center	59,297,900	7	0.36 %
Snowbird Ltd	57,351,500	8	0.35 %
Pinnacle Reserve Associates, LLC	54,034,640	9	0.33 %
Questar Gas	48,145,064	10	0.30 %
	<u>\$ 864,749,764</u>		<u>5.32 %</u>
Total taxable value	<u>\$ 16,246,362,255</u>		

* Taxable value as used in this table excludes all tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the state.

Source: Wells Fargo Bank

CANYONS SCHOOL DISTRICT
Property Tax Levies and Collections

<u>Tax Year</u>	<u>Taxes Levied</u>	<u>Collections</u>			<u>Total Collections to Date</u>	
		<u>In the Year of Levy</u>	<u>Percentage of Levy</u>	<u>In Subsequent Years</u>	<u>Amount</u>	<u>Percentage of Levy</u>
2009	\$ 95,488,442	\$ 87,684,283	91.83%	-	\$ 87,684,283	91.83%

Taxes are due by November 30. There are no collections on delinquent taxes as of December 31, 2009.

Source: District records

CANYONS SCHOOL DISTRICT
Ratios of Outstanding Debt

<u>June 30</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	0.84%	\$ 723.78	\$ 4,580.36

* Based on average daily membership

Source: District records

CANYONS SCHOOL DISTRICT
Debt Service Schedule of Outstanding General Obligation Bonds
June 30, 2010

		2011	2012	2013	2014	2015
Series 2001	Principal	\$ 705,000	\$ 735,000	\$ 765,000	\$ 800,000	\$ 840,000
\$ 10,000,000	Interest	206,068	176,105	144,868	111,972	76,772
Series 2002	Principal	6,600,000	6,810,000	7,075,000	2,550,000	1,250,000
\$ 39,540,000	Interest	938,400	707,400	435,000	152,000	50,000
Series 2003	Principal	710,000	740,000	765,000	800,000	830,000
\$ 20,200,000	Interest	203,925	182,625	158,575	131,800	103,800
Series 2003A	Principal	1,275,000	1,350,000	1,400,000	1,450,000	1,525,000
\$ 20,000,000	Interest	469,350	422,175	370,875	317,675	262,575
Series 2004	Principal	5,600,000	5,870,000	-	-	-
\$ 30,585,000	Interest	516,150	264,150	-	-	-
Series 2004A	Principal	930,000	960,000	1,000,000	1,035,000	1,075,000
\$ 15,000,000	Interest	364,675	334,450	300,850	265,850	229,625
Series 2005	Principal	1,635,000	1,675,000	1,755,000	1,820,000	1,885,000
\$ 25,000,000	Interest	768,956	709,688	646,875	576,675	503,875
Series 2006	Principal	850,000	900,000	925,000	965,000	1,000,000
\$ 15,000,000	Interest	469,225	435,225	399,225	362,225	323,625
Series 2007	Principal	10,725,000	11,175,000	11,600,000	12,075,000	12,550,000
\$ 196,000,000	Interest	6,986,438	6,557,438	6,110,438	5,646,438	5,163,438
Total		<u>\$ 39,953,187</u>	<u>\$ 40,004,256</u>	<u>\$ 33,851,706</u>	<u>\$ 29,059,635</u>	<u>\$ 27,668,710</u>
Total principal		\$ 29,030,000	\$ 30,215,000	\$ 25,285,000	\$ 21,495,000	\$ 20,955,000
Total interest		<u>10,923,187</u>	<u>9,789,256</u>	<u>8,566,706</u>	<u>7,564,635</u>	<u>6,713,710</u>
Total		<u>\$ 39,953,187</u>	<u>\$ 40,004,256</u>	<u>\$ 33,851,706</u>	<u>\$ 29,059,635</u>	<u>\$ 27,668,710</u>
Canyons School District principal		\$ 16,837,400	\$ 17,524,700	\$ 14,665,300	\$ 12,467,100	\$ 12,153,900
Canyons School District interest		6,335,448	5,677,768	4,968,689	4,387,488	3,893,952
Jordan School District principal		12,192,600	12,690,300	10,619,700	9,027,900	8,801,100
Jordan School District interest		<u>4,587,739</u>	<u>4,111,488</u>	<u>3,598,017</u>	<u>3,177,147</u>	<u>2,819,758</u>
Total		<u>\$ 39,953,187</u>	<u>\$ 40,004,256</u>	<u>\$ 33,851,706</u>	<u>\$ 29,059,635</u>	<u>\$ 27,668,710</u>

Bonds Payable Summary:

	Principal	Interest	Total
Bonds payable, June 30, 2010	\$ 262,060,000	\$ 67,131,333	\$ 329,191,333
Reported by Jordan School District	<u>(110,065,200)</u>	<u>(28,195,162)</u>	<u>(138,260,362)</u>
Reported by Canyons School District	<u>\$ 151,994,800</u>	<u>\$ 38,936,171</u>	<u>\$ 190,930,971</u>

2016	2017	2018	2019	2020	2021	2022	Total
\$ 875,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,720,000
39,812	-	-	-	-	-	-	755,597
-	-	-	-	-	-	-	24,285,000
-	-	-	-	-	-	-	2,282,800
865,000	900,000	-	-	-	-	-	5,610,000
70,600	36,000	-	-	-	-	-	887,325
1,575,000	1,650,000	1,725,000	-	-	-	-	11,950,000
203,100	140,100	72,450	-	-	-	-	2,258,300
-	-	-	-	-	-	-	11,470,000
-	-	-	-	-	-	-	780,300
1,120,000	1,170,000	1,225,000	1,285,000	-	-	-	9,800,000
192,000	147,200	100,400	51,400	-	-	-	1,986,450
1,965,000	2,040,000	2,125,000	2,210,000	2,300,000	-	-	19,410,000
428,475	349,875	268,275	183,275	94,875	-	-	4,530,844
1,050,000	1,100,000	1,150,000	1,200,000	1,250,000	1,300,000	-	11,690,000
283,625	241,625	197,625	151,625	103,625	53,625	-	3,021,275
13,050,000	13,700,000	14,400,000	14,975,000	15,600,000	16,225,000	17,050,000	163,125,000
4,661,438	4,139,438	3,557,188	2,963,188	2,326,750	1,663,750	852,500	50,628,442
<u>\$ 26,379,050</u>	<u>\$ 25,614,238</u>	<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>\$ 329,191,333</u>
\$ 20,500,000	\$ 20,560,000	\$ 20,625,000	\$ 19,670,000	\$ 19,150,000	\$ 17,525,000	\$ 17,050,000	\$ 262,060,000
5,879,050	5,054,238	4,195,938	3,349,488	2,525,250	1,717,375	852,500	67,131,333
<u>\$ 26,379,050</u>	<u>\$ 25,614,238</u>	<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>\$ 329,191,333</u>
\$ 11,890,000	\$ 11,924,800	\$ 11,962,500	\$ 11,408,600	\$ 11,107,000	\$ 10,164,500	\$ 9,889,000	\$ 151,994,800
3,409,849	2,931,458	2,433,644	1,942,703	1,464,645	996,077	494,450	38,936,171
8,610,000	8,635,200	8,662,500	8,261,400	8,043,000	7,360,500	7,161,000	110,065,200
2,469,201	2,122,780	1,762,294	1,406,785	1,060,605	721,298	358,050	28,195,162
<u>\$ 26,379,050</u>	<u>\$ 25,614,238</u>	<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>\$ 329,191,333</u>

CANYONS SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
June 30, 2010

Taxing Entity (1)	2009 Taxable Value	Canyons School District's Portion of Taxable Value	Canyons School District's Percentage (3)	Entity's General Obligation Debt	Canyons School District's Portion of G.O. Debt
Overlapping:					
CUWCD (2)	\$ 116,814,769,061	\$ 18,456,733,512	15.8%	\$ 146,542,380	\$ 23,153,696
Salt Lake County	73,841,150,513	17,500,352,672	23.7%	259,800,000	61,572,600
Draper City	3,547,815,093	3,547,815,093	100.0%	5,925,000	5,925,000
Midvale City	1,622,487,560	1,622,487,560	100.0%	3,255,000	3,255,000
Sandy City	6,561,127,128	6,561,127,128	100.0%	1,770,000	1,770,000
Cottonwood Heights Parks and Recreation Service Area	1,947,574,553	1,947,574,553	100.0%	4,050,000	4,050,000
Sandy Suburban Improvement District	3,101,255,800	3,101,255,800	100.0%	12,535,000	12,535,000
Total overlapping					112,261,296
				Canyons School District direct debt	151,994,800
				Total direct and overlapping debt	<u>\$ 264,256,096</u>

Source: Salt Lake County-Comprehensive Annual Financial Report for 2009

- (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) 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.

CANYONS SCHOOL DISTRICT
Legal Debt Margin Information

<u>Tax Year</u>	<u>Estimated Fair Market Value</u>	<u>Debt Limit *</u>	<u>Less General Obligation Debt</u>	<u>Legal Debt Margin*</u>	<u>Percentage of Debt to Debt Limit</u>
2009	\$ 25,212,266,983	\$ 1,008,490,679	\$ 153,157,884	\$ 855,332,795	15.19%

* The general obligation indebtedness (net of deferred amounts) 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

Calendar 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
2009	210,000	1,042,125	N/A	N/A	6.3%	\$ 1,545,119,400	5,049

* Based on District estimates and data available to District personnel.

** The District covers the southeast section of Salt Lake County, which encompasses several municipalities and unincorporated areas making statistics to the District impractical to obtain. This statistics for Salt Lake County are given since those are representative of the District. These statistics were obtain 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 2009.

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

CANYONS SCHOOL DISTRICT
Principal Employers

Employer *	June 30, 2010			
	Number of Employees	Rank	Percent of District's Total Estimated Population	Percent of District's Total Estimated Workforce
Intermountain Healthcare	5,000	1	2.4%	3.4%
Canyons School District	5,000	2	2.4%	3.4%
Wal-Mart Stores	2,000	3	1.0%	1.4%
Smith's Food Stores	1,500	4	0.7%	1.0%
Utah State Prison	1,500	5	0.7%	1.0%
EBay	1,500	6	0.7%	1.0%
ACS Business Solutions	1,500	7	0.7%	1.0%
Coca Cola	1,000	8	0.5%	0.7%
1-800 Contacts	1,000	9	0.5%	0.7%
Beckton Dickinson	1,000	10	0.5%	0.7%
Totals	21,000		10.0%	14.3%

* The number of employees within the District's boundaries for these employers is unavailable. Therefore the number of employees listed represents the best data available, which comes from Salt Lake County, Sandy City, and Draper City.

CANYONS SCHOOL DISTRICT
Full-Time Equivalents by Functional Category

Function:	Year Ended June 30, 2010
Instruction	1,687.90
Supporting services:	
Students	86.90
Instructional staff	63.38
District administration	17.00
School administration	159.00
Central	96.00
Operation and maintenance of school buildings	178.00
Student transportation	102.31
Nutrition services	130.44
Non K-12 programs	71.50
Capital outlay	<u>12.00</u>
Total full-time equivalents	<u><u>2,604.43</u></u>

Source: District records

CANYONS SCHOOL DISTRICT
Expenses by Function - Statement of Activities

Function:	Year Ended June 30, 2010
Instruction	\$ 148,539,711 59.82%
Support services:	
Students	7,390,809 2.98%
Instructional staff	11,709,415 4.72%
District administration	2,334,128 0.94%
School administration	13,773,164 5.55%
Central	11,304,689 4.55%
Operation and maintenance of school buildings	20,325,380 8.19%
Student transportation	7,138,925 2.88%
Nutrition services	12,408,460 5.00%
Non K-12 programs	6,301,400 2.54%
Interest on long-term liabilities	7,080,186 2.85%
Total expenses	<u><u>\$ 248,306,267</u></u>
Average Daily Membership	33,202
Average Expenses Per Pupil	\$ 7,479

Source: District records

CANYONS SCHOOL DISTRICT
Expenses by Function Per Pupil - Statement of Activities

Function:	Year Ended June 30, 2010
Instruction	\$ 4,474 59.82%
Support services:	
Students	223 2.98%
Instructional staff	353 4.72%
District administration	70 0.94%
School administration	415 5.55%
Central	340 4.55%
Operation and maintenance of school buildings	613 8.19%
Student transportation	215 2.88%
Nutrition services	374 5.00%
Non K-12 programs	190 2.54%
Interest on long-term liabilities	212 2.85%
Total expenses	<hr/> \$ 7,479 <hr/>
Average Daily Membership	33,202

Source: District records

CANYONS SCHOOL DISTRICT
Expenditures by Function - General Fund

Function:	Year Ended June 30, 2010
Instruction	\$ 118,816,244 62.58%
Support services:	
Students	7,336,484 3.86%
Instructional staff	11,483,579 6.05%
District administration	2,272,323 1.20%
School administration	13,618,836 7.17%
Central	10,503,447 5.53%
Operation and maintenance of school buildings	19,819,997 10.44%
Student transportation	6,027,206 3.17%
Total expenditures	<u>\$ 189,878,116</u>
Average Daily Membership	33,202
Average Expenditures Per Pupil	\$5,719

Source: District records

CANYONS SCHOOL DISTRICT
Expenditures by Function Per Pupil - General Fund

Function:	Year Ended June 30, 2010
Instruction	\$ 3,579 62.58%
Support services:	
Students	221 3.86%
Instructional staff	346 6.05%
District administration	69 1.20%
School administration	410 7.17%
Central	316 5.53%
Operation and maintenance of school buildings	597 10.44%
Student transportation	181 3.17%
Total expenditures	<hr/> \$ 5,719 <hr/>
Average Daily Membership	33,202

Source: District records

CANYONS SCHOOL DISTRICT
Average Daily Membership vs. Average Daily Attendance

<u>Year Ended June 30</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>	<u>Ratio of ADA to ADM</u>	<u>Official State October 1 Enrollment Count</u>
2010	33,202	31,756	95.64%	33,184

Source: District records

CANYONS SCHOOL DISTRICT
History of High School Graduates
Last Ten School Years - School Years 2001 through 2010

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Alta*	737	678	736	795	730	706	711	716	753	815
Brighton*	686	704	627	695	613	657	581	622	645	570
Hillcrest*	489	465	407	453	463	395	399	405	386	435
Jordan*	606	610	609	578	606	514	539	523	527	478
Entrada**	-	-	-	-	-	-	-	-	-	254
South Park**	-	-	-	-	-	-	-	-	-	331
Total	<u>2,518</u>	<u>2,457</u>	<u>2,379</u>	<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>

*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

June 30, 2010

Buildings:

Elementary:

Number	29
Square feet	1,805,833
Capacity	19,509
Enrollment	17,958

Middle Schools:

Number	8
Square feet	1,267,103
Capacity	10,565
Enrollment	7,499

High Schools:

Number	4
Square feet	1,372,991
Capacity	9,321
Enrollment	7,592

Special Schools:

Number	4
Square feet	148,569
Capacity *	
Enrollment	135

Total School Buildings :

	45
Square feet	4,594,496
Capacity	39,395
Enrollment	33,184

Other Buildings:

Number	7
Square feet	397,990

Acres of Land 822

Number of Portables 82

Number of Vehicles 457

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

Source: District records

CANYONS SCHOOL DISTRICT
Teacher Compensation Data
Last Ten Fiscal Years - June 30, 2001 through 2010

<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>
2001	\$ 24,605	\$ 49,331	\$ 36,186	\$ 14,905	\$ 51,091	\$ 51,495
2002	25,614	51,493	37,636	14,322	51,958	52,792
2003	25,614	51,493	38,016	14,580	52,596	53,268
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	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 2010 numbers were not available when this schedule was prepared.

Note - Data from 2001-2009 is from Jordan School District. The numbers will be used for comparability purposes.

CANYONS SCHOOL DISTRICT

Students Per Teacher

Last Ten Fiscal Years - June 30, 2001 through 2010

Grade	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Kindergarten	45.7	45.7	46.2	46.2	46.2	46.2	46.2	44.0	44.0	44.0
1	22.0	22.0	22.5	22.5	22.5	22.0	22.0	22.3	22.3	22.3
2	22.3	22.3	22.8	22.8	22.8	22.8	22.3	22.3	22.3	22.3
3	23.8	23.8	24.3	24.3	24.3	24.3	23.8	22.3	22.3	22.3
4	25.9	25.9	26.4	26.4	26.4	26.4	26.4	26.3	26.3	26.3
5	25.9	25.9	26.4	26.4	26.4	26.4	26.4	26.3	26.3	26.3
6	25.9	25.9	26.4	26.4	26.4	26.4	26.4	26.3	26.3	26.3
7	26.3	26.3	26.8	26.8	26.8	26.8	26.8	27.3	27.3	27.3
8	26.3	26.3	26.8	26.8	26.8	26.8	26.8	27.3	27.3	27.3
9	27.9	27.0	27.5	27.5	27.5	27.5	27.0	28.3	28.3	28.3
10	26.5	27.0	27.0	27.0	27.0	27.0	27.0	28.3	28.3	28.3
11	26.5	26.5	27.0	27.0	27.0	27.0	27.0	28.3	28.3	28.3
12	26.5	26.5	27.0	27.0	27.0	27.0	27.0	28.3	28.3	28.3

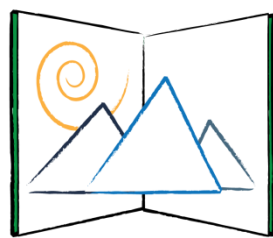
Note - Data from 2001-2009 is from Jordan School District. The numbers will be used for comparability purposes.

CANYONS SCHOOL DISTRICT

Nutrition Services - Facts and Figures

	Year Ended June 30, 2010
Participating schools:	
Lunch	43
Breakfast	25
Student lunches served:	
Free	944,856
Reduced	217,170
Fully paid	2,179,799
Total	<u>3,341,825</u>
Student breakfasts served:	
Free	230,401
Reduced	27,922
Fully paid	74,021
Total	<u>332,344</u>
Percentage of free/reduced/fully paid lunch:	
Free	28.27%
Reduced	6.50%
Fully paid	65.23%
Percentage of free/reduced fully paid breakfast:	
Free	69.33%
Reduced	8.40%
Fully paid	22.27%
Average daily participation:	
Lunch	18,774
Breakfast	1,867
Average daily membership	33,202
Percentage participating in school lunch/breakfast	
Lunch	56.54%
Breakfast	5.62%

Source: District records



CANYONS
School District

*"Celebrating the Highest
Standards of Educational Excellence"*