

SALT LAKE CITY SCHOOL DISTRICT

440 EAST FIRST SOUTH SALT LAKE CITY, UTAH 84111-1898

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For the Year Ended June 30, 2007

PREPARED BY THE OFFICE OF THE
BUSINESS ADMINISTRATOR

Janet M. Roberts, Business Administrator
Alan T. Kearsley, C.P.A., Director of Accounting

SALT LAKE CITY SCHOOL DISTRICT

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November 5, 2007

Members of the Board of Education, and
Citizens of the Salt Lake City School District:

State law requires that school districts publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. This report is published to fulfill that requirement for the fiscal year ended June 30, 2007 and is comprehensive to include all governmental departments, agencies, institutions, commissions, public authorities or other governmental organizations for which the District is financially accountable.

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

1. Introductory Section – Introduces the reader to the report and includes this transmittal letter, certificates of excellence in financial reporting, the District’s administrative organizational chart and a list of members of the Board of Education.
2. Financial Section – Consists of the independent auditor’s report, management’s discussion and analysis, the basic financial statements (which includes the government-wide financial statements, the fund financial statements, and the notes to the basic financial statements), and combining and individual fund financial statements and schedules.
3. 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 and financial and fiscal trends as well as the fiscal capacity of the District.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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, 2007 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. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2007 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.

As a recipient of federal funding, 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 not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal funds.

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.

The Single Audit and State of Utah Legal Compliance reports are issued as separate documents.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditor.

District Profile

The District was created by Article X, Section 6 of the Constitution of the State of Utah, which was passed by a vote of the people on the first Tuesday of November, 1875 and accepted by the United States Government on January 4, 1896. The District is a legally separate entity enjoying all rights and privileges accorded to political subdivisions in the State of Utah. The District is fiscally independent and is governed by a Board of Education that is comprised of seven elected board members. The Board establishes District policies, determines its own budget, levies taxes, incurs bonded debt, and is independent of any other unit of local government.

The major purpose of the District is to provide public education for the 23,548 students in kindergarten through twelfth grades living within the boundaries of Salt Lake City, which are part of a total population of approximately 178,858 citizens. In accomplishing this goal, the District operates 39 schools comprised of 4 high schools, 5 intermediate schools, 27 elementary schools and 3 special schools. Additionally, the District operates several other educational programs. These include community schools, adult education opportunities, sheltered workshop programs, and many programs for at-risk and disabled students, along with programs for highly-motivated students.

Component Unit

The Salt Lake Education Foundation is a discretely presented component unit of the District; the Foundation is a legally separate entity established to support the District. The Foundation's financial data is presented as a separate column on the government-wide financial statements of the District. There are no other units of government that are dependent on the District and, therefore, that should be included in this report.

Component Unit

The Salt Lake Education Foundation is a discretely presented component unit of the District; the Foundation is a legally separate entity established to support the District. The Foundation's financial data is presented as a separate column on the government-wide financial statements of the District. There are no other units of government that are dependent on the District and, therefore, that should be included in this report.

Budget Controls

The District adopts an annual budget for all governmental funds, which covers all revenues and expenditures of these funds. This budget acts as the operating plan for the fiscal year and is revised as necessary, following the requirements of Board policies and State law. Revisions may be made during the year authorizing a larger total appropriation of available resources after a public hearing and approval of the Board. A balanced budget by fund is required. The District may not make an appropriation that is in excess of its estimated revenue and estimated fund balances available from a previous year.

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

Looking Ahead

The economic outlook for the District is heavily dependent on state aid providing about half of general fund revenues. Utah's economy continued to grow during fiscal year 2007. Based on information from the Utah Department of Workforce Services, Utah had a 4.6% job growth during rate the year, compared to 1.3% national average. Utah's job growth rate leads the nation, with the next highest state, Arizona, showing a 3.4% job growth rate. The outlook for Utah's economy continues to look positive into the immediate future. Funding for public education in Utah is mainly derived from individual income taxes and corporate franchise taxes. For the year ended June 30, 2007, the State of Utah had an increase of \$284.7 million (12.4%) in individual income tax revenues and \$50.4 million over the previous year. These tax revenues all go into the Education Fund of the State. The Education Fund is used to support both K-12 and higher education. At June 30, 2007 the Education Fund reported a surplus of \$176.9 million, with an additional \$142.8 million in the Education Budget Reserve Account (Rainy Day Fund). The state increased the value of the weighted pupil unit (WPU) from \$2,417 to \$2,514 (4.01%) for fiscal year 2008. This increase is expected to bring in an additional \$3.1 million (3.8%) in state revenue. During the period of July 1, 1997 and June 30, 2007, the WPU has increased by 34.95% while the Consumer Price Index increased 32.10%, for a difference of 2.85% over inflation factors.

During the next several years, investment in the central business district of downtown Salt Lake City is expected to exceed \$1.5 billion. The plan of a mixed use downtown revitalization project will bring an increased tax base as well as additional residential living areas to the city. The District looks forward to the opportunities that this project will bring.

The District's assessed property valuation is expected to grow by some \$831 million for fiscal 2008. The approved tax rate for the 2007 calendar year is .005084, down from .006002 for the 2006 year.

The fiscal 2008 budget projects expenditure per pupil in the general fund of \$7,542, an increase of 5.12% compared to the previous year's original budget. This is primarily due to budgeted salary and benefit increases.

To help keep interest costs at a minimum, the District applies to Moody's Rating Services Inc. for ratings on impending bond issues. The District enjoys an Aaa rating, the highest granted by Moody's on general

Continuing Developments

The District continues its aggressive capital improvement plan it began several years ago. The purpose of the program is to upgrade every building in the District to meet current life-safety building code requirements, including earthquake and Americans with Disabilities Act access codes. It also provides for other building improvements, such as air conditioning.

The fiscal 2008 budget includes appropriations to complete or continue the replacement of Clayton and Hillside middle schools. The District continually reviews the building program and also updates its overall multi-year capital improvement program. It is the District's policy to maintain all assets at a level adequate to protect the capital investment and to minimize future maintenance and replacement cost. The current average age of all district buildings is 22.09 years. This is down from an average age of 37.95 years prior to the implementation of the District's current capital improvement plan.

During fiscal 2007, average student enrollment increased by 265 students. It is projected that the District will continue to experience minimal changes in enrollment into the future. Charter schools are increasing the degree of uncertainty in projecting student growth. Currently there are four charter schools within the District's boundaries. Two additional charter schools are scheduled to open during the 2007-08 school year, and another one in the 2008-09 school year. There are several other charter schools in neighboring districts which pull students from the Salt Lake City School District's boundaries.

Cash Management

In attempting to maximize earnings on short-term idle cash balances, the District uses the services of several firms, including a money management agreement with its primary bank which pays a higher rate of interest on overnight balances of the cash "sweep" accounts. The District maintains an account with the State Public Treasurers' Investment Fund that renders excellent liquidity along with generating an attractive rate of return on the deposits. For handling funds of a longer horizon, investment specialists are used to manage portfolios of select U.S. Government and corporate securities. All of these arrangements are kept in strict compliance with the State Money Management Act. The various treasury activities of the District are regulated by this Act, which sets forth investment limitations, standards for the proper management of cash, and reporting requirements. All investment and cash transactions are within the oversight of the State Money Management Council. Note 2 to the basic financial statements in the financial section of this report gives a more thorough explanation of these requirements and of the investment practices of the District.

The cash and investment positions of the District and its component unit are very stable at \$100.4 million.

Risk Management

The District provides protection for its employees, volunteers, and patrons in several ways. The District is self-insured for workers' compensation in case an employee or volunteer is injured at the workplace. Unemployment compensation benefits are paid to qualifying past employees by the State of Utah; subsequently, these expenses are reimbursed to the state by the District.

To protect the health and welfare of its employees, the District carries commercial insurance for major medical and accidental risks along with separate long-term disability and life insurance coverages. The District also provides a self-insured dental insurance plan for its employees.

The District participates with other school districts and state agencies in a pooling arrangement for acquiring property and general liability insurance coverage. The Utah State Risk Management Fund separately manages this coverage.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (the Certificate of Achievement) to the Salt Lake City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. The District has received certificates continuously for thirty years. In order to receive a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting this report to GFOA to determine its eligibility for another certificate.

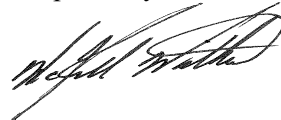
The Association of School Business Officials (ASBO) has awarded its Certificate of Excellence to the Salt Lake City School District. This award certifies that the annual financial report for the year ended June 30, 2006, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials of the United States and Canada. The District believes that the 2007 annual report, which will be submitted to ASBO for an annual review, also conforms to these principles and standards.

Acknowledgement

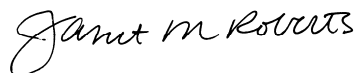
Many individuals helped in preparing this report, including members of the various business departments. We express our appreciation to the Accounting Department under the direction of Alan Kearsley, in particular, for the major effort in closing the year and making sure that this report was prepared in a timely manner.

Special thanks go to members of the Board of Education for their continuing support and concern for the financial affairs of the District.

Respectfully submitted,



McKell Withers,
Superintendent of Schools



Janet M. Roberts,
Business Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Salt Lake City School
District, Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SALT LAKE CITY SCHOOL DISTRICT

**For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2006**

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

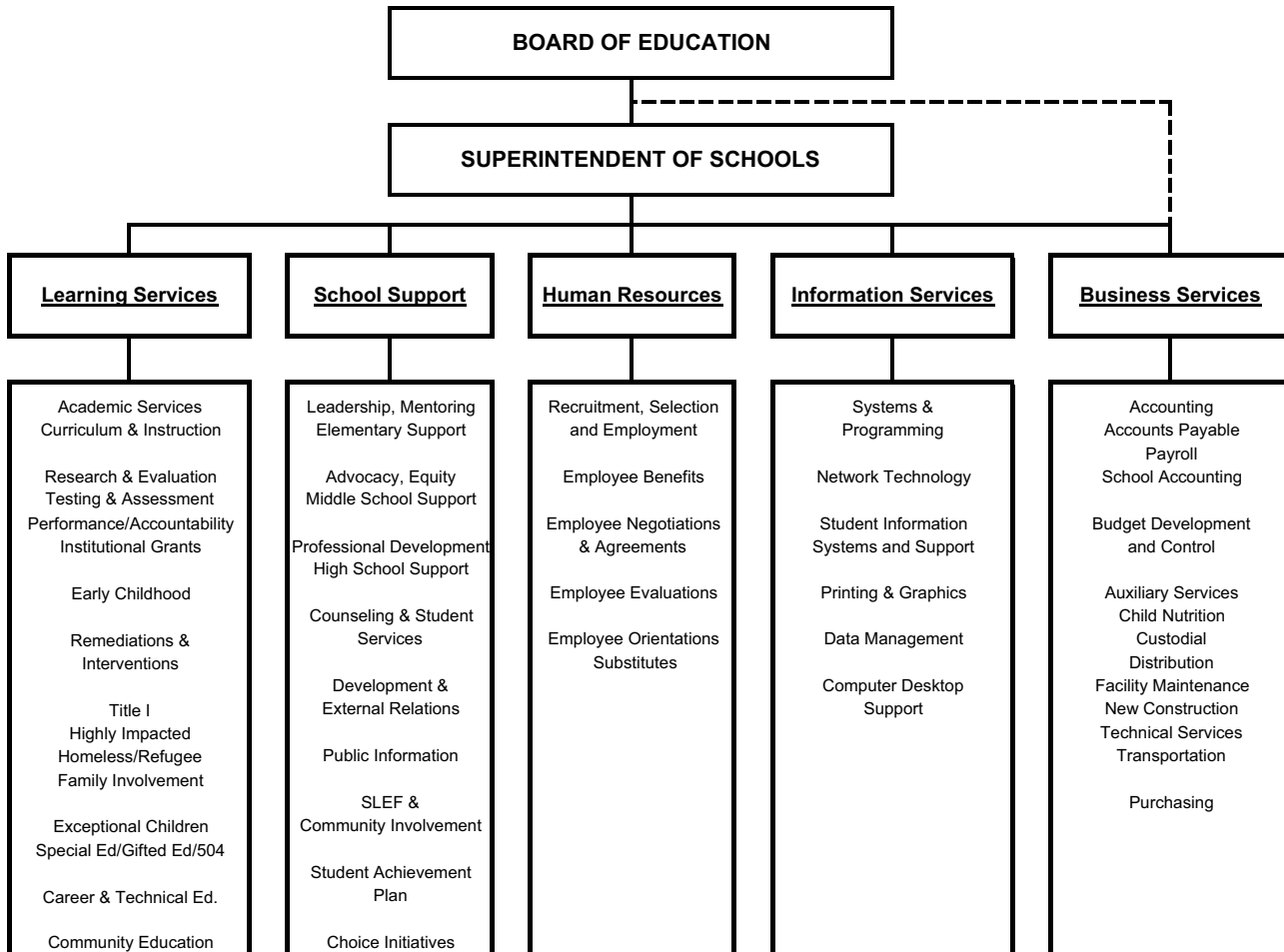
President

Executive Director

Administrative Organizational Chart Salt Lake City School District

THE ADMINISTRATION

The Board of Education appoints a superintendent and a business administrator whose duties and responsibilities are to some extent prescribed by Utah State statutes. The following is an organizational chart for District administration.



Salt Lake City School District

Members of the Board of Education

The Board of Education is comprised of seven individuals elected by precinct in a general election. Board members serve four-year terms and the terms are staggered so that not more than four board members are elected in any one election. There is also a non-voting student member of the board who is appointed by the elected members after a recommendation by high school students.

Douglas Nelson, President Precinct Number Three
Kristi Swett, Vice President Precinct Number Seven
Clifford Higbee..... Precinct Number One
Alama Uluave..... Precinct Number Two
Mark Maxfield..... Precinct Number Four
Heather Bennett..... Precinct Number Five
Laurel Young..... Precinct Number Six
Tyler McIntosh..... Student Board Member

McKell Withers Superintendent of Schools
Janet M. Roberts.....Business Administrator

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Independent Auditor's Report

Board of Education
Salt Lake City School District

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Salt Lake City School District (the District), as of and for the year ended June 30, 2007, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Salt Lake City School District as of June 30, 2007, 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 September 21, 2007 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 which follows this report 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 tables 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 tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Squire & Company, PC

September 21, 2007

Management's Discussion and Analysis

This section of Salt Lake School District's (District) comprehensive annual financial report presents management's discussion and analysis of the District's financial performance during the year ending June 30, 2007. Please read it in conjunction with the transmittal letter found on pages 1 through 5 of this report and the District's basic financial statements, which follow this section.

Financial Highlights

- The District's total assets exceeded liabilities by \$239.6 million at the close of the most recent fiscal year.
- During the year, expenses were \$19.2 million less than the \$225.8 million generated in taxes and other revenues for governmental activities. This was an increase over last year, when expenses were less than revenues by \$9.9 million.
- Student enrollment increased by 265 students to a total of 23,548 students for fiscal 2007. The State's Weighted Pupil Unit (WPU) increased by \$137, or 6.0%. Total state aid increased by \$5.0 million, or 6.5%.
- Property tax revenues increased by \$14.2 million due to an increase in total taxes levied as well as an increase in the percentage of taxes collected in the current year.
- The District finished four capital projects during the year ended June 30, 2007 at a cost of \$45.5 million. These projects were the replacement of Highland Park and Washington elementary schools and Glendale middle school and the retrofit of Washington Elementary. During fiscal 2007, the District began the replacement of Clayton and Hillside middle schools as well as the remodel of Nibley elementary school at a projected cost of \$13.5 million.

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 basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net 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 earned but unused vacation leave).

The government-wide financial statements can be found on pages 22 and 23 of this report.

Fund financial statements. A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the

funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The District maintains five 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. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each governmental fund is provided in the form of *combining and individual fund statements and schedules* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 24 to 28 of this report.

- **Proprietary funds.** *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses four internal service funds to account for services provided to all the other funds of the District: distribution services, printing and graphics, technical services, and employee benefits. The internal service funds have been included within *governmental activities* in the government-wide financial statements.

The four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report. The basic proprietary fund financial statements can be found on pages 29 to 31 of this report.

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

The District uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 32 of this report.

Notes to 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 basic financial statements can be found on pages 33 to 48 of this report.

Supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to basic financial statements. Combining and individual fund statements and schedules can be found on pages 49 to 65 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 \$239.6 million at the close of the most recent fiscal year.

SALT LAKE SCHOOL DISTRICT'S Net Assets

(in millions of dollars)

June 30, 2007 and 2006

| | Governmental activities | | Total change 2007-2006 |
|---|-------------------------|-----------------|------------------------------|
| | 2007 | 2006 | |
| Current and other assets | \$ 209.0 | \$ 200.4 | \$ 8.6 |
| Capital assets | 321.1 | 313.7 | 7.4 |
| Total assets | <u>530.1</u> | <u>514.1</u> | <u>16.0</u> |
| Current and other liabilities | 128.4 | 122.2 | 6.2 |
| Long-term liabilities outstanding | 162.1 | 171.5 | (9.4) |
| Total liabilities | <u>290.5</u> | <u>293.7</u> | <u>(3.2)</u> |
| Net assets: | | | |
| Invested in capital assets, net of related debt | 167.2 | 163.7 | 3.5 |
| Restricted | 44.6 | 32.0 | 12.6 |
| Unrestricted | 27.8 | 24.7 | 3.1 |
| Total net assets | <u>\$ 239.6</u> | <u>\$ 220.4</u> | <u>\$ 19.2</u> |

- The largest portion of the District's net assets (69.8%) reflects its investment in capital assets (e.g., sites, 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 (18.6%) 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 balance of *unrestricted net assets* (11.6%) may be used to meet the District's obligations to students, employees, and creditors and to honor next year's budget.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

Restricted net assets increased by \$12.6 million during the year ended June 30, 2007. This increase resulted primarily from the accumulation of resources in the capital projects fund to pay for future capital needs, as well as the use of last year's unspent bond proceeds.

The District's net assets increased by \$19.2 million during the current year. The following discussion and analysis on governmental activities focuses on this increase:

SALT LAKE CITY SCHOOL DISTRICT'S Changes in Net Assets

(in millions of dollars)

Years Ended June 30, 2007 and 2006

| | <u>Governmental activities</u> | | Total |
|--|--------------------------------|-----------------|------------------|
| | <u>2007</u> | <u>2006</u> | <u>2007-2006</u> |
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | \$ 7.2 | \$ 7.0 | \$ 0.2 |
| Federal and state operating grants | 51.6 | 50.3 | 1.3 |
| General revenues: | | | |
| Property taxes | 99.0 | 84.8 | 14.2 |
| Federal and state aid not restricted to specific purposes | 59.2 | 55.3 | 3.9 |
| Earnings on investments | 5.4 | 3.5 | 1.9 |
| Miscellaneous | 2.3 | 1.1 | 1.2 |
| Special item: gain on sale of capital assets | 1.1 | - | 1.1 |
| Total revenues | <u>225.8</u> | <u>202.0</u> | <u>23.8</u> |
| Expenses: | | | |
| Instruction | 128.1 | 121.1 | 7.0 |
| Supporting services: | | | |
| Counseling and child accounting | 5.6 | 5.3 | 0.3 |
| Media services and educational supervision | 16.3 | 15.1 | 1.2 |
| General district administration | 1.1 | 1.0 | 0.1 |
| General school administration | 8.9 | 8.4 | 0.5 |
| Business services | 1.6 | 1.7 | (0.1) |
| Operation and maintenance of school buildings | 16.7 | 15.4 | 1.3 |
| Student transportation | 5.0 | 4.2 | 0.8 |
| Personnel and information systems | 2.6 | 2.4 | 0.2 |
| Community services | 0.4 | 0.5 | (0.1) |
| Child nutrition services | 12.7 | 10.5 | 2.2 |
| Interest on long-term liabilities | 7.6 | 6.5 | 1.1 |
| Total expenses | <u>206.6</u> | <u>192.1</u> | <u>14.5</u> |
| Increase in net assets | 19.2 | 9.9 | 9.3 |
| Net assets - beginning | <u>220.4</u> | <u>210.5</u> | <u>9.9</u> |
| Net assets - ending | <u>\$ 239.6</u> | <u>\$ 220.4</u> | <u>\$ 19.2</u> |

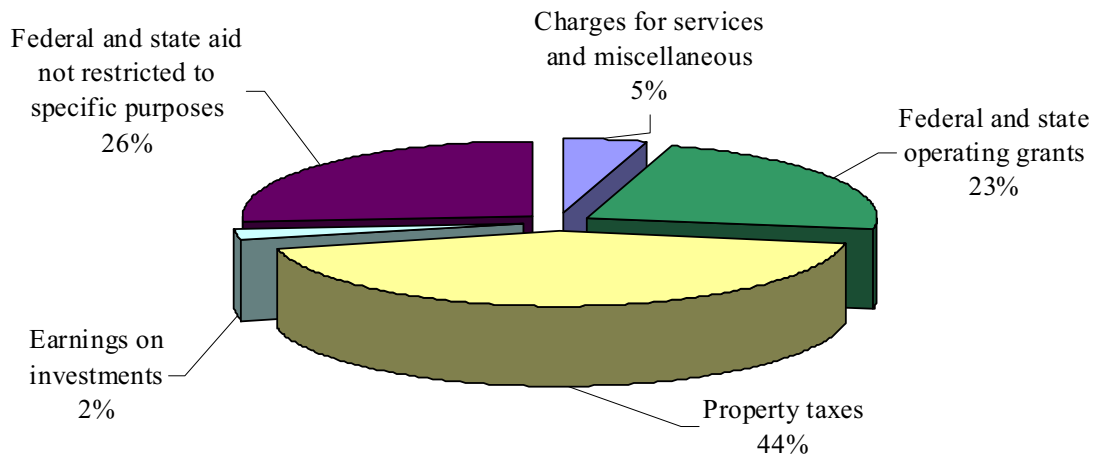
Governmental activities. The key elements of the increase of the District's net assets for the year ended June 30, 2007 are as follows:

- Property tax revenues increased by \$14.2 million. This is due to an increase in the amount of taxes levied as well as an increase of the percentage of taxes collected during the current year. The collection rate for tax year 2006 was 97.4% compared to 95.4% in tax year 2005. This will result in less delinquent taxes available to be collected in subsequent years.
- Federal and state aid increases are a reflection of changes in funding for specific programs. Federal and state revenues increased by \$0.3 million and \$4.9 million respectively. State aid is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. The state guarantees that if local taxes generated by the required basic tax levy do not provide money equal to the amount generated by the WPU it will make up the difference with state funding.

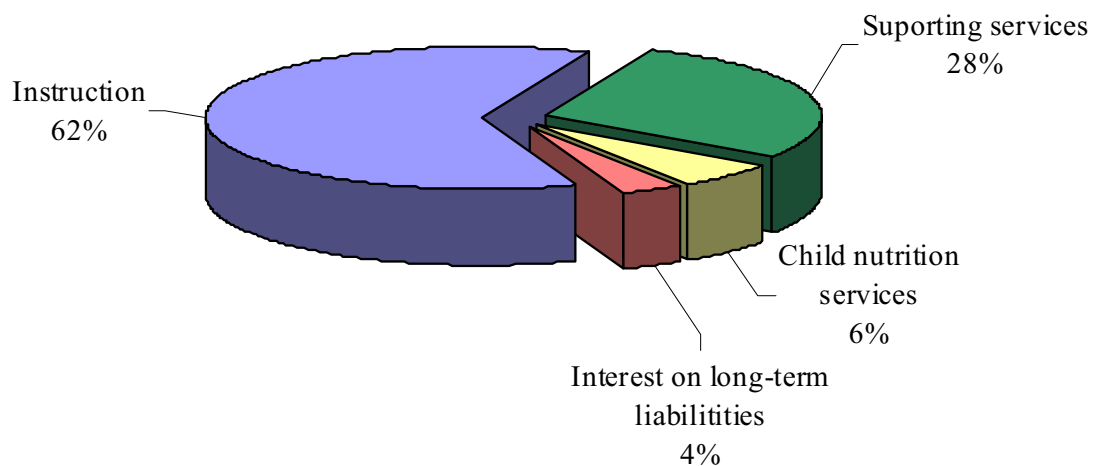
Certain special students receive a weighting greater than one. The value of the WPU increased by 6.0% during the year ended June 30, 2007 (\$2,417 during fiscal 2007 as compared to \$2,280 in fiscal 2006).

- Instruction expenses increased by \$7.0 million.

**SALT LAKE CITY SCHOOL DISTRICT
Revenues by Source - Governmental Activities
Year Ended June 30, 2007**



**SALT LAKE CITY SCHOOL DISTRICT
Expenses by Function - Governmental Activities
Year Ended June 30, 2007**



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. As the District completed the year, its governmental funds reported a combined fund balance of \$70.1 million, \$2.4 million higher than the previous year. Included in this year's change in the total fund balance is an increase in the fund balance of the *general fund* of \$3.2 million, a decrease in the fund balance of the *capital projects fund* of \$1.5 million as well as changes in other funds. The primary reasons for the general fund's increase mirror those highlighted in the analysis of governmental activities. In addition, the following other changes in fund balances should be noted:

- Expenditures for general District purposes totaled \$157.0 million, an increase of 7.1% during the current fiscal year. This compares to a 0.9% increase in fiscal 2006. This increase is largely due to the increase in the WPU mentioned above. Instruction represents 67.2% of general fund expenditures.
- General fund salaries totaled \$101.7 million while the associated employee benefits of retirement, social security, insurance (health and accident, industrial, and unemployment) added \$34.2 million to arrive at 86.6% of total general fund expenditures.
- Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the District's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Undesignated balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of debt service, capital projects, and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion. Of the \$25.6 million fund balance in the general fund, \$7.0 million is designated for general contingencies as allowed by state law; this amount, limited to 5.0% of general fund budgeted expenditures, is set aside for contingencies or possible reductions in state funding and is not to be used in the negotiation or settlement of contract salaries. The maintenance of a sufficient reserve is a key credit consideration in the District's excellent bond rating of Aaa given by Moody's Investor Service. The capital projects fund reported a \$39.2 million fund balance at June 30, 2007.

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 an increase of \$8.7 million or 5.6% in total general fund expenditures. The most significant budgetary adjustments may be summarized as follows:

- \$6.4 million or 6.0% increase in instruction, to reflect carryover allocations for supplies and equipment not spent in the previous year.
- \$1.7 million or 13.7% increase in media services and educational supervision for the receipt of new grants.
- \$0.2 million or 6.3% increase in student transportation due to increased fuel costs and additional state funding for equipment.
- \$0.1 million or 7.3% decrease in business services primarily due to personnel changes and reorganization.

Even with these budget adjustments, actual expenditures were \$8.3 million below final budgeted amounts. The most significant variance may be summarized as follows:

- \$8.1 million or 7.1% positive variance in instruction, due to unspent supply allocations and equipment budgets which are carried over to the next year.
- \$1.0 million or 7.1% positive variance in media services and educational supervision due to unspent library supply allocations and federal grants which are carried over to the next year.
- \$1.1 million or 7.3% negative variance in operation and maintenance of school buildings due to higher than anticipated costs in supplies and workers compensation claims.

Resources available for appropriation were \$0.8 million over the final budgeted amount. Variances in state and federal revenues primarily result from expenditure-driven grants that are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been 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 deferred \$7.4 million in unearned state revenue at June 30, 2007. Revenue from other local sources surpassed projections because a payment received from Salt Lake Redevelopment Agency exceeded expectations.

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. During fiscal 2007 two replacement middle schools were begun as well as an elementary remodel project at a projected cost of \$13.5 million. The total expended on the new projects at June 30, 2007 is \$2.4 million, leaving a projected cost to complete all projects begun to date at \$11.0 million. These new projects were in addition to two elementary school replacements, one intermediate school replacement and one intermediate school retrofit, which were previously under construction and substantially completed in fiscal 2007 at a cost of \$45.5 million. At the end of the year there was a reservation of fund balance in the *capital projects fund* of \$11.0 million which will be used to fulfill the required costs to complete various projects in progress at June 30, 2007.

Capital assets at June 30, 2007 and 2006 are outlined below:

SALT LAKE CITY SCHOOL DISTRICT'S Capital Assets
(net of accumulated depreciation, in millions of dollars)
June 30, 2007 and 2006

| | Governmental activities | | Total |
|---------------------------|-------------------------|-----------------|---------------------|
| | 2007 | 2006 | change 2007-2006 |
| Sites | \$ 31.4 | \$ 31.7 | \$ (0.3) |
| Construction in progress | 2.4 | 30.0 | (27.6) |
| Buildings | 282.9 | 247.5 | 35.4 |
| Equipment | 2.1 | 1.8 | 0.3 |
| Vehicles | 2.3 | 2.7 | (0.4) |
| Total capital assets, net | <u>\$ 321.1</u> | <u>\$ 313.7</u> | <u>\$ 7.4</u> |

Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration. Moody's Investor Services has awarded an Aaa rating to all outstanding issues.

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2007 is \$843.1 million. Net general obligation debt at June 30, 2007 is \$153.9 million, resulting in a legal debt margin of \$689.2 million.

Although it is not unusual for governments to have a 30-year bond payoff schedule, the District maintains an aggressive schedule to retire all of its current general obligation bonds by 2025.

SALT LAKE CITY SCHOOL DISTRICT'S Outstanding Debt

(net of unamortized and deferred amounts, in millions of dollars)

June 30, 2007 and 2006

| | Governmental activities | | Total change 2007-2006 |
|-------------------------------|-------------------------|-----------------|---------------------------|
| | 2007 | 2006 | |
| General obligation bonds | \$ 153.8 | \$ 164.0 | \$ (10.2) |
| Deferred amounts | 0.1 | 0.1 | - |
| General obligation bonds, net | <u>\$ 153.9</u> | <u>\$ 164.1</u> | <u>\$ (10.2)</u> |

Additional information on the District's long-term debt can be found in Note 7 to the basic financial statements.

Changing Enrollment within the District

Each year, for many years, historical information has been kept relative to the number of students who leave District schools for various reasons and the number of students who enter the schools in each age group. From this database, implied estimates of migration of students in and out of the District are made. Birth data is also projected forward adjusted by implied estimates as described above. These projections of enrollment and average daily membership have been very accurate in the past. Currently the District is projecting average daily membership to show small changes over the next few years.

SALT LAKE CITY SCHOOL DISTRICT'S Changing Enrollment

Average Daily Membership (ADM)

| District Fiscal Year | <u>2006</u> | <u>2007</u> | <u>2008 *</u> | <u>2009 *</u> | <u>2010 *</u> | <u>2011 *</u> |
|--------------------------|-------------|-------------|---------------|---------------|---------------|---------------|
| Average Daily Membership | 23,283 | 23,548 | 23,082 | 23,144 | 23,185 | 23,245 |

* Projected ADM

The District's enrollment for the year ending June 30, 2007 increased by 265 students in average daily membership compared to the prior year.

Requests for Information

This financial report is designed to provide a general overview of the Salt Lake City School District's finances 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 Office of the Business Administrator, Salt Lake City School District, 440 East First South, Salt Lake City, UT 84111.

BASIC FINANCIAL STATEMENTS

SALT LAKE CITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2007

| | Primary Government | Component Unit |
|---|------------------------------------|--------------------------------|
| | Governmental Activities | District Foundation |
| Assets: | | |
| Cash and investments | \$ 96,465,191 | \$ 2,723,857 |
| Receivables: | | |
| Property taxes | 99,200,222 | - |
| Other local | 1,032,829 | 6,369 |
| State of Utah | 708,164 | - |
| Federal government | 9,072,418 | - |
| Due from component unit | 36,860 | - |
| Inventories | 1,179,465 | - |
| Prepaid expenses | 623,927 | - |
| Bond issuance costs, net of accumulated amortization | 775,668 | - |
| Capital assets: | | |
| Sites and construction in progress | 33,801,386 | - |
| Buildings, equipment, and vehicles, net of accumulated depreciation | 287,284,375 | - |
| Total assets | <u>530,180,505</u> | <u>2,730,226</u> |
| Liabilities: | | |
| Accounts payable | 6,417,130 | 1,126 |
| Accrued interest | 3,096,625 | - |
| Accrued salaries and related benefits | 14,402,457 | - |
| Due to primary government | - | 36,860 |
| Deferred revenue: | | |
| Property taxes | 95,872,639 | - |
| Other local sources | 1,094,765 | - |
| State of Utah | 7,499,700 | - |
| Federal government | 9,756 | - |
| Noncurrent liabilities: | | |
| Portion due or payable within one year | 12,510,489 | - |
| Portion due or payable after one year | 149,633,914 | - |
| Total liabilities | <u>290,537,475</u> | <u>37,986</u> |
| Net Assets: | | |
| Invested in capital assets, net of related debt | 167,156,231 | - |
| Restricted for: | | |
| Special programs | 2,588,366 | - |
| Child nutrition | 2,036,789 | - |
| Capital projects | 40,011,110 | - |
| Scholarships and programs | - | 2,623,338 |
| Unrestricted | 27,850,534 | 68,902 |
| Total net assets | <u>\$ 239,643,030</u> | <u>\$ 2,692,240</u> |

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

SALT LAKE CITY SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2007

| Activities or Functions | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets | |
|---|-----------------------|----------------------|------------------------------------|---|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Primary Government | Component Unit |
| | | | | Total Governmental Activities | District Foundation |
| Primary government | | | | | |
| Governmental activities: | | | | | |
| Instruction | \$ 128,090,287 | \$ 4,405,759 | \$ 31,613,585 | \$ (92,070,943) | |
| Supporting services: | | | | | |
| Counseling and child accounting | 5,601,671 | - | 994,592 | (4,607,079) | |
| Media services and educational supervision | 16,309,593 | - | 4,825,672 | (11,483,921) | |
| General district administration | 1,150,893 | - | 713,569 | (437,324) | |
| General school administration | 8,936,635 | - | 213,391 | (8,723,244) | |
| Business services | 1,602,291 | - | 20,828 | (1,581,463) | |
| Operation and maintenance of school buildings | 16,696,371 | 444,836 | 706,737 | (15,544,798) | |
| Student transportation | 4,968,145 | 136,255 | 2,864,029 | (1,967,861) | |
| Personnel and information systems | 2,593,296 | - | 133,185 | (2,460,111) | |
| Community services | 414,688 | 587,163 | 240,057 | 412,532 | |
| Child nutrition services | 12,655,235 | 1,592,285 | 9,317,450 | (1,745,500) | |
| Interest on long-term liabilities | 7,595,731 | - | - | (7,595,731) | |
| Total primary government | <u>\$ 206,614,836</u> | <u>\$ 7,166,298</u> | <u>\$ 51,643,095</u> | <u>(147,805,443)</u> | |
| Component unit: | | | | | |
| Salt Lake Education Foundation | <u>\$ 1,626,328</u> | <u>\$ -</u> | <u>\$ 1,908,279</u> | | \$ 281,951 |
| General revenues: | | | | | |
| Property taxes levied for: | | | | | |
| Basic state supported program for regular K-12 instruction (set by state legislature) | | | | 27,635,864 | - |
| Voted leeway for regular K-12 instruction | | | | 27,917,098 | - |
| School Board leeway for class size reduction | | | | 2,943,576 | - |
| School Board K-3 reading program | | | | 2,268,616 | - |
| Tort liability | | | | 374,978 | - |
| Community recreation | | | | 2,249,867 | - |
| Debt service | | | | 16,386,530 | - |
| Capital outlay for buildings and other capital needs | | | | 15,242,848 | - |
| Ten percent of basic for construction, textbooks, and supplies | | | | 3,974,765 | - |
| Federal and state revenue not restricted to specific purposes | | | | 59,246,466 | - |
| Earnings on investments | | | | 5,365,984 | 86,676 |
| Miscellaneous | | | | 2,291,372 | - |
| Special item - gain on sale of capital assets | | | | <u>1,127,244</u> | <u>-</u> |
| Total general revenues | | | | <u>167,025,208</u> | <u>86,676</u> |
| Change in net assets | | | | 19,219,765 | 368,627 |
| Net assets - beginning | | | | <u>220,423,265</u> | <u>2,323,613</u> |
| Net assets - ending | | | | <u>\$ 239,643,030</u> | <u>\$ 2,692,240</u> |

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

SALT LAKE CITY SCHOOL DISTRICT

Balance Sheet Governmental Funds June 30, 2007

| | Major Funds | | | Other Governmental Funds | Total Governmental Funds |
|--|-----------------------|----------------------|----------------------|--------------------------------|--------------------------------|
| | General | Debt Service | Capital Projects | | |
| Assets: | | | | | |
| Cash and investments | \$ 43,151,596 | \$ 980,201 | \$ 42,308,284 | \$ 1,453,507 | \$ 87,893,588 |
| Receivables: | | | | | |
| Property taxes | 61,169,614 | 17,734,395 | 18,081,480 | 2,214,733 | 99,200,222 |
| Other local | 759,403 | - | 87,777 | 220,505 | 1,067,685 |
| State of Utah | 281,350 | - | - | 426,814 | 708,164 |
| Federal government | 5,768,939 | - | - | 3,303,479 | 9,072,418 |
| Inventories | 264,430 | - | - | 829,921 | 1,094,351 |
| Prepaid expenditures | 269,766 | - | 354,161 | - | 623,927 |
| Total assets | <u>\$ 111,665,098</u> | <u>\$ 18,714,596</u> | <u>\$ 60,831,702</u> | <u>\$ 8,448,959</u> | <u>\$ 199,660,355</u> |
| Liabilities and fund balances: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 2,508,475 | \$ - | \$ 3,396,065 | \$ 495,140 | \$ 6,399,680 |
| Accrued salaries and related benefits | 14,402,457 | - | - | - | 14,402,457 |
| Deferred revenue: | | | | | |
| Property taxes | 61,740,301 | 17,899,849 | 18,250,172 | 2,235,396 | 100,125,718 |
| Other local | 30,879 | - | - | 1,063,886 | 1,094,765 |
| State of Utah | 7,373,657 | - | - | 126,043 | 7,499,700 |
| Federal government | 9,756 | - | - | - | 9,756 |
| Total liabilities | <u>86,065,525</u> | <u>17,899,849</u> | <u>21,646,237</u> | <u>3,920,465</u> | <u>129,532,076</u> |
| Fund Balances: | | | | | |
| Reserved for: | | | | | |
| Inventories | 264,430 | - | - | 829,921 | 1,094,351 |
| Prepaid expenditures | 269,766 | - | 354,161 | - | 623,927 |
| Construction commitments | - | - | 11,038,691 | - | 11,038,691 |
| Unreserved: | | | | | |
| Designated for: | | | | | |
| General contingencies | 7,000,000 | - | - | - | 7,000,000 |
| Programs | 1,494,415 | - | - | - | 1,494,415 |
| Programs, reported in the special revenue funds | - | - | - | 1,209,703 | 1,209,703 |
| Schools | 3,459,737 | - | - | - | 3,459,737 |
| Schools, reported in the special revenue funds | - | - | - | 213,749 | 213,749 |
| Undesignated, reported in: | | | | | |
| General fund | 13,111,225 | - | - | - | 13,111,225 |
| Debt service fund | - | 814,747 | - | - | 814,747 |
| Capital projects fund | - | - | 27,792,613 | - | 27,792,613 |
| Special revenue funds | - | - | - | 2,275,121 | 2,275,121 |
| Total fund balances | <u>25,599,573</u> | <u>814,747</u> | <u>39,185,465</u> | <u>4,528,494</u> | <u>70,128,279</u> |
| Total liabilities and fund balances | <u>\$ 111,665,098</u> | <u>\$ 18,714,596</u> | <u>\$ 60,831,702</u> | <u>\$ 8,448,959</u> | <u>\$ 199,660,355</u> |

SALT LAKE CITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

June 30, 2007

Total fund balances for governmental funds \$ 70,128,279

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

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

| | | |
|--|------------------|-------------|
| Sites | \$ 31,366,153 | |
| Construction in progress | 2,435,233 | |
| Buildings, net of \$122,971,192 accumulated depreciation | 282,899,315 | |
| Equipment, net of \$4,534,043 accumulated depreciation | 1,978,163 | |
| Vehicles, net of \$5,062,005 accumulated depreciation | <u>2,329,319</u> | 321,008,183 |

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. 4,253,079

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (3,096,625)

Bond issuance costs are reported as expenditures in the governmental funds. The cost is \$1,032,887 and accumulated amortization is \$257,219. 775,668

Internal service funds are used by management to charge the costs of warehouse, printing and graphics, technical, and employee benefit services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets at year-end are: 503,976

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

| | | |
|---|--------------------|----------------------|
| General obligation bonds payable | (153,797,722) | |
| Unamortized deferred amounts on refunding | 1,767,279 | |
| Unamortized premiums and discounts | <u>(1,899,087)</u> | <u>(153,929,530)</u> |

Total net assets of governmental activities \$ 239,643,030

SALT LAKE CITY SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2007

| | Major Funds | | | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|-------------------|----------------------|--------------------------------|--------------------------------|
| | General | Debt Service | Capital Projects | | |
| Revenues: | | | | | |
| Property taxes | \$ 60,850,999 | \$ 17,695,131 | \$ 18,041,448 | \$ 2,393,016 | \$ 98,980,594 |
| Earnings on investments | 2,967,983 | 66,982 | 1,877,491 | 96,330 | 5,008,786 |
| School lunch sales | - | - | - | 1,592,285 | 1,592,285 |
| Other local sources | 4,433,188 | - | 752,773 | 2,679,424 | 7,865,385 |
| State of Utah | 76,552,865 | - | - | 4,656,133 | 81,208,998 |
| Federal government | 15,362,275 | - | - | 14,318,288 | 29,680,563 |
| Total revenues | 160,167,310 | 17,762,113 | 20,671,712 | 25,735,476 | 224,336,611 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction | 105,426,290 | - | - | 9,352,081 | 114,778,371 |
| Supporting services: | | | | | |
| Counseling and child accounting | 5,418,920 | - | - | 90,525 | 5,509,445 |
| Media services and educational supervision | 13,020,723 | - | - | 2,827,738 | 15,848,461 |
| General district administration | 612,564 | - | - | 430,871 | 1,043,435 |
| General school administration | 8,659,956 | - | - | - | 8,659,956 |
| Business services | 1,602,291 | - | - | - | 1,602,291 |
| Operation and maintenance of school buildings | 15,608,036 | - | - | 877,528 | 16,485,564 |
| Student transportation | 4,057,943 | - | - | - | 4,057,943 |
| Personnel and information systems | 2,569,792 | - | - | 23,504 | 2,593,296 |
| Child nutrition services | - | - | - | 11,807,975 | 11,807,975 |
| Community services | - | - | - | 414,688 | 414,688 |
| Capital outlay | - | - | 24,284,722 | 5,901 | 24,290,623 |
| Debt service: | | | | | |
| Principal retirement | - | 10,215,000 | - | - | 10,215,000 |
| Interest, fiscal charges, and other | - | 6,732,366 | - | - | 6,732,366 |
| Total expenditures | 156,976,515 | 16,947,366 | 24,284,722 | 25,830,811 | 224,039,414 |
| Excess (deficiency) of revenues over (under) expenditures | 3,190,795 | 814,747 | (3,613,010) | (95,335) | 297,197 |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of capital assets | - | - | 2,129,700 | 5,370 | 2,135,070 |
| Net change in fund balances | 3,190,795 | 814,747 | (1,483,310) | (89,965) | 2,432,267 |
| Fund balances - beginning | 22,408,778 | - | 40,668,775 | 4,618,459 | 67,696,012 |
| Fund balances - ending | \$ 25,599,573 | \$ 814,747 | \$ 39,185,465 | \$ 4,528,494 | \$ 70,128,279 |

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

SALT LAKE CITY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2007

Net change in fund balances-total governmental funds \$ 2,432,267

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for sites, equipment, and vehicles and \$100,000 for buildings are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

| | | |
|---------------------------------------|---------------------|-----------|
| Capital asset purchases | \$ 19,029,088 | |
| Gain on sale of capital assets | 1,126,949 | |
| Proceeds from sales of capital assets | (2,135,070) | |
| Depreciation expense | <u>(10,647,244)</u> | 7,373,723 |

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

| | | |
|---|------------------|-----------|
| Repayment of bond principal | 10,215,000 | |
| Interest expense | (863,749) | |
| Amortization of bond issuance costs | (68,044) | |
| Amortization of bond premiums and discounts | 197,365 | |
| Amortization of deferred amounts on refunding | <u>(196,981)</u> | 9,283,591 |

Property tax revenues received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues decreased this year. 13,548

Internal service funds are used by the District to charge the costs of distribution, printing and graphics, technical, and employee benefit services to individual funds. The change in net assets of the internal service funds is reported with governmental activities. 116,636

Change in net assets of governmental activities \$ 19,219,765

SALT LAKE CITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

Year Ended June 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|----------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Property taxes | \$ 57,211,160 | \$ 60,875,214 | \$ 60,850,999 | \$ (24,215) |
| Earnings on investments | 1,822,577 | 2,197,636 | 2,967,983 | 770,347 |
| Other local sources | 991,311 | 1,775,142 | 4,433,188 | 2,658,046 |
| State of Utah | 77,048,391 | 78,847,929 | 76,552,865 | (2,295,064) |
| Federal government | 14,414,719 | 15,700,059 | 15,362,275 | (337,784) |
| Total revenues | 151,488,158 | 159,395,980 | 160,167,310 | 771,330 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 107,115,118 | 113,526,176 | 105,426,290 | 8,099,886 |
| Supporting services: | | | | |
| Counseling and child accounting | 5,419,796 | 5,540,122 | 5,418,920 | 121,202 |
| Media services and educational supervision | 12,319,722 | 14,012,086 | 13,020,723 | 991,363 |
| General district administration | 420,142 | 404,995 | 612,564 | (207,569) |
| General school administration | 8,446,000 | 8,638,426 | 8,659,956 | (21,530) |
| Business services | 1,789,072 | 1,657,752 | 1,602,291 | 55,461 |
| Operation and maintenance of school buildings | 14,311,689 | 14,550,295 | 15,608,036 | (1,057,741) |
| Student transportation | 4,022,993 | 4,274,579 | 4,057,943 | 216,636 |
| Personnel and information systems | 2,738,872 | 2,698,502 | 2,569,792 | 128,710 |
| Total expenditures | 156,583,404 | 165,302,933 | 156,976,515 | 8,326,418 |
| Net change in fund balances | (5,095,246) | (5,906,953) | 3,190,795 | 9,097,748 |
| Fund balances - beginning | <u>22,408,778</u> | <u>22,408,778</u> | <u>22,408,778</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 17,313,532</u> | <u>\$ 16,501,825</u> | <u>\$ 25,599,573</u> | <u>\$ 9,097,748</u> |

SALT LAKE CITY SCHOOL DISTRICT

Statement of Fund Net Assets Proprietary Funds Governmental Activities - Internal Service Funds June 30, 2007

Assets:

Current assets:

| | |
|----------------------|------------------|
| Cash and investments | \$ 8,571,603 |
| Inventories | 85,114 |
| Receivables | 2,004 |
| Total current assets | <u>8,658,721</u> |

Capital assets:

| | |
|--------------------------|------------------|
| Equipment | 449,151 |
| Accumulated depreciation | <u>(371,573)</u> |
| Net capital assets | <u>77,578</u> |
| Total assets | 8,736,299 |

Liabilities:

Current liabilities:

| | |
|------------------------------------|----------------|
| Accounts payable | 17,450 |
| Accrued vacation | 252,409 |
| Accrued sick leave | 49,007 |
| Early retirement insurance payable | 847,020 |
| Dental insurance payable | 320,701 |
| Workers compensation payable | <u>446,352</u> |
| Total current liabilities | 1,932,939 |

Noncurrent liabilities:

| | |
|------------------------------------|------------------|
| Accrued vacation | 864,109 |
| Accrued sick leave | 3,172,149 |
| Early retirement insurance payable | <u>2,263,126</u> |
| Total noncurrent liabilities | <u>6,299,384</u> |
| Total liabilities | 8,232,323 |

Net assets:

| | |
|----------------------------|-------------------|
| Invested in capital assets | 77,578 |
| Unrestricted | <u>426,398</u> |
| Total net assets | <u>\$ 503,976</u> |

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

SALT LAKE CITY SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

Governmental Activities - Internal Service Funds

Year Ended June 30, 2007

| | |
|-------------------------------------|--------------------------|
| Operating revenues: | |
| Charges for services | \$ 4,719,163 |
| Operating expenses: | |
| Salaries | 851,851 |
| Employee benefits | 3,761,950 |
| Materials | 170,772 |
| Contracted services | 45,055 |
| Utilities | 62,491 |
| Equipment maintenance | 42,641 |
| Depreciation | 20,950 |
| Other expenses | 4,310 |
| Total operating expenses | <u>4,960,020</u> |
| Operating loss | (240,857) |
| Non-operating income: | |
| Sale of capital assets | 295 |
| Earnings on investments | 357,198 |
| Total non-operating expenses | <u>357,493</u> |
| Change in net assets | 116,636 |
| Total net assets - beginning | <u>387,340</u> |
| Total net assets - ending | <u><u>\$ 503,976</u></u> |

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

SALT LAKE CITY SCHOOL DISTRICT

Statement of Fund Cash Flows

Proprietary Funds

Governmental Activities - Internal Service Funds

Year Ended June 30, 2007

Cash flows from operating activities:

| | |
|---|--------------|
| Receipts from interfund services provided | \$ 4,718,384 |
| Payments to suppliers | (322,443) |
| Payments to employees | (3,728,939) |
| | <hr/> |
| Net cash provided by operating activities | 667,002 |

Cash flows from investing activities:

| | |
|-----------------|---------|
| Interest earned | <hr/> |
| | 357,198 |

Cash flows from capital activities:

| | |
|---|----------|
| Sale of capital assets | 295 |
| Acquisition of capital assets | (37,232) |
| | <hr/> |
| Net cash used by capital activities | (36,937) |
| | <hr/> |
| Net change in cash and cash equivalents | 987,263 |

Cash and cash equivalents - beginning

Cash and cash equivalents - ending (displayed as cash and investments on the statement of fund net assets)

\$ 8,571,603

Reconciliation of operating loss to net cash provided by operating activities:

| | |
|---|-------------------|
| Operating loss | \$ (240,857) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation expense | 20,950 |
| (Increase) decrease in operating assets: | |
| Accounts receivable | (779) |
| Inventories | 1,268 |
| Increase (decrease) in operating liabilities: | |
| Accounts payable | 1,558 |
| Accrued vacation | 62,791 |
| Accrued sick leave | 20,998 |
| Early retirement insurance payable | 616,729 |
| Dental insurance payable | (137,779) |
| Workers compensation payable | 322,123 |
| | <hr/> |
| Total adjustments | 907,859 |
| | <hr/> |
| Net cash provided by operating activities | <u>\$ 667,002</u> |

Noncash investing, capital, and financing activities:

none

SALT LAKE CITY SCHOOL DISTRICT

Statement of Fiduciary Fund Assets and Liabilities

Agency Fund

June 30, 2007

| | Student Activities Fund |
|-----------------------|--|
| | <u> </u> |
| Assets: | |
| Cash and investments | \$ 2,122,693 |
| | <u> </u> |
| Liabilities | |
| Due to student groups | \$ 2,122,693 |
| | <u> </u> |

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

SALT LAKE CITY SCHOOL DISTRICT
Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting entity – The Board of Education, comprised of seven elected individuals, is the primary governing authority for the District. As required by GAAP, these financial statements present the District and all entities for which the District is considered to be financially accountable. The District is not a component unit of any other primary government.

- *Discretely presented component unit.* The Salt Lake Education Foundation is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible donations to the District. The Foundation's board is approved by the Board of Education. The Foundation exclusively services the District. The Foundation is presented as a discretely presented component unit of the District as a governmental fund. Financial information specific to the Foundation may be obtained by writing the Foundation at 440 East 100 South, Salt Lake City, UT 84111.

Government-wide and fund financial statements – The *government-wide financial statements* (the statement of net assets and the statement of changes in net assets) display information about the primary government (the District). These statements include the financial activities of the overall District and its component unit, except for fiduciary activities. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Some minor interfund services provided and used are not eliminated in the process of consolidation.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instruction, library media and educational supervision, school administration, operation and maintenance of school buildings, and child nutrition services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the District's funds, including its fiduciary fund. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations, including cost of sales and services, administrative expenses, and depreciation on capital assets.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on general obligation bonds payable.
- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, procurement of equipment, textbooks, and supplies necessary for providing educational programs for all students within the District.

Additionally, the District reports the following fund types:

- *Internal service funds (proprietary funds)* account for distribution services, printing and graphics, technical services, and employee benefits services provided to other funds of the District on a cost-reimbursement basis.
- The *student activities agency fund (a fiduciary fund)* account for monies held on behalf of student groups.

Measurement focus, basis of accounting, and financial statement presentation – The *government-wide financial statements* are reported using the economic resources measurement focus, as are the proprietary fund financial statements. Because agency funds are custodial in nature, they do not measure results of operations or have a measurement focus. The government-wide, proprietary, and agency fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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 taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditure driven grants are recognized as revenue when qualifying expenditures are incurred and all other grant requirements are met; grants received in advance are recorded as deferred revenue until earned. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and long-term employee benefits, which are recognized as expenditures to the extent they have matured.

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Budgetary Data – Budgets are presented on the modified accrual basis of accounting for all governmental funds. Budgets are not adopted on a District level for the student activities agency fund. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- During May of 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 also is a final budget for the current year ending June 30th.
- Copies of the proposed budget are made available for public inspection and review by patrons of the District.
- If the District does not exceed the certified tax rate, a public hearing is held prior to June 22 at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2007, have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive.

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

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

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

Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as “due to/from other funds.”

Inventories – Inventories are valued at cost or, if donated, at fair value when received, using the weighted average method. Inventories of all funds are recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets – Capital assets, which include sites, buildings, equipment, and vehicles are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for sites, equipment, and vehicles and \$100,000 for buildings and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets’ lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

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

| Assets | Years |
|---|-------|
| Buildings | 40 |
| Building improvements and portable classrooms | 20 |
| Maintenance equipment | 15 |
| Vocational education equipment | 15 |
| Buses | 10 |
| Musical instruments | 10 |
| Child nutrition equipment | 10 |
| Athletic equipment | 8 |
| Vehicles | 8 |
| Audio visual equipment | 6 |
| Copiers and printers | 5 |
| Computer equipment | 3 |

Most works of art are not capitalized or depreciated. These assets are held for public exhibition, education, or research rather than financial gain. Land and construction in progress are not depreciated.

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

Compensated Absences – The District accrues salary related payments for vacation benefits for twelve-month or full-year contract employees. Employees accrue between ten and twenty days a year, and are limited to a maximum of the number of days earned in two years or two and a quarter years depending upon the employee class and the length of service with the District. The District is liable to the employee for days earned but not taken. If an employee terminates, then a payment is made; otherwise, scheduled vacation time off is allowed.

A retiring teacher who meets the provisions of the Utah State Employees' Retirement Act is eligible to receive a benefit equal to 19% of the employee's accumulated unused sick leave. This is the only sick leave benefit that accumulates and vests for an employee.

All vacation pay and vested sick leave plus related payroll taxes are accrued when incurred in the government-wide and internal service fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

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

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

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

2. DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2007, as shown on the financial statements is as follows:

| | |
|---|-----------------------|
| Carrying amount of deposits | \$ 3,157,400 |
| Carrying amount of investments | 98,154,341 |
| | <u>\$ 101,311,741</u> |
| | |
| Governmental funds cash and investments | \$ 87,893,588 |
| Internal service funds cash and investments | 8,571,603 |
| | <u>96,465,191</u> |
| Statement of net assests cash and investments | 2,122,693 |
| Agency fund cash and investments | 2,723,857 |
| | <u>\$ 101,311,741</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 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.

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 and actions of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

Rules of the Council allow Salt Lake Education 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.

All of the District's investments are with the PTIF and US Government agency bonds. The Foundation has deposits separate from the District and invests private funds through a broker.

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

Deposits – At June 30, 2007, the District and the Foundation have the following deposits with financial institutions:

| | Carrying Amount | Bank Balance | Amount Insured |
|--------------------------------|---------------------|---------------------|-------------------|
| Salt Lake City School District | \$ 2,587,511 | \$ 3,811,507 | \$ 348,805 |
| Salt Lake Education Foundation | 569,889 | 551,781 | 200,000 |
| Total deposits | <u>\$ 3,157,400</u> | <u>\$ 4,363,288</u> | <u>\$ 548,805</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, 2007, the uninsured amount of the District’s and Foundation’s bank deposits was uncollateralized.

Investments – At June 30, 2007, the District and the Foundation have the following investments summarized by investment type and maturities:

| Investment Type | Fair Value | Investment Maturities (in Years) | | |
|--|----------------------|----------------------------------|---------------------|-------------------|
| | | Less Than 1 | 1-5 | More Than 10 |
| Salt Lake City School District: | | | | |
| Utah Public Treasurers' | | | | |
| Investment Fund (PTIF) | \$ 72,738,406 | \$ 72,738,406 | \$ - | \$ - |
| US Government agency bonds | 23,261,967 | 18,085,007 | 5,948,400 | - |
| | 96,000,373 | 90,823,413 | 5,948,400 | - |
| Salt Lake Education Education Foundation, a component unit: | | | | |
| Fixed government securities | 924,769 | 721,331 | 41,911 | 161,527 |
| Mutual funds | 1,228,363 | 1,228,363 | - | - |
| Stocks | 836 | 836 | - | - |
| | <u>2,153,968</u> | <u>1,950,530</u> | <u>41,911</u> | <u>161,527</u> |
| Total investments | <u>\$ 98,154,341</u> | <u>\$ 92,773,943</u> | <u>\$ 5,990,311</u> | <u>\$ 161,527</u> |

- 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 manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments to 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 bankers’ 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’s policy for reducing its exposure to credit risk is to comply with

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

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, Inc. or by Standard and Poor’s Corporation. The District has no investment policy that would further limit its investment choices.

At June 30, 2007, the District has the following investments subject to credit risk:

| Investment Type | Fair Value | Credit Quality Ratings | | |
|--|---------------|------------------------|-------------|---------------|
| | | A or Higher | Less than A | Unrated |
| Salt Lake City School District: Utah Public Treasurers' Investment Fund (PTIF) | \$ 72,738,406 | \$ - | \$ - | \$ 72,738,406 |

- **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’s policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5% 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 5% of all funds are invested in any one issuer and no more than 25% of all funds are invested in a particular industry. Also, for the Foundation’s investments in private funds, no more than 75% may be invested in equity securities and no more than 5% 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’s policy for managing this risk is to comply with the Act and related rules. The District places no other limit on the amount of investments to be held by counterparties. The Act requires the Foundation’s public treasurer to have custody of all securities purchased or held or deposit these securities with a bank or trust company to be held in safekeeping by that custodian. The Foundation’s investments held in a brokerage account are covered by Securities Investor Protection Corporation up to \$500,000.

3. PROPERTY TAXES

The property tax revenue of the District is collected and distributed by the Salt Lake County treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%; the interest period is from January 1 until date paid.

Motor vehicles are subject to an “age-based” fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 to \$150 based on the age of the vehicle. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

Motor vehicles are subject to an “age-based” fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 to \$150 based on the age of the vehicle. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when the county collects the fee.

As of June 30, 2007, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2007 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion. The property taxes receivable and property taxes deferred revenue accounts at June 30, 2007 are summarized as follows:

| | Major Funds | | | Other | Totals |
|--|----------------------|----------------------|----------------------|---------------------|----------------------|
| | General | Debt Service | Capital Projects | Governmental Funds | |
| Property taxes - receivable: | | | | | |
| Levied for current and prior years (delinquent) | \$ 2,622,566 | \$ 760,339 | \$ 775,220 | \$ 94,954 | \$ 4,253,079 |
| Levied for future year | 58,547,048 | 16,974,056 | 17,306,260 | 2,119,779 | 94,947,143 |
| | <u>\$ 61,169,614</u> | <u>\$ 17,734,395</u> | <u>\$ 18,081,480</u> | <u>\$ 2,214,733</u> | <u>\$ 99,200,222</u> |
| Property taxes - deferred revenue: | | | | | |
| Levied for future year and collected | \$ 570,687 | \$ 165,454 | \$ 168,692 | \$ 20,663 | \$ 925,496 |
| Levied for future year and uncollected | 58,547,048 | 16,974,056 | 17,306,260 | 2,119,779 | 94,947,143 |
| Deferred property tax revenue - governmental activities, statement of net assets | 59,117,735 | 17,139,510 | 17,474,952 | 2,140,442 | 95,872,639 |
| Levied for current and prior years (delinquent) | 2,622,566 | 760,339 | 775,220 | 94,954 | 4,253,079 |
| Deferred property tax revenue - governmental funds, balance sheet | <u>\$ 61,740,301</u> | <u>\$ 17,899,849</u> | <u>\$ 18,250,172</u> | <u>\$ 2,235,396</u> | <u>\$100,125,718</u> |

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 is as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|----------------------|------------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Sites | \$ 31,717,467 | \$ - | \$ (351,314) | \$ 31,366,153 |
| Construction in progress | <u>30,027,871</u> | <u>17,944,437</u> | <u>(45,537,075)</u> | <u>2,435,233</u> |
| Total capital assets, not being depreciated | 61,745,338 | 17,944,437 | (45,888,389) | 33,801,386 |
| Capital assets, being depreciated: | | | | |
| Buildings | 379,790,805 | 45,537,075 | (19,457,373) | 405,870,507 |
| Equipment | 6,230,467 | 934,033 | (203,143) | 6,961,357 |
| Vehicles | <u>7,395,273</u> | <u>187,850</u> | <u>(191,799)</u> | <u>7,391,324</u> |
| Total capital assets, being depreciated | 393,416,545 | 46,658,958 | (19,852,315) | 420,223,188 |
| Accumulated depreciation for: | | | | |
| Buildings | (132,287,495) | (9,500,688) | 18,816,991 | (122,971,192) |
| Equipment | (4,466,699) | (625,781) | 186,864 | (4,905,616) |
| Vehicles | <u>(4,711,933)</u> | <u>(541,725)</u> | <u>191,653</u> | <u>(5,062,005)</u> |
| Total accumulated depreciation | <u>(141,466,127)</u> | <u>(10,668,194)</u> | <u>19,195,508</u> | <u>(132,938,813)</u> |
| Total capital assets, being depreciated, net | <u>251,950,418</u> | <u>35,990,764</u> | <u>(656,807)</u> | <u>287,284,375</u> |
| Governmental activity capital assets, net | <u>\$ 313,695,756</u> | <u>\$ 53,935,201</u> | <u>\$ (46,545,196)</u> | <u>\$ 321,085,761</u> |

For the year ended June 30, 2007, depreciation expense was charged to functions of the District as follows:

| | |
|--|----------------------|
| Governmental activities: | |
| Instruction | \$ 7,741,479 |
| Supporting services: | |
| Counseling and child accounting | 92,227 |
| Media services and educational supervision | 461,132 |
| General district administration | 107,458 |
| General school administration | 276,679 |
| Operation and maintenance of school buildings | 210,807 |
| Student transportation | 910,202 |
| Child nutrition | 847,260 |
| Capital assets held by the District's internal service funds are charged to the various functions based on their usage of the assets | <u>20,950</u> |
| Total depreciation expense, governmental activities | <u>\$ 10,668,194</u> |

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

The District is obligated at June 30, 2007, under construction commitments as follows:

| Project | Project Authorized | Costs to Date | Costs to Complete |
|----------------------|-----------------------|---------------------|----------------------|
| Clayton - Replace | \$ 5,423,014 | \$ 694,161 | \$ 4,728,853 |
| Hillside - Replace | 5,350,910 | 1,546,397 | 3,804,513 |
| Nibley - K-8 Remodel | 2,700,000 | 194,675 | 2,505,325 |
| | <u>\$ 13,473,924</u> | <u>\$ 2,435,233</u> | <u>\$ 11,038,691</u> |

A reservation of fund balance established in the *capital projects fund* for construction commitments of \$11,038,691 will be used to fulfill the required costs to complete at June 30, 2007.

5. RETIREMENT PLANS

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

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

Plan members in the State and School Contributory Retirement System are required to contribute 1.00% of annual covered salary, 0.50% of this is covered by the District. In addition, the District contributes 15.23% of annual covered salary. For employees participating in the State and School Noncontributory System, the District contributes 14.22% of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board.

The District's contributions to the State and School Contributory Retirement System for the years ended June 30, 2007, 2006, and 2005 are \$567,301, \$586,520, and \$632,567, respectively, and employee contributions were \$18,623, \$20,379, and \$21,980, respectively. The District's contributions to the State and School Noncontributory Retirement System for the years ended June 30, 2007, 2006, and 2005 are \$13,464,377, \$12,585,228 \$13,284,720, respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plans – The District also participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of 2.0% of covered salaries automatically made by the District. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

employer 401(k) contributions for the years ended June 30, 2007, 2006 and 2005 are \$2,216,723, \$2,514,657, and \$2,188,689, respectively; the employee contributions for the years ending June 30, 2007, 2006 and 2005 are \$3,345,913, \$3,218,445, \$3,132,275, respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by URS.

The District also offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan totaled \$263,212 for the year ended June 20, 2007. The assets of the plan are administered and held by URS and a third-party administrator.

Termination Benefits – In accordance with employee agreements the District provides post-employment health care benefits for employees retiring under the retirement incentive program, with a portion of the cost incurred by the District. The expense for all retirees for the year ended June 30, 2007 is \$1,286,877 and the total liability at June 30, 2007 is \$3,110,146. This liability is serviced through the internal service fund. The District recognizes the liability and expense in the year in which an employee retires. The District accrues the costs for its 110 retirees using current insurance premiums as the basis for determining the liability. No liability has been recorded for current employees who may qualify for this benefit at a future date.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks are covered by the District's participation in the State Risk Management System for school districts. This is a pooled arrangement where the districts pay experienced rated annual premiums which are designed to pay claims and build sufficient reserves so that the system will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. 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. Insurance coverage by major category of risk has remained relatively constant as compared to the prior fiscal year.

The District self insures its workers compensation liability and retains a third-party administrator to process claims. All requirements of the State Industrial Commission related to maintaining a self-insured status have been met. At June 30, 2007, an estimate of all future costs based on open claims was recorded as a liability of \$446,352; this liability is serviced through the internal service fund. The District carries a co-insurance policy to cover individual claims in excess of \$400,000. A reconciliation of the accrued liability is as follows:

| | Workers Compensation | |
|-----------------------------|----------------------|-------------------|
| | 2007 | 2006 |
| Accrued Liability - July 1 | \$ 124,229 | \$ 109,868 |
| Charges for Services | 749,425 | 284,792 |
| Claims Paid | (427,302) | (270,431) |
| Accrued Liability - June 30 | <u>\$ 446,352</u> | <u>\$ 124,229</u> |

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

Unemployment compensation is handled on a cost of benefits reimbursement basis with the State of Utah.

The District provides commercial insurance for major medical and accident risks along with separate life insurance and long-term disability policies. Additional liabilities are not incurred from the settlement of claims under these policies.

The District self insures dental benefits for employees and retains a third-party administrator to process claims. At June 30, 2007, the current unpaid and the incurred but not reported liabilities were recorded for \$320,701. This liability is recorded in the internal service fund. This liability is the District's best estimate based on available information from the third-party administrator. A reconciliation of the accrued liability is as follows:

| | Dental Benefits | |
|-----------------------------|-------------------|-------------------|
| | 2007 | 2006 |
| Accrued Liability - July 1 | \$ 458,480 | \$ 660,105 |
| Charges for Services | 840,480 | 935,385 |
| Claims Paid | (978,259) | (1,137,010) |
| Accrued Liability - June 30 | <u>\$ 320,701</u> | <u>\$ 458,480</u> |

There have been no significant changes in insurance coverage from those in force in the prior year. During the last three fiscal years there have been no insurance settlements which have exceeded the limits of our insurance coverage.

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

7. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2007 is as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--|-----------------------|---------------------|------------------------|-----------------------|------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 164,012,722 | \$ - | \$ (10,215,000) | \$ 153,797,722 | \$ 10,595,000 |
| Deferred amounts on refunding | (1,964,260) | - | 196,981 | (1,767,279) | - |
| Unamortized premiums and discounts | 2,096,452 | - | (197,365) | 1,899,087 | - |
| Total bonds payable, net | 164,144,914 | - | (10,215,384) | 153,929,530 | 10,595,000 |
| Accrued vacation | 1,053,727 | 62,791 | - | 1,116,518 | 252,409 |
| Accrued sick leave | 3,200,158 | 20,998 | - | 3,221,156 | 49,007 |
| Early retirement insurance | 2,493,417 | 1,286,877 | (670,148) | 3,110,146 | 847,020 |
| Accrued dental insurance | 458,480 | 840,480 | (978,259) | 320,701 | 320,701 |
| Workers compensation | 124,229 | 749,425 | (427,302) | 446,352 | 446,352 |
| Total governmental activity long-term liabilities | <u>\$ 171,474,925</u> | <u>\$ 2,960,571</u> | <u>\$ (12,291,093)</u> | <u>\$ 162,144,403</u> | <u>\$ 12,510,489</u> |

Payments on the general obligation bonds are made by the *debt service fund* from property taxes and earnings on investments. Employee benefits will be charged to the fund in which the employee worked, and paid by the internal service fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2007, including interest payments are listed as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|-----------------------|----------------------|-----------------------|
| 2008 | \$ 10,595,000 | \$ 6,336,681 | \$ 16,931,681 |
| 2009 | 10,975,000 | 5,954,231 | 16,929,231 |
| 2010 | 11,400,000 | 5,523,834 | 16,923,834 |
| 2011 | 11,840,000 | 5,069,709 | 16,909,709 |
| 2012 | 12,325,000 | 4,572,988 | 16,897,988 |
| 2013-2017 | 49,497,722 | 15,417,633 | 64,915,355 |
| 2018-2022 | 36,645,000 | 7,134,273 | 43,779,273 |
| 2023-2025 | 10,520,000 | 790,563 | 11,310,563 |
| Totals | <u>\$ 153,797,722</u> | <u>\$ 50,799,912</u> | <u>\$ 204,597,634</u> |

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

General Obligation Bonds – General obligation school building bonds payable at June 30, 2007, with their outstanding balance are comprised of the following individual issues:

| | |
|---|-----------------------|
| \$9,305,000 1997 refunding bonds, due in annual installments of \$55,000 to \$1,300,000, beginning March 1, 1999, through March 1, 2013, interest from 3.90% to 4.90%. | \$ 6,940,000 |
| \$10,000,000 1998 school building serial bonds, due in annual installments of \$240,000 to \$1,640,000, beginning March 1, 1999, through March 1, 2018, interest from 3.50% to 4.65%. During the year ended June 30, 2005, \$4,990,000 of these bonds were defeased. | 325,000 |
| \$10,000,000 1999 school building serial bonds, due in annual installments of \$290,000 to \$1,010,000, beginning March 1, 2001, through March 1, 2019, interest from 5.00% to 5.50%. During the year ended June 30, 2003, \$6,135,000 of these bonds were defeased. | 1,415,000 |
| \$10,000,000 2000 school building serial bonds, due in annual installments of \$280,000 to \$995,000, beginning March 1, 2001, through March 1, 2020, interest from 5.00% to 5.90%. During the year ended June 30, 2003, \$5,205,000 of these bonds were defeased. | 2,390,000 |
| \$10,000,000 2001B school building serial bonds, due in annual installments of \$330,000 to \$735,000, beginning March 1, 2002, through March 1, 2021, interest from 3.50% to 4.85%. During the year ended June 30, 2005, \$6,035,000 of these bonds were defeased. | 1,780,000 |
| \$4,742,722 school building qualified zone academy bonds, due on October 31, 2015, interest of 0.83%. | 4,742,722 |
| \$10,000,000 2002A school building serial bonds, due in annual installments of \$345,000 to \$740,000, beginning March 1, 2003, through March 1, 2021, interest from 3.00% to 5.05%. During the year ended June 30, 2005, \$6,030,000 of these bonds were defeased. | 2,155,000 |
| \$12,315,000 2002B refunding bonds, due in annual installments of \$60,000 to \$1,320,000, beginning March 1, 2003, through March 1, 2020, interest from 3.00% to 4.80%. | 11,965,000 |
| \$6,105,000 2002C refunding bonds, due in annual installments of \$50,000 to \$770,000, beginning March 1, 2003, through March 1, 2013, interest from 3.00% to 4.25%. | 4,195,000 |
| \$45,000,000 2003A school building serial bonds, due in annual installments of \$1,545,000 to \$3,210,000, beginning March 1, 2004, through March 1, 2023, interest from 3.00% to 5.00%. | 38,250,000 |
| \$35,000,000 2005A school building serial bonds, due in annual installments of \$1,285,000 to \$2,540,000, beginning March 1, 2006, through March 1, 2025, interest from 3.00% to 4.25%. | 32,300,000 |
| \$19,665,000 2005B refunding bonds, due in annual installments of \$135,000 to \$5,755,000, beginning March 1, 2006, through March 1, 2015, interest from 3.00% to 5.00%. | 18,160,000 |
| \$31,255,000 2006 school building serial bonds, due in annual installments of \$1,540,000 to \$3,255,000, beginning March 1, 2007, through March 1, 2021, interest from 3.50% to 4.50%. | 29,180,000 |
| | <u>\$ 153,797,722</u> |

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2007, is \$843,114,686. General obligation debt net of deferred amounts on refunding and unamortized premiums and discounts at June 30, 2007 is \$153,929,530, resulting in a legal debt margin of \$689,185,156.

Defeasance of Debt – The District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District’s financial statements. At June 30, 2007, \$33,115,000 of bonds outstanding are considered defeased.

Subsequent Event – In August of 2007, the District issued \$9,876,000 of refunding bonds to advance refund \$9,205,000 of previously issued general obligation bonds. In September of 2007, the District issued \$6,925,000 of refunding bonds to advance refund \$6,940,000 of previously issued general obligation bonds.

8. DESIGNATED FOR UNDISTRIBUTED RESERVE

Utah state law allows for the establishment of an “undistributed reserve” in the *general fund*. The Board must authorize expenditures from the undistributed reserve. This reserve is for contingencies. According to State law, the District may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees. The undistributed reserve may not exceed 5% of the current fiscal year’s total *general fund* budgeted expenditures. Use of the reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and State Auditor.

9. LITIGATION AND LEGAL COMPLIANCE

There are several lawsuits pending in which the District is involved. The District's counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not materially effect the financial statements of the District.

10. GRANTS

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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. Based on prior experience, District administration believes such disallowance, if any, would be immaterial.

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

SALT LAKE CITY SCHOOL DISTRICT

Major Governmental Funds

General Fund

By Definition the general fund is a major fund. However, the general fund is presented in the basic financial statements.

To account for resources which are not required to be accounted for in any other fund. Revenues and expenditures of categorical federal and state programs are accounted for in this fund, if they are for the kindergarten through grade 12 regular day school programs.

Debt Service Fund

To account for the accumulation of resources and the payment of general obligation bond principal and interest due annually. Financing is provided by an annual property tax levy authorized by Utah Code 53A-16-104 and 53A-17a-145.

Capital Projects Fund

To account for resources collected by property taxes authorized by Utah Code Annotated (1953, as amended), Sections 53A -21-102 and 53A -17a-145. Taxes collected pursuant to this authority can be used for Debt Service, acquiring and improving sites, construction and remodeling facilities, and purchasing equipment, books, and supplies, necessary for providing educational programs for all students within the District.

SALT LAKE CITY SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund**

Year Ended June 30, 2007

With Comparative Totals for 2006

| | 2007 | | Variance with Final Budget - Positive (Negative) | 2006 |
|---|------------------------------|----------------------|---|----------------------|
| | Final Budgeted Amounts | Actual Amounts | | Actual Amounts |
| Revenues: | | | | |
| Property tax | \$ 60,875,214 | \$ 60,850,999 | \$ (24,215) | \$ 53,369,481 |
| Interest on investments | 2,197,636 | 2,967,983 | 770,347 | 1,703,777 |
| Other local sources | 1,775,142 | 4,433,188 | 2,658,046 | 3,688,867 |
| State of Utah | 78,847,929 | 76,552,865 | (2,295,064) | 71,676,182 |
| Federal government | 15,700,059 | 15,362,275 | (337,784) | 15,045,518 |
| Total revenues | 159,395,980 | 160,167,310 | 771,330 | 145,483,825 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 113,526,176 | 105,426,290 | 8,099,886 | 99,571,980 |
| Supporting services: | | | | |
| Counseling and child accounting | 5,540,122 | 5,418,920 | 121,202 | 5,165,921 |
| Media services and educational supervision | 14,012,086 | 13,020,723 | 991,363 | 11,683,625 |
| General district administration | 404,995 | 612,564 | (207,569) | 358,179 |
| General school administration | 8,638,426 | 8,659,956 | (21,530) | 8,116,323 |
| Business services | 1,657,752 | 1,602,291 | 55,461 | 1,684,127 |
| Operation and maintenance of school buildings | 14,550,295 | 15,608,036 | (1,057,741) | 13,816,735 |
| Student transportation | 4,274,579 | 4,057,943 | 216,636 | 3,780,775 |
| Personnel and information systems | 2,698,502 | 2,569,792 | 128,710 | 2,380,253 |
| Total expenditures | 165,302,933 | 156,976,515 | 8,326,418 | 146,557,918 |
| Net change in fund balances | (5,906,953) | 3,190,795 | 9,097,748 | (1,074,093) |
| Fund balance - beginning | 22,408,778 | 22,408,778 | - | 23,482,871 |
| Fund balance - ending | <u>\$ 16,501,825</u> | <u>\$ 25,599,573</u> | <u>\$ 9,097,748</u> | <u>\$ 22,408,778</u> |

SALT LAKE CITY SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Debt Service Fund**

Year Ended June 30, 2007

With Comparative Totals for 2006

| | 2007 | | Variance with Final Budget - Positive (Negative) | 2006 |
|--|------------------------------|-------------------|---|-------------------|
| | Final Budgeted Amounts | Actual Amounts | | Actual Amounts |
| Revenues: | | | | |
| Property tax | \$ 17,649,042 | \$ 17,695,131 | \$ 46,089 | \$ 13,280,642 |
| Interest on investments | 89,673 | 66,982 | (22,691) | 205,462 |
| Total revenues | 17,738,715 | 17,762,113 | 23,398 | 13,486,104 |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal retirement | 10,215,000 | 10,215,000 | - | 7,910,000 |
| Interest on bonds | 6,726,616 | 6,726,616 | - | 5,680,667 |
| Other | 5,750 | 5,750 | - | 5,249 |
| Total expenditures | 16,947,366 | 16,947,366 | - | 13,595,916 |
| Excess (deficiency) of revenues over (under) expenditures | 791,349 | 814,747 | 23,398 | (109,812) |
| Net change in fund balances | 791,349 | 814,747 | 23,398 | (109,812) |
| Fund balance - beginning | - | - | - | 109,812 |
| Fund balance - ending | <u>\$ 791,349</u> | <u>\$ 814,747</u> | <u>\$ 23,398</u> | <u>\$ -</u> |

SALT LAKE CITY SCHOOL DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Projects Fund
Year Ended June 30, 2007
With Comparative Totals for 2006

| | 2007 | | Variance with Final Budget - Positive (Negative) | 2006 |
|---|------------------------------|----------------------|---|----------------------|
| | Final Budgeted Amounts | Actual Amounts | | Actual Amounts |
| Revenues: | | | | |
| Property taxes | \$ 17,994,457 | \$ 18,041,448 | \$ 46,991 | \$ 14,693,708 |
| Interest on investments | 2,175,582 | 1,877,491 | (298,091) | 1,391,514 |
| Other local sources | 578,629 | 752,773 | 174,144 | 35,147 |
| Total local sources | 20,748,668 | 20,671,712 | (76,956) | 16,120,369 |
| Expenditures: | | | | |
| Equipment | 3,227,648 | 35,226 | 3,192,422 | 3,218,504 |
| Bond issuance costs | - | - | - | 131,248 |
| Facilities acquisition and construction services | 36,150,612 | 24,249,496 | 11,901,116 | 36,935,583 |
| Total expenditures | 39,378,260 | 24,284,722 | 15,093,538 | 40,285,335 |
| Excess (deficiency) of revenues over (under) expenditures | (18,629,592) | (3,613,010) | (15,170,494) | (24,164,966) |
| Other Financing Sources (Uses): | | | | |
| General obligation bond proceeds | - | - | - | 31,255,000 |
| Property sale | 2,129,700 | 2,129,700 | - | - |
| Bond premium | - | - | - | 401,267 |
| Total other financing sources (uses) | 2,129,700 | 2,129,700 | - | 31,656,267 |
| Net change in fund balances | (16,499,892) | (1,483,310) | (15,170,494) | 7,491,301 |
| Fund balance - beginning | 40,668,775 | 40,668,775 | - | 33,177,474 |
| Fund balance - ending | <u>\$ 24,168,883</u> | <u>\$ 39,185,465</u> | <u>\$ (15,170,494)</u> | <u>\$ 40,668,775</u> |

SALT LAKE CITY SCHOOL DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds

Special Programs Fund

To account for the operations of community school, various recreation programs and other major, non-regula day programs primarily funded by state and federal grants of the District.

Child Nutrition Fund

This fund accounts for the operation of the District's school lunch and breakfast programs contract catering services, and a summer program for economically disadvantaged children. Revenue are generated through cash sales of food items in addition to federal and state subsidies

SALT LAKE CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds**

June 30, 2007

| | Special Revenue Funds | | |
|-------------------------------------|------------------------------|----------------------------|---------------------|
| | Special Programs | Child Nutrition | Total |
| Assets: | | | |
| Cash and investments | \$ 692,452 | \$ 761,055 | \$ 1,453,507 |
| Receivables: | | | |
| Property taxes | 2,214,733 | - | 2,214,733 |
| Other local | 214,054 | 6,451 | 220,505 |
| State of Utah | 112,818 | 313,996 | 426,814 |
| Federal government | 2,726,591 | 576,888 | 3,303,479 |
| Inventories | - | 829,921 | 829,921 |
| Total assets | <u>\$ 5,960,648</u> | <u>\$ 2,488,311</u> | <u>\$ 8,448,959</u> |
| Liabilities: | | | |
| Accounts payable | \$ 109,265 | \$ 385,875 | \$ 495,140 |
| Deferred revenue: | | | |
| Property taxes | 2,235,396 | - | 2,235,396 |
| Other local | 998,239 | 65,647 | 1,063,886 |
| State of Utah | 126,043 | - | 126,043 |
| Total liabilities | <u>3,468,943</u> | <u>451,522</u> | <u>3,920,465</u> |
| Fund balances: | | | |
| Reserved for: | | | |
| Inventories | - | 829,921 | 829,921 |
| Unreserved: | | | |
| Designated for programs | 1,209,703 | - | 1,209,703 |
| Designated for schools | 213,749 | - | 213,749 |
| Unreserved, undesignated | 1,068,253 | 1,206,868 | 2,275,121 |
| Total fund balances | <u>2,491,705</u> | <u>2,036,789</u> | <u>4,528,494</u> |
| Total liabilities and fund balances | <u>\$ 5,960,648</u> | <u>\$ 2,488,311</u> | <u>\$ 8,448,959</u> |

SALT LAKE CITY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds**

Year Ended June 30, 2007

| | Special Revenue Funds | | |
|---|------------------------------|----------------------------|----------------------------|
| | Special Programs | Child Nutrition | Total |
| Revenues: | | | |
| Property taxes | \$ 2,393,016 | \$ - | \$ 2,393,016 |
| Tuition | 1,488,663 | - | 1,488,663 |
| Food sales | - | 1,592,285 | 1,592,285 |
| Earnings on investments | 51,473 | 44,857 | 96,330 |
| Other local revenues | 1,183,293 | 7,468 | 1,190,761 |
| State of Utah | 3,532,650 | 1,123,483 | 4,656,133 |
| Federal government | 6,124,321 | 8,193,967 | 14,318,288 |
| Total revenues | <u>14,773,416</u> | <u>10,962,060</u> | <u>25,735,476</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction | 9,352,081 | - | 9,352,081 |
| Supporting services: | | | |
| Counseling and child accounting | 90,525 | - | 90,525 |
| Media services and educational supervision | 2,827,738 | - | 2,827,738 |
| General district administration | 430,871 | - | 430,871 |
| Operation and maintenance of school buildings | 877,528 | - | 877,528 |
| Personnel and information systems | 23,504 | - | 23,504 |
| Child nutrition services | - | 11,807,975 | 11,807,975 |
| Community services | 414,688 | - | 414,688 |
| Capital outlay | 5,901 | - | 5,901 |
| Total expenditures | <u>14,022,836</u> | <u>11,807,975</u> | <u>25,830,811</u> |
| Excess/(deficiency) of revenues over/(under) expenditures | 750,580 | (845,915) | (95,335) |
| Other financing sources (uses): | | | |
| Sale of capital assets | - | 5,370 | 5,370 |
| Net change in fund balances | 750,580 | (840,545) | (89,965) |
| Fund balances - beginning | <u>1,741,125</u> | <u>2,877,334</u> | <u>4,618,459</u> |
| Fund balances - ending | <u><u>\$ 2,491,705</u></u> | <u><u>\$ 2,036,789</u></u> | <u><u>\$ 4,528,494</u></u> |

SALT LAKE CITY SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Special Programs**

A Nonmajor Special Revenue Fund

Year Ended June 30, 2007

With Comparative Totals for 2006

| | 2007 | | Variance with Final Budget - Positive (Negative) | 2006 |
|---|------------------------------|---------------------|---|---------------------|
| | Final Budgeted Amounts | Actual Amounts | | Actual Amounts |
| Revenues: | | | | |
| Property taxes | \$ 2,204,074 | \$ 2,393,016 | \$ 188,942 | \$ 2,072,051 |
| Tuition | 1,218,110 | 1,488,663 | 270,553 | 1,504,790 |
| Earnings on investments | - | 51,473 | 51,473 | 8,743 |
| Other local sources | 1,741,784 | 1,183,293 | (558,491) | 1,322,428 |
| State of Utah | 3,689,349 | 3,532,650 | (156,699) | 3,535,794 |
| Federal government | 6,547,832 | 6,124,321 | (423,511) | 6,528,636 |
| Total revenues | 15,401,149 | 14,773,416 | (627,733) | 14,972,442 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | 10,469,424 | 9,352,081 | 1,117,343 | 9,748,120 |
| Supporting services: | | | | |
| Counseling and child accounting | 90,577 | 90,525 | 52 | 81,681 |
| Library media and educational supervision | 3,132,914 | 2,827,738 | 305,176 | 2,922,949 |
| General district administration | 458,026 | 430,871 | 27,155 | 486,736 |
| Operation and maintenance of school buildings | 937,979 | 877,528 | 60,451 | 875,678 |
| Personnel and information systems | 23,676 | 23,504 | 172 | 22,625 |
| Community services | 558,493 | 414,688 | 143,805 | 493,430 |
| Capital outlay | 8,495 | 5,901 | 2,594 | 6,554 |
| Total expenditures | 15,679,584 | 14,022,836 | 1,656,748 | 14,637,773 |
| Net change in fund balances | (278,435) | 750,580 | (1,029,015) | 334,669 |
| Fund balances - beginning | 1,741,125 | 1,741,125 | - | 1,406,456 |
| Fund balances - ending | <u>\$ 1,462,690</u> | <u>\$ 2,491,705</u> | <u>\$ (1,029,015)</u> | <u>\$ 1,741,125</u> |

SALT LAKE CITY SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Child Nutrition**

A Nonmajor Special Revenue Fund

Year Ended June 30, 2007

With Comparative Totals for 2006

| | 2007 | | Variance with Final Budget - Positive (Negative) | 2006 |
|---|------------------------------|---------------------|---|---------------------|
| | Final Budgeted Amounts | Actual Amounts | | Actual Amounts |
| Revenues: | | | | |
| Food sales | \$ 1,610,630 | \$ 1,592,285 | \$ (18,345) | \$ 1,529,549 |
| Earnings on investments | 45,000 | 44,857 | (143) | 47,049 |
| Other local revenues | 6,000 | 7,468 | 1,468 | - |
| State of Utah | 1,078,300 | 1,123,483 | 45,183 | 1,022,401 |
| Federal government | 8,380,232 | 8,193,967 | (186,265) | 7,797,542 |
| Total revenues | 11,120,162 | 10,962,060 | (158,102) | 10,396,541 |
| Expenditures: | | | | |
| Current: | | | | |
| Salaries | 3,078,377 | 3,057,955 | 20,422 | 2,856,825 |
| Employee benefits | 1,150,630 | 1,007,962 | 142,668 | 919,445 |
| Food | 4,849,268 | 4,618,628 | 230,640 | 3,848,019 |
| Supplies | 969,220 | 770,128 | 199,092 | 715,540 |
| Contracted services | 303,400 | 281,905 | 21,495 | 258,988 |
| Indirect costs | 659,862 | 645,282 | 14,580 | 616,807 |
| Equipment and maintenance | 1,603,370 | 1,395,396 | 207,974 | 399,168 |
| Other expenses | 33,757 | 30,719 | 3,038 | 23,555 |
| Total expenditures | 12,647,884 | 11,807,975 | 839,909 | 9,638,347 |
| Excess (deficiency) revenues over (under) expenditures | (1,527,722) | (845,915) | 681,807 | 758,194 |
| Other financing sources: | | | | |
| Sale of capital assets | 10,000 | 5,370 | (4,630) | 110 |
| Net change in fund balances | (1,517,722) | (840,545) | 677,177 | 758,304 |
| Fund balances - beginning | 2,877,334 | 2,877,334 | - | 2,119,030 |
| Fund balances - ending | \$ 1,359,612 | \$ 2,036,789 | \$ 677,177 | \$ 2,877,334 |

SALT LAKE CITY SCHOOL DISTRICT

Internal Service Funds

Distribution Services Fund

To account for services provided to departments and schools in the District by the central warehousing system. Such costs are recovered by charging more than the invoice cost for items distributed through the warehouse.

Printing/Graphics Fund

To account for printing services provided to departments and schools in the District by the District's printing shop. Costs are recovered by charges to user departments and schools.

Technical Services Fund

To account for repair services provided to the various departments and schools of the District. Costs are recovered by charges to user departments and schools.

Employee Benefits Fund

To account for resources set aside for accrued vacation and sick leave payments, early retirement insurance benefits, dental insurance payments and worker's compensation payments.

SALT LAKE CITY SCHOOL DISTRICT

**Combining Statement of Fund Net Assets
Internal Service Funds**

June 30, 2007

With Comparative Totals for 2006

| | 2007 | | | | 2006 | |
|------------------------------|-----------------------|--------------------|--------------------|-------------------|--------------|--------------|
| | Distribution Services | Printing/ Graphics | Technical Services | Employee Benefits | Total | Total |
| Assets: | | | | | | |
| Current assets: | | | | | | |
| Cash and investments | \$ 231,742 | \$ 134,556 | \$ (58,976) | \$ 8,264,281 | \$ 8,571,603 | \$ 7,584,340 |
| Receivables | 2,004 | - | - | - | 2,004 | 1,225 |
| Inventories | - | 15,720 | 69,394 | - | 85,114 | 86,382 |
| Total current assets | 233,746 | 150,276 | 10,418 | 8,264,281 | 8,658,721 | 7,671,947 |
| Capital assets: | | | | | | |
| Equipment | 145,086 | 198,500 | 105,565 | - | 449,151 | 425,299 |
| Accumulated depreciation | (84,378) | (181,630) | (105,565) | - | (371,573) | (364,003) |
| Net capital assets | 60,708 | 16,870 | - | - | 77,578 | 61,296 |
| Total assets | 294,454 | 167,146 | 10,418 | 8,264,281 | 8,736,299 | 7,733,243 |
| Liabilities: | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 4,249 | 2,783 | 10,418 | - | 17,450 | 15,892 |
| Accrued vacation | - | - | - | 252,409 | 252,409 | 322,949 |
| Accrued sick leave | - | - | - | 49,007 | 49,007 | 404,613 |
| Early retirement insurance | - | - | - | 847,020 | 847,020 | 670,148 |
| Dental insurance | - | - | - | 320,701 | 320,701 | 458,480 |
| Workers compensation | - | - | - | 446,352 | 446,352 | 124,229 |
| Total current liabilities | 4,249 | 2,783 | 10,418 | 1,915,489 | 1,932,939 | 1,996,311 |
| Noncurrent liabilities: | | | | | | |
| Accrued vacation | - | - | - | 864,109 | 864,109 | 730,778 |
| Accrued sick leave | - | - | - | 3,172,149 | 3,172,149 | 2,795,545 |
| Early retirement insurance | - | - | - | 2,263,126 | 2,263,126 | 1,823,269 |
| Total noncurrent liabilities | - | - | - | 6,299,384 | 6,299,384 | 5,349,592 |
| Total liabilities | 4,249 | 2,783 | 10,418 | 8,214,873 | 8,232,323 | 7,345,903 |
| Net assets: | | | | | | |
| Invested in capital assets | 60,708 | 16,870 | - | - | 77,578 | 61,296 |
| Unrestricted | 229,497 | 147,493 | - | 49,408 | 426,398 | 326,044 |
| Total net assets | \$ 290,205 | \$ 164,363 | \$ - | \$ 49,408 | \$ 503,976 | \$ 387,340 |

SALT LAKE CITY SCHOOL DISTRICT

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Internal Service Funds

Year Ended June 30, 2007

With Comparative Totals for 2006

| | 2007 | | | | 2006 | |
|--------------------------------|-----------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| | Distribution Services | Printing/ Graphics | Technical Services | Employee Benefits | Total | Total |
| Operating revenues: | | | | | | |
| Charges for services | \$ 482,924 | \$ 202,932 | \$ 887,557 | \$ 3,145,750 | \$ 4,719,163 | \$ 4,463,268 |
| Operating expenses: | | | | | | |
| Salaries | 285,493 | 89,298 | 477,060 | - | 851,851 | 792,547 |
| Employee benefits | 99,367 | 34,084 | 188,185 | 3,440,314 | 3,761,950 | 3,440,532 |
| Materials | (38,059) | 44,914 | 163,917 | - | 170,772 | 190,886 |
| Contracted services | 1,328 | - | 43,727 | - | 45,055 | 40,334 |
| Utilities | 52,194 | 4,868 | 5,429 | - | 62,491 | 62,580 |
| Equipment maintenance | 12,989 | 20,413 | 9,239 | - | 42,641 | 49,225 |
| Depreciation | 11,169 | 9,781 | - | - | 20,950 | 31,699 |
| Other expenses | 4,310 | - | - | - | 4,310 | 3,872 |
| Total operating expenses | <u>428,791</u> | <u>203,358</u> | <u>887,557</u> | <u>3,440,314</u> | <u>4,960,020</u> | <u>4,611,675</u> |
| Operating income (loss) | 54,133 | (426) | - | (294,564) | (240,857) | (148,407) |
| Non-operating revenues: | | | | | | |
| Sale of capital assets | - | 295 | - | - | 295 | - |
| Interest on investments | <u>8,697</u> | <u>4,529</u> | <u>-</u> | <u>343,972</u> | <u>357,198</u> | <u>124,703</u> |
| Total non-operating revenues | <u>8,697</u> | <u>4,824</u> | <u>-</u> | <u>343,972</u> | <u>357,493</u> | <u>124,703</u> |
| Change in net assets | 62,830 | 4,398 | - | 49,408 | 116,636 | (23,704) |
| Net assets - beginning | <u>227,375</u> | <u>159,965</u> | <u>-</u> | <u>-</u> | <u>387,340</u> | <u>411,044</u> |
| Net assets - ending | <u>\$ 290,205</u> | <u>\$ 164,363</u> | <u>\$ -</u> | <u>\$ 49,408</u> | <u>\$ 503,976</u> | <u>\$ 387,340</u> |

SALT LAKE CITY SCHOOL DISTRICT

**Combining Statement of Fund Cash Flows
Internal Service Funds**

Year Ended June 30, 2007

With Comparative Totals for 2006

| | 2007 | | | | 2006 | |
|---|-----------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| | Distribution Services | Printing/ Graphics | Technical Services | Employee Benefits | Totals | Totals |
| Cash flows from operating activities: | | | | | | |
| Receipts from interfund services provided | \$ 482,145 | \$ 202,932 | \$ 887,557 | \$ 3,145,750 | \$ 4,718,384 | \$ 4,462,288 |
| Payments to suppliers | (31,705) | (67,914) | (222,824) | - | (322,443) | (331,701) |
| Payments to employees | (384,860) | (123,382) | (665,245) | (2,555,452) | (3,728,939) | (4,382,930) |
| Net cash provided (used) by operating activities | 65,580 | 11,636 | (512) | 590,298 | 667,002 | (252,343) |
| Cash flows from investing activities: | | | | | | |
| Interest earned | 8,697 | 4,529 | - | 343,972 | 357,198 | 124,703 |
| Cash flows from capital activities: | | | | | | |
| Sale of capital assets | - | 295 | - | - | 295 | - |
| Acquisition of capital assets | (32,206) | (5,026) | - | - | (37,232) | (43,062) |
| Net cash provided (used) by capital activities | (32,206) | (4,731) | - | - | (36,937) | (43,062) |
| Change in cash and cash equivalents | 42,071 | 11,434 | (512) | 934,270 | 987,263 | (170,702) |
| Cash and Cash Equivalents - Beginning | 189,671 | 123,122 | (58,464) | 7,330,011 | 7,584,340 | 7,755,042 |
| Cash and Cash Equivalents - Ending (displayed as cash and investments in the combining statement of fund net assets) | <u>\$ 231,742</u> | <u>\$ 134,556</u> | <u>\$ (58,976)</u> | <u>\$ 8,264,281</u> | <u>\$ 8,571,603</u> | <u>\$ 7,584,340</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Operating income (loss) | \$ 54,133 | \$ (426) | \$ - | \$ (294,564) | \$ (240,857) | \$ (148,407) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Depreciation expense | 11,169 | 9,781 | - | - | 20,950 | 31,699 |
| (Increase) decrease in operating assets: | | | | | | |
| Accounts receivable | (779) | - | - | - | (779) | (980) |
| Inventories | - | (306) | 1,574 | - | 1,268 | 5,281 |
| Prepaid expenses | - | - | - | - | - | 4,280 |
| Increase (decrease) in operating liabilities: | | | | | | |
| Accounts payable | 1,057 | 2,587 | (2,086) | - | 1,558 | 5,635 |
| Vacation payable | - | - | - | 62,791 | 62,791 | (465,669) |
| Sick leave payable | - | - | - | 20,998 | 20,998 | (463,173) |
| Early retirement insurance payable | - | - | - | 616,729 | 616,729 | 966,255 |
| Dental insurance payable | - | - | - | (137,779) | (137,779) | (201,625) |
| Workers compensation payable | - | - | - | 322,123 | 322,123 | 14,361 |
| Total adjustments | 11,447 | 12,062 | (512) | 884,862 | 907,859 | (103,936) |
| Net cash provided (used) by operating activities | <u>\$ 65,580</u> | <u>\$ 11,636</u> | <u>\$ (512)</u> | <u>\$ 590,298</u> | <u>\$ 667,002</u> | <u>\$ (252,343)</u> |
| Noncash investing, capital, and financing activities | none | none | none | none | none | none |

SALT LAKE CITY SCHOOL DISTRICT

Fiduciary Fund

Student Activities Fund

(An Agency Fund)

This fund accounts for resources that belong to the student bodies of the various schools. It accounts for activities such as sports, dances, plays, clubs, etc. These resources are in the custody of school employees but are the property of the students and not the Board of Education.

SALT LAKE CITY SCHOOL DISTRICT

Statement of Changes in Fund Assets and Liabilities

Student Activities Agency Fund

Year Ended June 30, 2007

| | <u>Balances at July 1, 2006</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balances at June 30, 2007</u> |
|-------------------------------|-------------------------------------|---------------------|-----------------------|--------------------------------------|
| Assets: | | | | |
| Cash and investments | \$ 2,140,916 | \$ 3,898,102 | \$ (3,916,325) | \$ 2,122,693 |
| Total assets | <u>\$ 2,140,916</u> | <u>\$ 3,898,102</u> | <u>\$ (3,916,325)</u> | <u>\$ 2,122,693</u> |
| Liabilities: | | | | |
| Due to student organizations: | | | | |
| Elementary Schools: | | | | |
| Backman | \$ 16,380 | \$ 20,450 | \$ (11,252) | \$ 25,578 |
| Beacon Heights | 33,534 | 69,805 | (68,160) | 35,179 |
| Bennion | 7,574 | 10,290 | (8,052) | 9,812 |
| Bonneville | 24,846 | 44,570 | (49,609) | 19,807 |
| Dilworth | 8,275 | 27,331 | (31,596) | 4,010 |
| Edison | 14,684 | 16,524 | (17,311) | 13,897 |
| Emerson | 23,861 | 13,771 | (6,896) | 30,736 |
| Ensign | 30,129 | 32,286 | (29,324) | 33,091 |
| Escalante | 13,857 | 15,593 | (16,978) | 12,472 |
| Franklin | 69,205 | 35,384 | (56,030) | 48,559 |
| Hawthorne | 23,087 | 29,828 | (23,638) | 29,277 |
| Highland Park | 10,768 | 18,849 | (22,650) | 6,967 |
| Indian Hills | 29,838 | 15,644 | (20,318) | 25,164 |
| Jackson | 6,869 | 7,864 | (8,139) | 6,594 |
| Lincoln | 22,920 | 13,493 | (23,623) | 12,790 |
| Meadowlark | 16,808 | 4,546 | (3,595) | 17,759 |
| Mountain View | 45,086 | 17,640 | (6,563) | 56,163 |
| Newman | 21,088 | 13,337 | (14,729) | 19,696 |
| Nibley Park | 9,156 | 14,713 | (13,258) | 10,611 |
| North Star | 9,697 | 12,023 | (5,679) | 16,041 |
| Parkview | 15,300 | 36,015 | (39,641) | 11,674 |
| Riley | 15,543 | 8,598 | (2,765) | 21,376 |
| Rose Park | 50,015 | 10,006 | (3,906) | 56,115 |
| Uintah | 22,953 | 24,067 | (35,440) | 11,580 |
| Wasatch | 15,336 | 8,752 | (12,964) | 11,124 |
| Washington | 23,856 | 11,205 | (10,461) | 24,600 |
| Whittier | 29,837 | 25,882 | (19,388) | 36,331 |
| Total elementary schools | <u>610,502</u> | <u>558,466</u> | <u>(561,965)</u> | <u>607,003</u> |

(continued)

SALT LAKE CITY SCHOOL DISTRICT

Statement of Changes in Assets and Liabilities (Concluded)

Student Activities Agency Fund

Year Ended June 30, 2007

| | <u>Balances at July 1, 2006</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balances at June 30, 2007</u> |
|---|-------------------------------------|---------------------|-----------------------|--------------------------------------|
| Liabilities (continued): | | | | |
| Due to student organizations (continued): | | | | |
| Intermediate Schools: | | | | |
| Bryant | \$ 32,850 | \$ 51,708 | \$ (52,527) | \$ 32,031 |
| Clayton | 41,186 | 66,321 | (72,142) | 35,365 |
| Glendale | 10,644 | 33,974 | (31,926) | 12,692 |
| Hillside | 37,470 | 54,983 | (41,049) | 51,404 |
| Northwest | 20,444 | 34,979 | (24,724) | 30,699 |
| Total intermediate schools | <u>142,594</u> | <u>241,965</u> | <u>(222,368)</u> | <u>162,191</u> |
| High Schools: | | | | |
| East | 503,895 | 777,513 | (727,285) | 554,123 |
| Highland | 421,436 | 944,399 | (992,570) | 373,265 |
| Horizonte | 56,780 | 263,260 | (258,228) | 61,812 |
| West | 405,709 | 1,112,499 | (1,153,909) | 364,299 |
| Total high schools | <u>1,387,820</u> | <u>3,097,671</u> | <u>(3,131,992)</u> | <u>1,353,499</u> |
| Total due to student organizations | <u>\$ 2,140,916</u> | <u>\$ 3,898,102</u> | <u>\$ (3,916,325)</u> | <u>\$ 2,122,693</u> |

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SALT LAKE CITY SCHOOL DISTRICT

STATISTICAL SECTION

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.

| <u>Contents</u> | <u>Page</u> |
|---|-------------|
| Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | 69 - 72 |
| Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | 73 - 76 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. | 77 - 81 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | 82 - 83 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | 84 - 94 |
| Continuing Disclosure Information These schedules are required as part of the District's ongoing general obligation bonded debt disclosures and give additional information to investors about the financial trends and tax base of the District. | 95 - 98 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 with the fiscal year beginning July 1, 2000; therefore, schedules presenting government-wide information include information beginning with June 30, 2001.

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SALT LAKE CITY SCHOOL DISTRICT

**Net Assets by Component
Last Seven Fiscal Years
June 30, 2001 through 2007
(accrual basis of accounting)**

| Fiscal Year Ending June 30, | Invested in capital assets, net of related debt | Restricted | Unrestricted | Total Net Assets |
|-----------------------------------|---|---------------|---------------|---------------------|
| 2007 | \$ 167,156,231 | \$ 44,636,265 | \$ 27,850,534 | \$ 239,643,030 |
| 2006 | 163,658,436 | 32,031,730 | 24,733,099 | 220,423,265 |
| 2005 | 160,495,660 | 24,429,446 | 25,631,439 | 210,556,545 |
| 2004 | 149,879,564 | 26,961,246 | 27,756,938 | 204,597,748 |
| 2003 | 159,535,207 | 11,183,736 | 28,307,547 | 199,026,490 |
| 2002 | 149,029,009 | 16,551,423 | 30,653,220 | 196,233,652 |
| 2001 | 138,719,270 | 9,992,566 | 33,515,461 | 182,227,297 |

SALT LAKE CITY SCHOOL DISTRICT

**Changes in Net Assets
Last Seven Fiscal Years
June 30, 2001 through 2007
(accrual basis of accounting)**

| | Fiscal Year Ended June 30, | | | | | | |
|--|----------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
| Expenses | | | | | | | |
| Instruction | \$ 128,090,287 | \$ 121,092,136 | \$ 123,020,933 | \$ 117,563,738 | \$ 114,395,404 | \$ 109,249,998 | \$ 106,568,406 |
| Support services: | | | | | | | |
| Counseling and child accounting | 5,601,671 | 5,337,591 | 4,844,132 | 4,656,927 | 4,366,774 | 4,419,999 | 4,069,483 |
| Media and educational supervision | 16,309,593 | 15,056,516 | 14,660,073 | 14,019,717 | 13,628,478 | 13,778,360 | 12,444,304 |
| General district administration | 1,150,893 | 958,648 | 935,694 | 848,490 | 957,423 | 891,033 | 654,881 |
| General school administration | 8,936,635 | 8,386,289 | 8,020,289 | 7,645,986 | 7,404,602 | 7,361,356 | 7,000,916 |
| Business services | 1,602,291 | 1,684,127 | 1,601,310 | 1,623,693 | 979,215 | 993,335 | 968,095 |
| Operation and maintenance of buildings | 16,696,371 | 15,378,445 | 14,459,399 | 14,265,928 | 14,468,785 | 14,378,299 | 17,536,422 |
| Student transportation | 4,968,145 | 4,248,876 | 3,900,984 | 3,746,698 | 3,380,522 | 3,114,530 | 2,834,561 |
| Personnel and information systems | 2,593,296 | 2,402,878 | 2,411,287 | 2,175,413 | 2,530,623 | 2,191,723 | 1,536,673 |
| Community services | 414,688 | 493,430 | 510,772 | 471,650 | - | - | - |
| Child nutrition services | 12,655,235 | 10,470,589 | 9,883,076 | 9,088,718 | 8,786,219 | 9,153,738 | 8,816,420 |
| Interest on long-term liabilities | 7,595,731 | 6,564,799 | 4,558,460 | 4,957,405 | 3,604,164 | 3,136,378 | 2,837,574 |
| Total Expenses | <u>206,614,836</u> | <u>192,074,324</u> | <u>188,806,409</u> | <u>181,064,363</u> | <u>174,502,209</u> | <u>168,668,749</u> | <u>165,267,735</u> |
| Program Revenues | | | | | | | |
| Charges for services: | | | | | | | |
| Instruction | 4,405,759 | 4,101,710 | 2,529,295 | 2,542,871 | 3,129,230 | 2,271,584 | 2,221,258 |
| Supporting services | 581,091 | 617,967 | 442,718 | 403,968 | 288,844 | 67,783 | 555,314 |
| Community services | 587,163 | 730,785 | 768,987 | 687,892 | - | - | - |
| Child nutrition services | 1,592,285 | 1,529,549 | 1,407,576 | 1,480,345 | 1,497,262 | 1,752,141 | 1,588,447 |
| Operating grants and contributions | 51,643,095 | 50,305,857 | 50,215,690 | 47,997,245 | 46,330,566 | 51,359,186 | 44,911,397 |
| Total Program Revenues | <u>58,809,393</u> | <u>57,285,868</u> | <u>55,364,266</u> | <u>53,112,321</u> | <u>51,245,902</u> | <u>55,450,694</u> | <u>49,276,416</u> |
| Net (Expense)/Revenue | (147,805,443) | (134,788,456) | (133,442,143) | (127,952,042) | (123,256,307) | (113,218,055) | (115,991,319) |
| General Revenues and Other Changes in Net Assets | | | | | | | |
| Property taxes | 98,994,142 | 84,772,942 | 82,696,878 | 79,257,468 | 72,824,950 | 76,347,735 | 77,009,834 |
| Federal and state aid not restricted to specific purposes | 59,246,466 | 55,300,216 | 52,585,629 | 50,948,224 | 48,519,102 | 45,878,357 | 44,413,821 |
| Earnings on investments | 5,365,984 | 3,481,248 | 1,946,572 | 1,356,863 | 2,101,797 | 2,180,694 | 5,071,977 |
| Miscellaneous | 2,291,372 | 1,100,770 | 2,171,861 | 1,960,745 | 2,110,468 | 2,817,624 | 2,014,664 |
| Special item - gain on sale of capital assets | <u>1,127,244</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>492,828</u> | <u>-</u> | <u>-</u> |
| Total General and Other | <u>167,025,208</u> | <u>144,655,176</u> | <u>139,400,940</u> | <u>133,523,300</u> | <u>126,049,145</u> | <u>127,224,410</u> | <u>128,510,296</u> |
| Change in Net Assets | <u>\$ 19,219,765</u> | <u>\$ 9,866,720</u> | <u>\$ 5,958,797</u> | <u>\$ 5,571,258</u> | <u>\$ 2,792,838</u> | <u>\$ 14,006,355</u> | <u>\$ 12,518,977</u> |

SALT LAKE CITY SCHOOL DISTRICT

Fund Balances, Governmental Funds
Last Seven Fiscal Years
June 30, 2001 through 2007
(modified accrual basis of accounting)

| General Fund | | | | |
|--------------|------------|-----------------------|-------------------------|---------------|
| | Reserved | Unreserved Designated | Unreserved Undesignated | Total |
| 2007 | \$ 534,196 | \$ 11,954,152 | \$ 13,111,225 | \$ 25,599,573 |
| 2006 | 627,172 | 10,577,247 | 11,204,359 | 22,408,778 |
| 2005 | 649,158 | 10,349,445 | 12,484,268 | 23,482,871 |
| 2004 | 598,498 | 9,224,035 | 15,755,569 | 25,578,102 |
| 2003 | 601,152 | 7,233,775 | 17,422,340 | 25,257,267 |
| 2002 | 1,441,622 | 6,771,031 | 18,532,987 | 26,745,640 |
| 2001 | 1,474,776 | 7,215,375 | 18,211,251 | 26,901,402 |

| All Other Governmental Funds | | | | | |
|------------------------------|---------------|-----------------|------------------|--------------|---------------|
| | Reserved | Unreserved | | | Total |
| | | Special Revenue | Capital Projects | Debt Service | |
| 2007 | \$ 12,222,773 | \$ 3,698,573 | \$ 27,792,613 | \$ 814,747 | \$ 44,528,706 |
| 2006 | 15,005,245 | 3,857,450 | 26,424,539 | - | 45,287,234 |
| 2005 | 33,711,971 | 2,990,989 | - | 109,812 | 36,812,772 |
| 2004 | 24,571,653 | 2,066,727 | - | - | 26,638,380 |
| 2003 | 39,431,292 | 1,263,615 | 9,464,231 | - | 50,159,138 |
| 2002 | 15,101,807 | 1,033,213 | - | - | 16,135,020 |
| 2001 | 5,512,254 | 539,571 | 7,937,783 | - | 13,989,608 |

Reserved fund balances are restricted by external requirements for purposes other than general appropriation in the next fiscal year.

SALT LAKE SCHOOL DISTRICT

Changes in Fund Balances, Governmental Funds

Last Seven Fiscal Years

June 30, 2001 through 2007

(modified accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | | | | |
|---|----------------------------|---------------------|---------------------|------------------------|----------------------|---------------------|------------------------|
| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
| Revenues | | | | | | | |
| Property taxes | \$ 98,980,594 | \$ 83,415,882 | \$ 82,977,301 | \$ 80,563,113 | \$ 72,087,271 | \$ 74,583,361 | \$ 76,474,123 |
| Other local sources | 14,466,456 | 11,437,326 | 9,071,776 | 8,310,425 | 9,015,660 | 8,957,393 | 11,451,660 |
| State of Utah | 81,208,998 | 76,234,377 | 73,997,888 | 72,257,791 | 72,499,191 | 75,423,874 | 70,141,768 |
| Federal government | 29,680,563 | 29,371,696 | 28,803,431 | 26,687,678 | 22,350,477 | 21,813,669 | 19,183,450 |
| Total revenues | <u>224,336,611</u> | <u>200,459,281</u> | <u>194,850,396</u> | <u>187,819,007</u> | <u>175,952,599</u> | <u>180,778,297</u> | <u>177,251,001</u> |
| Expenditures | | | | | | | |
| Instruction | 114,778,371 | 109,320,100 | 110,311,569 | 102,615,405 | 101,943,792 | 102,884,561 | 99,796,998 |
| Supporting services: | | | | | | | |
| Counseling and child accounting | 5,509,445 | 5,247,602 | 4,764,071 | 4,579,058 | 4,296,342 | 4,354,558 | 4,017,423 |
| Media services and educational supervisor | 15,848,461 | 14,606,574 | 14,259,777 | 13,630,381 | 13,276,306 | 13,451,186 | 12,183,994 |
| General district administration | 1,043,435 | 844,915 | 788,293 | 715,702 | 819,258 | 754,306 | 592,215 |
| General school administration | 8,659,956 | 8,116,323 | 7,780,109 | 7,412,381 | 7,193,298 | 7,165,052 | 6,844,735 |
| Business services | 1,602,291 | 1,684,127 | 1,601,310 | 1,623,693 | 979,215 | 993,335 | 968,095 |
| Operation and maintenance of buildings | 16,485,564 | 14,692,413 | 13,891,111 | 13,726,876 | 13,998,454 | 13,936,712 | 17,171,931 |
| Student transportation | 4,057,943 | 3,780,775 | 3,463,364 | 3,366,309 | 2,929,302 | 2,745,967 | 2,572,722 |
| Personnel and information systems | 2,593,296 | 2,402,878 | 2,411,287 | 2,175,413 | 2,530,623 | 2,191,723 | 1,508,399 |
| Child nutrition services | 11,807,975 | 9,638,347 | 9,315,593 | 8,351,657 | 8,098,003 | 8,497,830 | 8,230,531 |
| Community services | 414,688 | 493,430 | 510,772 | 471,650 | - | - | - |
| Capital outlay | 24,290,623 | 40,160,641 | 41,639,546 | 41,368,637 | 26,484,123 | 40,141,665 | 31,919,637 |
| Bond issuance costs | - | 131,248 | 297,569 | - | - | - | - |
| Debt Service: | | | | | | | |
| Principal retirement | 10,215,000 | 7,910,000 | 6,265,000 | 5,905,000 | 4,180,000 | 3,540,000 | 3,045,000 |
| Interest, fiscal charges and other | 6,732,366 | 5,685,916 | 4,687,813 | 5,083,712 | 3,341,503 | 2,877,110 | 2,886,744 |
| Total expenditures | <u>224,039,414</u> | <u>224,715,289</u> | <u>221,987,184</u> | <u>211,025,874</u> | <u>190,070,219</u> | <u>203,534,005</u> | <u>191,738,424</u> |
| Excess (deficiency) of revenues over (under) expenditures | 297,197 | (24,256,008) | (27,136,788) | (23,206,867) | (14,117,620) | (22,755,708) | (14,487,423) |
| Other financing sources (uses) | | | | | | | |
| Refunding bonds issued | - | - | 19,665,000 | - | 18,420,000 | - | - |
| Bonds issued | - | 31,255,000 | 35,000,000 | - | 45,000,000 | 24,710,037 | - |
| Bond premium | - | 401,267 | 1,449,569 | - | 580,162 | - | - |
| Bond discount | - | - | - | - | (63,750) | - | - |
| Payment to refunded bonds escrow agent | - | - | (20,899,708) | - | (18,261,509) | - | - |
| Sale of capital assets | 2,135,070 | 110 | 1,088 | 6,944 | 978,462 | 35,321 | 240,687 |
| Total other financing sources (uses) | <u>2,135,070</u> | <u>31,656,377</u> | <u>35,215,949</u> | <u>6,944</u> | <u>46,653,365</u> | <u>24,745,358</u> | <u>240,687</u> |
| Net change in fund balance | <u>\$ 2,432,267</u> | <u>\$ 7,400,369</u> | <u>\$ 8,079,161</u> | <u>\$ (23,199,923)</u> | <u>\$ 32,535,745</u> | <u>\$ 1,989,650</u> | <u>\$ (14,246,736)</u> |
| Debt service as a percentage of noncapital expenditures | 9.08% | 7.26% | 5.89% | 6.19% | 4.42% | 3.91% | 3.68% |

SALT LAKE CITY SCHOOL DISTRICT

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Tax Years
December 31, 1997 through 2006**

| Tax Year | Centrally Assessed | Residential | Industrial & Commercial | Agriculture | Personal | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Value | Assessed Value as a Percentage of Actual Value |
|----------|--------------------|------------------|-------------------------|--------------|------------------|------------------------------|-----------------------|------------------------|--|
| 1997 | \$ 1,252,754,113 | \$ 4,319,339,447 | \$ 4,092,707,970 | \$ 1,483,990 | \$ 1,390,511,891 | \$ 11,056,797,411 | 0.005907 | \$ 15,467,053,540 | 71.49% |
| 1998 | 1,125,119,511 | 4,547,873,106 | 4,409,130,150 | 1,498,800 | 1,579,811,008 | 11,663,432,575 | 0.006063 | 16,354,831,014 | 71.31% |
| 1999 | 1,871,420,356 | 4,644,328,910 | 4,644,765,400 | 1,670,530 | 1,652,612,110 | 12,814,797,306 | 0.005920 | 16,698,068,831 | 76.74% |
| 2000 | 2,007,174,139 | 4,784,144,042 | 5,062,008,700 | 1,611,480 | 1,661,339,849 | 13,516,278,210 | 0.005741 | 17,879,863,802 | 75.59% |
| 2001 | 2,335,868,812 | 4,897,583,608 | 5,247,292,940 | 3,661,980 | 1,652,255,799 | 14,136,663,139 | 0.005585 | 18,322,794,312 | 77.15% |
| 2002 | 2,118,713,906 | 5,129,566,899 | 5,409,017,340 | 3,891,310 | 1,623,800,068 | 14,284,989,523 | 0.005573 | 19,577,523,566 | 72.97% |
| 2003 | 1,934,054,794 | 5,163,031,502 | 5,397,884,680 | 4,870,910 | 1,572,679,382 | 14,072,521,268 | 0.006018 | 19,634,641,188 | 71.67% |
| 2004 | 2,060,112,828 | 5,374,297,337 | 5,487,885,450 | 454,800 | 1,447,533,811 | 14,370,284,226 | 0.006039 | 19,444,313,097 | 73.90% |
| 2005 | 1,888,464,689 | 5,814,115,449 | 5,543,060,010 | 485,460 | 1,576,469,186 | 14,822,594,794 | 0.006080 | 20,723,150,377 | 71.53% |
| 2006 | 2,050,073,870 | 6,796,767,472 | 6,487,575,310 | 57,330 | 1,423,694,438 | 16,758,168,420 | 0.006002 | 21,077,867,143 | 79.51% |

Source: Property Tax Division, Utah State Tax Commission

SALT LAKE CITY SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Tax Years

December 31, 1997 through 2006
(rate per \$1 of assessed value)

| | Tax Rates for the Tax Year Ended December 31, | | | | | | | | | |
|---|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
| Salt Lake City School District direct rates | | | | | | | | | | |
| Basic program (1) | 0.001515 | 0.001720 | 0.001800 | 0.001825 | 0.001807 | 0.001785 | 0.001881 | 0.001840 | 0.001840 | 0.001950 |
| Voted leeway (2) | 0.001800 | 0.001800 | 0.001800 | 0.001800 | 0.001800 | 0.001800 | 0.001800 | 0.001772 | 0.001790 | 0.001800 |
| Board leeway (3) | 0.000200 | 0.000200 | 0.000200 | 0.000200 | 0.000200 | 0.000200 | 0.000200 | 0.000198 | 0.000200 | 0.000200 |
| General fund judgment | 0.000041 | 0.000023 | 0.000028 | 0.000031 | 0.000027 | 0.000013 | 0.000022 | 0.000033 | 0.000103 | - |
| K-3 reading program | 0.000119 | 0.000119 | 0.000121 | (a) | (a) | (a) | (a) | (a) | (a) | (a) |
| K-3 reading program judgment | 0.000002 | 0.000002 | - | (a) | (a) | (a) | (a) | (a) | (a) | (a) |
| Tort liability (4) | 0.000024 | 0.000026 | 0.000026 | 0.000027 | 0.000026 | 0.000027 | 0.000027 | 0.000028 | 0.000029 | 0.000028 |
| Recreation (5) | 0.000131 | 0.000149 | 0.000156 | 0.000119 | 0.000116 | 0.000120 | 0.000120 | 0.000125 | 0.000127 | 0.000129 |
| Recreation fund judgment | 0.000003 | 0.000002 | 0.000002 | 0.000002 | 0.000002 | 0.000001 | 0.000001 | 0.000002 | 0.000007 | - |
| Capital outlay (6) | 0.000831 | 0.000783 | 0.000841 | 0.000901 | 0.000819 | 0.000886 | 0.000932 | 0.001119 | 0.001130 | 0.001145 |
| Capital outlay judgment | 0.000016 | 0.000010 | 0.000013 | 0.000013 | 0.000012 | 0.000006 | 0.000013 | 0.000019 | 0.000059 | - |
| 10% of Basic - Other (7) | 0.000241 | 0.000275 | 0.000276 | 0.000282 | 0.000274 | 0.000281 | 0.000285 | 0.000300 | 0.000320 | 0.000328 |
| 10% of basic judgment | 0.000006 | 0.000003 | 0.000004 | 0.000004 | 0.000004 | 0.000002 | 0.000003 | 0.000005 | 0.000017 | - |
| Debt service (8) | 0.001073 | 0.000968 | 0.000772 | 0.000814 | 0.000486 | 0.000464 | 0.000457 | 0.000479 | 0.000441 | 0.000327 |
| Total direct rate | 0.006002 | 0.006080 | 0.006039 | 0.006018 | 0.005573 | 0.005585 | 0.005741 | 0.005920 | 0.006063 | 0.005907 |
| Overlapping Rates | | | | | | | | | | |
| Salt Lake City Corporation | 0.003958 | 0.004499 | 0.004653 | 0.004681 | 0.004457 | 0.004296 | 0.004131 | 0.004126 | 0.003802 | 0.003627 |
| Salt Lake City Library | 0.000762 | 0.000869 | 0.000887 | 0.000777 | 0.000755 | 0.000773 | 0.000785 | 0.000829 | 0.000749 | 0.000760 |
| Salt Lake County | 0.002371 | 0.002682 | 0.002816 | 0.002868 | 0.002939 | 0.003025 | 0.002904 | 0.002566 | 0.002805 | 0.003551 |
| Central Utah Water District | 0.000357 | 0.000400 | 0.000353 | 0.000358 | 0.000358 | 0.000369 | 0.000377 | 0.000377 | 0.000397 | 0.000400 |
| S.L.C. Metro. Water District | 0.000350 | 0.000259 | 0.000264 | 0.002690 | 0.000261 | 0.000267 | 0.000271 | 0.000271 | 0.000289 | 0.000294 |
| Mosquito Abatement District | 0.000118 | 0.000135 | 0.000138 | 0.000072 | 0.000070 | 0.000072 | 0.000073 | 0.000076 | 0.000080 | 0.000077 |

Limitations per Utah State Statute:

- (1) Rate established annually by Utah State Legislature
- (2) Maximum rate is 0.001800
- (3) Maximum rate is 0.000200
- (4) Maximum rate is 0.000100
- (5) No maximum rate
- (6) Maximum rate is 0.002400
- (7) Maximum rate based on formula and changes annually
- (8) No maximum rate, but must have voter approval for bonds issued

(a) The K-3 Reading Program tax became available by law in 2004

Source: Utah State Tax Commission

SALT LAKE CITY SCHOOL DISTRICT

Some of the Principal Property Tax Payers Current Year and Nine Years Ago December 31, 2006 and 1997

| Taxpayer | December 31, 2006 | | December 31, 1997 | |
|--|-------------------------|---|-------------------------|---|
| | Taxable Value | Percent of District's Total Taxable Value (1) | Taxable Value | Percent of District's Total Taxable Value (1) |
| Sky West Airlines | \$ 430,757,893 | 3.00% | \$ - | - |
| Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints | 443,530,060 | 3.09% | 355,985,790 | 2.40% |
| Delta Airlines | 345,985,900 | 2.41% | - | - |
| PacifiCorp | 293,714,897 | 2.04% | 298,308,040 | 2.01% |
| Qwest Communications | 180,937,719 | 1.26% | 370,620,640 | 2.50% |
| Inland Western Salt City Gateway | 159,281,000 | 1.11% | - | - |
| Wasatch Plaza Holding | 143,516,300 | 1.00% | - | - |
| Southwest Airlines | 91,644,040 | 0.64% | - | - |
| Grand America Hotel Company | 90,107,600 | 0.63% | - | - |
| Gateway Associates | 87,507,200 | 0.61% | - | - |
| Crossroads Plaza | - | - | 170,216,100 | 1.15% |
| American Telephone and Telegraph | - | - | 155,248,400 | 1.05% |
| Questar Gas | - | - | 79,401,010 | 0.54% |
| Little America Hotel Corporation | - | - | 76,909,500 | 0.52% |
| Salt Lake Regional Medical Center | - | - | 66,227,050 | 0.45% |
| Boyer Block 57 Associates | - | - | 54,267,700 | 0.37% |
| Marriot Hotel | - | - | 48,937,800 | 0.33% |
| Totals | \$ 2,266,982,609 | 12.78% | \$ 1,676,122,030 | 11.31% |
| Assessed Taxable Value | \$ 15,190,796,657 | | \$ 10,100,472,562 | |

Source: Salt Lake City Corporation

(1) Excludes motor vehicles (fee-in-lieu and age based)

SALT LAKE CITY SCHOOL DISTRICT

**Property Tax Levies and Collections
Last Ten Tax Years
December 31, 1997 through 2006**

| | Taxes Levied For The Calendar Year | Collected within the Calendar Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|------|--|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 1997 | \$ 65,035,225 | \$ 62,724,491 | 96.45% | \$ 1,903,574 | \$ 64,628,065 | 99.37% |
| 1998 | 67,676,234 | 65,242,179 | 96.40% | 2,198,259 | 67,440,438 | 99.65% |
| 1999 | 75,318,307 | 73,041,488 | 96.98% | 2,096,530 | 75,138,018 | 99.76% |
| 2000 | 76,841,719 | 73,837,050 | 96.09% | 2,744,678 | 76,581,728 | 99.66% |
| 2001 | 76,257,609 | 73,099,767 | 95.86% | 2,596,048 | 75,695,815 | 99.26% |
| 2002 | 74,837,283 | 70,740,584 | 94.53% | 3,204,091 | 73,944,675 | 98.81% |
| 2003 | 79,597,337 | 76,667,109 | 96.32% | 2,599,217 | 79,266,326 | 99.58% |
| 2004 | 83,130,132 | 80,210,105 | 96.49% | 2,280,081 | 82,490,186 | 99.23% |
| 2005 | 83,726,442 | 79,860,573 | 95.38% | 1,571,293 | 81,431,866 | 97.26% |
| 2006 | 98,008,618 | 95,449,850 | 97.39% | - | 95,449,850 | 97.39% |

* Source: Salt Lake County Treasurer's Office (includes Property Tax and Motor Vehicle Fee In Lieu).

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

SALT LAKE CITY SCHOOL DISTRICT

**Ratios of Outstanding Debt
Last Ten Fiscal Years
June 30, 1998 through 2007**

| Fiscal Year | Outstanding General Obligation Bonds | General Bonded Debt As Percentage of Taxable Value | Bonded Debt Per Capita | Bonded Debt Per Student | Less: Amounts Available in Debt Service Fund | Net Total Debt | Net Debt As Percentage of Taxable Value | Net Debt Per Capita | Net Debt Per Student |
|-------------|--------------------------------------|--|------------------------|-------------------------|--|----------------|---|---------------------|----------------------|
| 1997-98 | \$ 34,740,000 | 0.31% | \$ 201 | \$ 1,365 | - | \$ 34,740,000 | 0.31% | \$ 201 | \$1,365 |
| 1998-99 | 41,600,000 | 0.36% | 239 | 1,658 | - | 41,600,000 | 0.36% | 239 | 1,658 |
| 1999-00 | 57,825,000 | 0.45% | 332 | 2,318 | - | 57,825,000 | 0.45% | 332 | 2,318 |
| 2000-01 | 54,780,000 | 0.41% | 301 | 2,218 | - | 54,780,000 | 0.41% | 301 | 2,218 |
| 2001-02 | 75,982,722 | 0.54% | 415 | 3,109 | - | 75,982,722 | 0.54% | 415 | 3,109 |
| 2002-03 | 118,077,722 | 0.83% | 652 | 4,881 | - | 118,077,722 | 0.83% | 652 | 4,881 |
| 2003-04 | 112,172,722 | 0.80% | 624 | 4,748 | - | 112,172,722 | 0.80% | 624 | 4,748 |
| 2004-05 | 140,667,722 | 0.98% | 788 | 6,035 | 109,812 | 140,557,910 | 0.98% | 787 | 6,030 |
| 2005-06 | 164,012,722 | 1.11% | 918 | 7,036 | - | 164,012,722 | 1.14% | 918 | 7,036 |
| 2006-07 | 153,797,722 | 0.92% | 864 | 6,606 | 814,747 | 152,982,975 | 1.03% | 859 | 6,571 |

SALT LAKE CITY SCHOOL DISTRICT

Direct and Overlapping Governmental Activities Debt As of June 30, 2007

| Taxing Entity (1) | 2006 Taxable Value (2) | Salt Lake School District's Portion of Taxable Value | District's Percent- age (3) | Entity's General Obligation Debt | District's Portion of G. O. Debt |
|--|------------------------------|---|-----------------------------------|---|--|
| Overlapping: | | | | | |
| Salt Lake City | \$ 16,758,168,420 | \$ 16,758,168,420 | 100.0% | \$ 79,346,254 | \$ 79,346,254 |
| Salt Lake County | 57,903,934,831 | 18,818,778,820 | 32.5% | 177,885,000 | <u>57,812,625</u> |
| Total Overlapping General Obligation Debt | | | | | <u>137,158,879</u> |
| Total Direct General Obligation Debt | | | | | <u>164,012,722</u> |
| Total Direct and Overlapping General Obligation Debt | | | | | <u>\$ 301,171,601</u> |

(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) Taxable value used in this table excludes the taxable value used to determine uniform fees on tangible personal property.

(3) Percentage based on total shared area of land in respective geographical boundaries

SALT LAKE CITY SCHOOL DISTRICT

**Legal Debt Margin Information
Last Ten Fiscal Years
June 30, 1998 through 2007**

| Fiscal Year | Estimated Fair Market Value | Debt Limit 4% of Fair Market Value | Less General Obligation Debt | Plus Deferred Amounts | Legal Debt Margin | Percentage of Debt To Debt Limit |
|-------------|-----------------------------|------------------------------------|------------------------------|-----------------------|-------------------|----------------------------------|
| 1997-98 | \$ 15,467,053,540 | \$ 618,682,142 | \$ 34,740,000 | \$ - | \$ 583,942,142 | 5.62% |
| 1998-99 | 16,354,831,014 | 654,193,241 | 41,600,000 | - | 612,593,241 | 6.36% |
| 1999-00 | 16,698,068,831 | 667,922,753 | 57,825,000 | - | 610,097,753 | 8.66% |
| 2000-01 | 17,879,863,802 | 715,194,552 | 54,780,000 | - | 660,414,552 | 7.66% |
| 2001-02 | 18,322,794,312 | 732,911,772 | 75,982,722 | (33,125) | 656,895,925 | 10.37% |
| 2002-03 | 19,577,523,566 | 783,100,943 | 118,077,722 | 711,100 | 665,734,321 | 14.99% |
| 2003-04 | 19,634,641,188 | 785,385,648 | 112,172,722 | 657,127 | 673,870,053 | 14.20% |
| 2004-05 | 19,444,313,097 | 777,772,524 | 140,667,722 | 284,209 | 637,389,011 | 18.05% |
| 2005-06 | 20,723,150,377 | 828,926,015 | 164,012,722 | (132,192) | 664,781,101 | 19.80% |
| 2006-07 | 21,077,867,143 | 843,114,686 | 153,797,722 | (131,808) | 689,185,156 | 18.26% |

The general obligation indebtedness of the District is limited by Utah law to 4% of the fair market value of taxable property in the District. The legal debt margin (additional debt incurring capacity of the District) is based on estimated assessed value. As determined by the Utah State Auditor and Utah State Treasurer, the deferred amounts associated with debt issuances are to be included in the calculation of debt margin.

For debt incurring capacity only, in computing the fair market value of taxable property in the District, the fair market value of all tax equivalent property (which value includes the values of motor vehicles, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State) is included as a part of the fair market value of the taxable property in the District.

SALT LAKE CITY SCHOOL DISTRICT

**Debt Service Schedule of Outstanding General Obligation Bonds (Fiscal Year)
As of June 30, 2007**

| | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------|-----------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Series 1996A | Principal | \$ - | (1) \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 15,000,000 | Interest | - | (1) - | - | - | - | - | - | - | - |
| Series 1997 | Principal | 1,025,000 | 1,075,000 | 1,125,000 | 1,180,000 | 1,235,000 | 1,300,000 | - | - | - |
| \$ 15,000,000 | Interest | 329,148 | 282,510 | 232,522 | 179,648 | 123,598 | 63,700 | - | - | - |
| Series 1998 | Principal | 325,000 | - (2) | - (2) | - (2) | - (2) | - (2) | - (2) | - (2) | - |
| \$ 10,000,000 | Interest | 12,838 | - (2) | - (2) | - (2) | - (2) | - (2) | - (2) | - (2) | - |
| Series 1999 | Principal | 420,000 | 995,000 | - (3) | - (3) | - (3) | - (3) | - (3) | - (3) | - |
| \$ 10,000,000 | Interest | 70,750 | 49,750 | - (3) | - (3) | - (3) | - (3) | - (3) | - (3) | - |
| Series 2000 | Principal | 405,000 | 990,000 | 995,000 | - (4) | - (4) | - (4) | - (4) | - (4) | - |
| \$ 10,000,000 | Interest | 123,380 | 102,725 | 51,740 | - (4) | - (4) | - (4) | - (4) | - (4) | - |
| Series 2001B | Principal | 420,000 | 435,000 | 455,000 | 470,000 | - (5) | - (5) | - (5) | - (5) | - |
| \$ 10,000,000 | Interest | 71,200 | 54,400 | 37,000 | 18,800 | - (5) | - (5) | - (5) | - (5) | - |
| QZAB 2001 | Principal | - | - | - | - | - | - | - | - | 4,742,722 |
| \$ 4,742,722 | Interest | 39,555 | 39,554 | 39,554 | 39,555 | 39,554 | 39,554 | 39,555 | 39,554 | 39,554 |
| Series 2002A | Principal | 400,000 | 415,000 | 430,000 | 445,000 | 465,000 | - (6) | - (6) | - (6) | - |
| \$ 10,000,000 | Interest | 87,576 | 71,576 | 54,976 | 37,776 | 19,530 | - (6) | - (6) | - (6) | - |
| Series 2002B | Principal | 80,000 | 80,000 | 1,100,000 | 945,000 | 980,000 | 1,015,000 | 1,065,000 | 1,110,000 | 1,160,000 |
| \$ 12,315,000 | Interest | 518,042 | 515,042 | 511,842 | 467,842 | 430,042 | 390,842 | 349,228 | 303,966 | 256,236 |
| Series 2002C | Principal | 630,000 | 660,000 | 685,000 | 710,000 | 740,000 | 770,000 | - | - | - |
| \$ 6,105,000 | Interest | 163,212 | 141,162 | 116,412 | 90,726 | 62,326 | 32,726 | - | - | - |
| Series 2003 | Principal | 1,805,000 | 1,855,000 | 1,910,000 | 1,970,000 | 2,035,000 | 2,110,000 | 2,190,000 | 2,275,000 | 2,370,000 |
| \$ 45,000,000 | Interest | 1,647,306 | 1,590,900 | 1,525,976 | 1,454,350 | 1,375,550 | 1,294,150 | 1,209,750 | 1,122,150 | 1,028,306 |
| Series 2005A | Principal | 1,450,000 | 1,480,000 | 1,520,000 | 1,565,000 | 1,610,000 | 1,665,000 | 1,720,000 | 1,780,000 | - |
| \$ 35,000,000 | Interest | 1,238,462 | 1,194,962 | 1,150,562 | 1,104,962 | 1,050,188 | 993,838 | 935,562 | 875,362 | 804,161 |
| Series 2005B | Principal | 1,465,000 | 750,000 | 865,000 | 2,165,000 | 2,785,000 | 3,415,000 | 5,755,000 | 960,000 | - |
| \$ 19,665,000 | Interest | 861,412 | 813,800 | 783,800 | 749,200 | 640,950 | 501,700 | 330,950 | 43,200 | - |
| Series 2006 | Principal | 2,170,000 | 2,240,000 | 2,315,000 | 2,390,000 | 2,475,000 | 2,565,000 | 2,655,000 | 1,820,000 | - |
| \$ 31,255,000 | Interest | 1,173,800 | 1,097,850 | 1,019,450 | 926,850 | 831,250 | 732,250 | 629,650 | 523,450 | 450,650 |
| Total | | \$ 16,931,681 | \$ 16,929,231 | \$ 16,923,834 | \$ 16,909,709 | \$ 16,897,988 | \$ 16,888,760 | \$ 16,879,695 | \$ 10,852,682 | \$ 10,851,629 |
| Total Principal | | \$ 10,595,000 | \$ 10,975,000 | \$ 11,400,000 | \$ 11,840,000 | \$ 12,325,000 | \$ 12,840,000 | \$ 13,385,000 | \$ 7,945,000 | \$ 8,272,722 |
| Total Interest | | 6,336,681 | 5,954,231 | 5,523,834 | 5,069,709 | 4,572,988 | 4,048,760 | 3,494,695 | 2,907,682 | 2,578,907 |
| Total | | \$ 16,931,681 | \$ 16,929,231 | \$ 16,923,834 | \$ 16,909,709 | \$ 16,897,988 | \$ 16,888,760 | \$ 16,879,695 | \$ 10,852,682 | \$ 10,851,629 |

- (1) The principal and interest due in fiscal 2007 through 2008 on the Series 1996A bonds were refunded, resulting in the defeasance of the old debt and substitution of the "Refunding Bonds" Series of 2005B.
- (2) The principal and interest due in fiscal 2009 through 2018 on the Series 1998 bonds were refunded, resulting in the defeasance of the old debt and substitution of the "Refunding Bonds" Series of 2005B.
- (3) The principal and interest due in fiscal 2010 through 2019 on the Series 1999 bonds were refunded resulting, in the defeasance of the old debt and substitution of the "Refunding Bonds" Series of 2002B.
- (4) The principal and interest due in fiscal 2011 through 2020 on the Series 2000 bonds were refunded, resulting in the defeasance of the old debt and substitution of the "Refunding Bonds" Series of 2002B.
- (5) The principal and interest due in fiscal 2012 through 2021 on the Series 2001B bonds were refunded, resulting in the defeasance of the old debt and substitution of the "Refunding Bonds" Series of 2005B.
- (6) The principal and interest due in fiscal 2013 through 2022 on the Series 2002A bonds were refunded, resulting in the defeasance of the old debt and substitution of the "Refunding Bonds" Series of 2005B.
- (7) In addition to the above, there is an annual Paying Agent fee of \$500 that must be added to the debt service listed for the Series 1997 and for the subsequent bond issues.

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Total |
|-----|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | 6,940,000 |
| | - | - | - | - | - | - | - | - | - | 1,211,126 |
| (2) | - | (2) | - | - | - | - | - | - | - | 325,000 |
| (2) | - | (2) | (2) | - | - | - | - | - | - | 12,838 |
| (3) | - | (3) | - | (3) | - | - | - | - | - | 1,415,000 |
| (3) | - | (3) | - | (3) | - | - | - | - | - | 120,500 |
| (4) | - | (4) | - | (4) | - | (4) | - | - | - | 2,390,000 |
| (4) | - | (4) | - | (4) | - | (4) | - | - | - | 277,845 |
| (5) | - | (5) | - | (5) | - | (5) | - | - | - | 1,780,000 |
| (5) | - | (5) | - | (5) | - | (5) | - | - | - | 181,400 |
| | - | - | - | - | - | - | - | - | - | 4,742,722 |
| | - | - | - | - | - | - | - | - | - | 355,989 |
| (6) | - | (6) | - | (6) | - | (6) | - | - | - | 2,155,000 |
| (6) | - | (6) | - | (6) | - | (6) | - | - | - | 271,434 |
| | 1,205,000 | 1,255,000 | 1,320,000 | 650,000 | - | - | - | - | - | 11,965,000 |
| | 205,196 | 150,970 | 93,240 | 31,200 | - | - | - | - | - | 4,223,688 |
| | - | - | - | - | - | - | - | - | - | 4,195,000 |
| | - | - | - | - | - | - | - | - | - | 606,564 |
| | 2,465,000 | 2,570,000 | 2,685,000 | 2,805,000 | 2,930,000 | 3,065,000 | 3,210,000 | - | - | 38,250,000 |
| | 927,582 | 819,738 | 707,300 | 586,476 | 460,250 | 313,750 | 160,500 | - | - | 16,224,034 |
| | 1,845,000 | 1,915,000 | 1,985,000 | 2,065,000 | 2,150,000 | 2,240,000 | 2,335,000 | 2,435,000 | 2,540,000 | 32,300,000 |
| | 804,161 | 730,363 | 653,762 | 574,361 | 491,762 | 403,076 | 310,675 | 211,438 | 107,950 | 13,635,607 |
| | - | - | - | - | - | - | - | - | - | 18,160,000 |
| | - | - | - | - | - | - | - | - | - | 4,725,012 |
| | 1,540,000 | 1,610,000 | 1,670,000 | 2,475,000 | 3,255,000 | - | - | - | - | 29,180,000 |
| | 450,650 | 389,050 | 324,650 | 257,850 | 146,475 | - | - | - | - | 8,953,875 |
| | <u>\$ 9,442,589</u> | <u>\$ 9,440,121</u> | <u>\$ 9,438,952</u> | <u>\$ 9,444,887</u> | <u>\$ 9,433,487</u> | <u>\$ 6,021,826</u> | <u>\$ 6,016,175</u> | <u>\$ 2,646,438</u> | <u>\$ 2,647,950</u> | <u>\$ 204,597,634</u> |
| | \$ 7,055,000 | \$ 7,350,000 | \$ 7,660,000 | \$ 7,995,000 | \$ 8,335,000 | \$ 5,305,000 | \$ 5,545,000 | \$ 2,435,000 | \$ 2,540,000 | \$ 153,797,722 |
| | 2,387,589 | 2,090,121 | 1,778,952 | 1,449,887 | 1,098,487 | 716,826 | 471,175 | 211,438 | 107,950 | 50,799,912 |
| | <u>\$ 9,442,589</u> | <u>\$ 9,440,121</u> | <u>\$ 9,438,952</u> | <u>\$ 9,444,887</u> | <u>\$ 9,433,487</u> | <u>\$ 6,021,826</u> | <u>\$ 6,016,175</u> | <u>\$ 2,646,438</u> | <u>\$ 2,647,950</u> | <u>\$ 204,597,634</u> |

SALT LAKE CITY SCHOOL DISTRICT

Demographic and Economic Statistics Last Ten Fiscal Years June 30, 1998 through 2007

| Fiscal Year | Salt Lake City Estimated Population (1) | Salt Lake City Total Personal Income (2) | Salt Lake City Per Capita Income (2) | Salt Lake City Unemployment Rate (3) | Salt Lake City Estimated Workforce (4) | Estimated Construction Within Salt Lake City (5) | Percentage of Students of Minority Ancestry (6) |
|-------------|---|--|--------------------------------------|--------------------------------------|--|--|---|
| 1997-98 | 172,880 | \$ 6,830,143,040 | \$ 39,508 | 3.9% | 273,150 | \$ 571,396,935 | 36% |
| 1998-99 | 173,858 | 6,948,582,686 | 39,967 | 4.0% | 274,696 | 379,805,891 | 39% |
| 1999-00 | 174,264 | 7,445,080,872 | 42,723 | 3.5% | 275,337 | 427,594,205 | 41% |
| 2000-01 | 181,743 | 7,027,093,095 | 38,665 | 5.0% | 287,154 | 522,343,943 | 44% |
| 2001-02 | 183,056 | 6,741,037,200 | 36,825 | 7.3% | 289,228 | 289,963,516 | 46% |
| 2002-03 | 181,027 | 6,775,840,610 | 37,430 | 6.7% | 286,023 | 202,547,885 | 47% |
| 2003-04 | 179,894 | 6,841,009,032 | 38,028 | 5.4% | 284,233 | 242,529,617 | 49% |
| 2004-05 | 178,605 | 6,906,833,955 | 38,671 | 4.9% | 282,196 | 255,967,379 | 51% |
| 2005-06 | 178,097 | 7,075,081,422 | 39,726 | 4.4% | 281,393 | 399,493,398 | 52% |
| 2006-07 | 178,858 | na | na | 2.8% | 282,596 | 386,526,998 | 53% |

(1) U.S. Census Bureau

(2) Utah State Tax Commission

(3) U.S. Department of Labor - All rates are annual except for the final year, which is the rate at June 30, 2007.

(4) Salt Lake County website and U.S. Census Bureau website
40% of the Salt Lake County workforce, and 20% of the state total workforce commute to jobs located with City limits.

(5) Construction Monitor Wasatch Front Report
Based on building permits issued by city planning and zoning departments. Values are estimated construction costs.

(6) Based on data available to District personnel

SALT LAKE CITY SCHOOL DISTRICT

**Some of the Principal Employers
Current Year and Nine Years Ago
June 30, 2007 and 1998**

| Employer | June 30, 2007 | | June 30, 1998 | |
|---|-------------------------------|---|-------------------------------|---|
| | Estimated Number of Employees | Percent of District's Total Estimated Workforce | Estimated Number of Employees | Percent of District's Total Estimated Workforce |
| University of Utah (including hospital) | 17,000 - 23,999 | 6.02% | 15,000 | 5.51% |
| State of Utah | 14,000 - 14,999 | 4.95% | 19,000 | 6.98% |
| Intermountain Health Care | 7,000 - 8,999 | 2.48% | 3,000 | 1.10% |
| Salt Lake County | 5,000 - 6,999 | 1.77% | 5,000 | 1.84% |
| Salt Lake City School District | 3,000 - 3,999 | 1.06% | 3,500 | 1.29% |
| Salt Lake City Corporation | 3,000 - 3,999 | 1.06% | 3,000 | 1.10% |
| Delta Airlines | 3,000 - 3,999 | 1.06% | 4,500 | 1.65% |
| US Post Office | 3,000 - 3,999 | 1.06% | - | 0.00% |
| Skywest Airlines | 2,000 - 2,999 | 0.71% | 3,000 | 1.10% |
| Zions Bank Management Services | 2,000 - 2,999 | 0.71% | - | 0.00% |
| Wells Fargo Bank | 2,000 - 2,999 | 0.71% | - | 0.00% |
| Totals | <u>44,000</u> | <u>15.57%</u> | <u>41,000</u> | <u>15.07%</u> |

* The number of employees within the District's boundaries for these employers is unavailable. Therefore, the number of employees listed represents the approximate number of total employees.

Source - State of Utah

SALT LAKE CITY SCHOOL DISTRICT

**Full-time Equivalents
Last Ten Fiscal Years
June 30, 1998 through 2007**

| | Full-time Equivalent Employees as of June 30, | | | | | | | | | |
|--|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
| Instruction | 1,681.57 | 1,847.31 | 1,634.92 | 1,677.89 | 1,743.49 | 1,733.99 | 1,701.77 | 1,724.60 | 1,698.11 | 1,654.07 |
| Supporting services: | | | | | | | | | | |
| Students | 66.58 | 68.60 | 65.82 | 63.21 | 63.45 | 65.90 | 63.50 | 66.08 | 66.03 | 62.38 |
| Instructional staff | 144.41 | 144.84 | 141.10 | 134.90 | 127.95 | 126.04 | 118.31 | 113.86 | 109.49 | 109.13 |
| General district administration | 3.50 | 3.50 | 2.00 | 4.50 | 2.50 | 4.50 | 4.50 | 4.50 | 5.50 | 4.50 |
| School administration | 113.06 | 110.98 | 113.05 | 111.99 | 111.04 | 114.28 | 116.63 | 116.98 | 116.93 | 111.71 |
| Business services | 21.54 | 21.54 | 22.45 | 15.40 | 15.60 | 16.82 | 17.92 | 17.75 | 18.83 | 18.83 |
| Operation and maintenance of buildings | 244.10 | 206.68 | 214.04 | 205.95 | 221.77 | 206.87 | 196.78 | 195.08 | 196.09 | 190.17 |
| Student transportation | 59.12 | 61.13 | 61.60 | 69.61 | 69.50 | 70.10 | 67.01 | 63.33 | 61.43 | 62.20 |
| Personnel and information systems | 35.54 | 32.85 | 33.81 | 34.48 | 36.23 | 34.73 | 20.59 | 21.94 | 21.73 | 20.74 |
| Other support services | 29.96 | 29.01 | 28.78 | 29.80 | 26.56 | 32.22 | 37.48 | 40.48 | 30.80 | 30.03 |
| Nutrition services | 162.06 | 132.48 | 146.19 | 140.42 | 152.51 | 144.73 | 163.10 | 124.39 | 123.41 | 123.12 |
| Non K-12 programs | 545.39 | 555.45 | 578.75 | 384.30 | 413.19 | 387.10 | 317.07 | 355.12 | 354.40 | 352.26 |
| Capital projects | 48.50 | 46.01 | 44.00 | 41.00 | 39.00 | 37.68 | 44.13 | 41.25 | 41.75 | 41.75 |
| Total | 3,155.33 | 3,260.38 | 3,086.51 | 2,913.45 | 3,022.79 | 2,974.96 | 2,868.79 | 2,885.36 | 2,844.50 | 2,780.89 |
| Licensed (teachers) | 1,275.83 | 1,285.29 | 1,284.03 | 1,281.43 | 1,296.35 | 1,294.78 | 1,239.98 | 1,241.62 | 1,223.20 | 1,296.11 |
| Classified (support) | 1,879.50 | 1,975.09 | 1,802.48 | 1,632.02 | 1,726.44 | 1,678.18 | 1,628.81 | 1,643.74 | 1,621.30 | 1,469.27 |
| Total | 3,155.33 | 3,260.38 | 3,086.51 | 2,913.45 | 3,022.79 | 2,972.96 | 2,868.79 | 2,885.36 | 2,844.50 | 2,765.38 |

(1) After 1997 the District ended the privatization of the student transportation services.

SALT LAKE CITY SCHOOL DISTRICT

Expenses by Function - Statement of Activities Last Seven Fiscal Years June 30, 2001 through 2007

| Function | Year Ended June 30, | | | | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
| Instruction | \$ 128,090,287 61.99% | \$ 121,148,789 63.06% | \$ 123,020,933 65.16% | \$ 117,563,738 64.93% | \$ 114,395,404 65.56% | \$ 109,249,998 64.77% | \$ 106,568,406 64.48% |
| Support Services: | | | | | | | |
| Counseling and child accounting | 5,601,671 2.71% | 5,337,593 2.78% | 4,844,132 2.57% | 4,656,927 2.57% | 4,366,774 2.50% | 4,419,999 2.62% | 4,069,483 2.46% |
| Media services and educational supervision | 16,309,593 7.89% | 15,056,515 7.84% | 14,660,073 7.76% | 14,019,717 7.74% | 13,628,478 7.81% | 13,778,360 8.17% | 12,444,304 7.53% |
| General district administration | 1,150,893 0.56% | 958,648 0.50% | 935,694 0.50% | 848,490 0.47% | 957,423 0.55% | 891,033 0.53% | 654,881 0.40% |
| General school administration | 8,936,635 4.33% | 8,386,292 4.36% | 8,020,289 4.25% | 7,645,986 4.22% | 7,404,602 4.24% | 7,361,356 4.36% | 7,000,916 4.24% |
| Business services | 1,602,291 0.78% | 1,684,127 0.88% | 1,601,310 0.85% | 1,623,693 0.90% | 979,215 0.56% | 993,335 0.59% | 968,095 0.59% |
| Operation and maintenance of buildings | 16,696,371 8.08% | 15,378,444 8.00% | 14,459,399 7.66% | 14,265,928 7.88% | 14,468,785 8.29% | 14,378,299 8.52% | 17,536,422 10.61% |
| Student transportation | 4,968,145 2.40% | 4,248,877 2.21% | 3,900,984 2.07% | 3,746,698 2.07% | 3,380,522 1.94% | 3,114,530 1.85% | 2,834,561 1.72% |
| Personnel and information systems | 2,593,296 1.26% | 2,402,878 1.25% | 2,411,287 1.28% | 2,175,413 1.20% | 2,530,623 1.45% | 2,191,723 1.30% | 1,536,673 0.93% |
| Community services | 414,688 0.20% | 493,430 0.26% | 510,772 0.27% | 471,650 0.26% | - 0.00% | - 0.00% | - 0.00% |
| Child nutrition services | 12,655,235 6.13% | 10,470,586 5.45% | 9,883,076 5.23% | 9,088,718 5.02% | 8,786,219 5.04% | 9,153,738 5.43% | 8,816,420 5.33% |
| Interest on long- term liabilities | 7,595,731 3.68% | 6,564,799 3.42% | 4,558,460 2.41% | 4,957,405 2.74% | 3,604,164 2.07% | 3,136,378 1.86% | 2,837,574 1.72% |
| Total | \$ 206,614,836 | \$ 192,130,978 | \$ 188,806,409 | \$ 181,064,363 | \$ 174,502,209 | \$ 168,668,749 | \$ 165,267,735 |
| Average Daily Membership | 23,548 | 23,283 | 23,310 | 23,623 | 24,190 | 24,443 | 24,696 |
| Average Expenses Per Pupil | \$ 8,774 | \$ 8,252 | \$ 8,100 | \$ 7,665 | \$ 7,214 | \$ 6,900 | \$ 6,692 |

Note: The totals on percentages may not equal an even 100.00% due to rounding.

SALT LAKE CITY SCHOOL DISTRICT

Expenses by Function Per Pupil - Statement of Activities Last Seven Fiscal Years June 30, 2001 through 2007

| Function | Year Ended June 30, | | | | | | |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
| Instruction | \$ 5,439 61.99% | \$ 5,204 63.06% | \$ 5,278 65.16% | \$ 4,976 64.93% | \$ 4,729 65.56% | \$ 4,470 64.77% | \$ 4,315 64.48% |
| Support Services: | | | | | | | |
| Counseling and child accounting | 238 2.71% | 229 2.78% | 208 2.57% | 197 2.57% | 181 2.50% | 181 2.62% | 165 2.46% |
| Media services and educational supervision | 693 7.89% | 647 7.84% | 629 7.76% | 593 7.74% | 563 7.81% | 564 8.17% | 504 7.53% |
| General district administration | 49 0.56% | 41 0.50% | 40 0.50% | 36 0.47% | 40 0.55% | 36 0.53% | 27 0.40% |
| General school administration | 380 4.33% | 360 4.36% | 344 4.25% | 324 4.22% | 306 4.24% | 301 4.36% | 283 4.24% |
| Business services | 68 0.78% | 72 0.88% | 69 0.85% | 69 0.90% | 40 0.56% | 41 0.59% | 39 0.59% |
| Operation and maintenance of buildings | 708 8.08% | 661 8.00% | 620 7.66% | 604 7.88% | 598 8.29% | 588 8.52% | 710 10.61% |
| Student transportation | 211 2.40% | 182 2.21% | 167 2.07% | 159 2.07% | 140 1.94% | 127 1.85% | 115 1.72% |
| Personnel and information systems | 110 1.26% | 103 1.25% | 103 1.28% | 92 1.20% | 105 1.45% | 90 1.30% | 62 0.93% |
| Community services | 18 0.20% | 21 0.26% | 22 0.27% | 20 0.26% | - 0.00% | - 0.00% | - 0.00% |
| Child nutrition services | 537 6.13% | 450 5.45% | 424 5.23% | 385 5.02% | 363 5.04% | 374 5.43% | 357 5.33% |
| Interest on long- term liabilities | 323 3.68% | 282 3.42% | 196 2.41% | 210 2.74% | 149 2.07% | 128 1.86% | 115 1.72% |
| Total | <u>\$ 8,774</u> | <u>\$ 8,252</u> | <u>\$ 8,100</u> | <u>\$ 7,665</u> | <u>\$ 7,214</u> | <u>\$ 6,900</u> | <u>\$ 6,692</u> |
| Average Daily Membership | 23,548 | 23,283 | 23,310 | 23,623 | 24,190 | 24,443 | 24,696 |

Note: The totals on percentages may not equal an even 100.00% due to rounding.

SALT LAKE CITY SCHOOL DISTRICT

Expenditures by Function - General Fund

Last Ten Fiscal Years

June 30, 1998 through 2007

| Function | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|---|--------------------------|-------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Instruction | \$ 105,426,290 67.16% | \$ 99,571,980 67.94% | \$ 100,174,972 68.93% | \$ 92,038,844 68.12% | \$ 91,918,024 68.90% | \$ 92,892,867 69.34% | \$ 90,555,714 67.70% | \$ 87,969,253 70.06% | \$ 85,166,159 71.18% | \$ 79,407,107 71.17% |
| Support Services: | | | | | | | | | | |
| Counseling and child accounting | 5,418,920 3.45% | 5,165,921 3.52% | 4,687,110 3.23% | 4,539,965 3.36% | 4,296,342 3.22% | 4,354,558 3.25% | 4,017,858 3.00% | 3,904,451 3.11% | 3,796,921 3.17% | 3,433,728 3.08% |
| Media services and educational supervision | 13,020,723 8.29% | 11,683,625 7.97% | 11,655,995 8.02% | 10,660,170 7.89% | 9,723,036 7.29% | 9,681,025 7.23% | 8,821,689 6.60% | 8,348,550 6.65% | 7,953,289 6.65% | 7,679,016 6.88% |
| General district administration | 612,564 0.39% | 358,179 0.24% | 360,833 0.25% | 339,133 0.25% | 819,258 0.61% | 754,306 0.56% | 592,215 0.44% | 516,363 0.41% | 731,826 0.61% | 583,374 0.52% |
| General school administration | 8,659,956 5.52% | 8,116,323 5.54% | 7,780,109 5.35% | 7,408,795 5.48% | 7,193,298 5.39% | 7,165,052 5.35% | 8,355,549 6.25% | 6,395,112 5.09% | 6,135,624 5.13% | 5,786,472 5.19% |
| Central services | 4,110,610 2.62% | 4,003,994 2.73% | 3,928,749 2.70% | 3,711,379 2.75% | 3,509,838 2.63% | 3,185,058 2.38% | 2,476,494 1.85% | 2,515,130 2.00% | 2,312,187 1.93% | 2,230,116 2.00% |
| Operation and maintenance of buildings | 15,608,036 9.94% | 13,816,735 9.43% | 13,209,340 9.09% | 12,992,156 9.62% | 13,023,744 9.76% | 13,184,271 9.84% | 16,398,795 12.26% | 13,167,716 10.49% | 11,312,831 9.46% | 10,395,487 9.32% |
| Student transportation | 4,057,943 2.59% | 3,780,775 2.58% | 3,463,364 2.38% | 3,366,309 2.49% | 2,929,302 2.20% | 2,745,967 2.05% | 2,539,994 1.90% | 2,745,687 2.19% | 2,238,117 1.87% | 2,063,537 1.85% |
| Other | 61,473 0.04% | 60,386 0.04% | 60,786 0.04% | 64,697 0.05% | - 0.00% | - 0.00% | - 0.00% | - 0.00% | - 0.00% | - 0.00% |
| Total | \$ 156,976,515 | \$ 146,557,918 | \$ 145,321,258 | \$ 135,121,448 | \$ 133,412,842 | \$ 133,963,104 | \$ 133,758,308 | \$ 125,562,262 | \$ 119,646,954 | \$ 111,578,837 |
| Average Daily Membership | 23,548 | 23,283 | 23,310 | 23,623 | 24,190 | 24,443 | 24,696 | 24,944 | 25,083 | 25,454 |
| Average Expenditures Per Pupil | \$ 6,666 | \$ 6,295 | \$ 6,234 | \$ 5,720 | \$ 5,515 | \$ 5,481 | \$ 5,416 | \$ 5,034 | \$ 4,770 | \$ 4,384 |

Note: The totals on percentages may not equal an even 100.00% due to rounding.

SALT LAKE CITY SCHOOL DISTRICT

Expenditures by Function Per Pupil - General Fund

Last Ten Fiscal Years

June 30, 1998 through 2007

| Function | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Instruction | \$ 4,476 67.16% | \$ 4,278 67.94% | \$ 4,297 68.93% | \$ 3,896 68.12% | \$ 3,800 68.90% | \$ 3,801 69.34% | \$ 3,667 67.70% | \$ 3,526 70.06% | \$ 3,396 71.18% | \$ 3,120 71.17% |
| Support Services: | | | | | | | | | | |
| Counseling and child accounting | 230 3.45% | 222 3.52% | 201 3.23% | 192 3.36% | 178 3.22% | 178 3.25% | 163 3.00% | 157 3.11% | 151 3.17% | 135 3.08% |
| Media services and educational supervision | 553 8.29% | 502 7.97% | 500 8.02% | 451 7.89% | 402 7.29% | 396 7.23% | 357 6.60% | 335 6.65% | 317 6.65% | 302 6.88% |
| General district administration | 26 0.39% | 15 0.24% | 15 0.25% | 14 0.25% | 34 0.61% | 31 0.56% | 24 0.44% | 21 0.41% | 29 0.61% | 23 0.52% |
| General school administration | 368 5.52% | 349 5.54% | 334 5.35% | 314 5.48% | 297 5.39% | 293 5.35% | 338 6.25% | 256 5.09% | 245 5.13% | 227 5.19% |
| Business services | 175 2.62% | 172 2.73% | 169 2.70% | 157 2.75% | 145 2.63% | 130 2.38% | 100 1.85% | 101 2.00% | 92 1.93% | 88 2.00% |
| Operation and maintenance of buildings | 663 9.94% | 593 9.43% | 567 9.09% | 550 9.62% | 538 9.76% | 539 9.84% | 664 12.26% | 528 10.49% | 451 9.46% | 408 9.32% |
| Student transportation | 172 2.59% | 162 2.58% | 149 2.38% | 143 2.49% | 121 2.20% | 112 2.05% | 103 1.90% | 110 2.19% | 89 1.87% | 81 1.85% |
| Personnel and information systems | 3 0.04% | 3 0.04% | 3 0.04% | 3 0.05% | 0 0.00% | 0 0.00% | 0 0.00% | 0 0.00% | 0 0.00% | 0 0.00% |
| Total | \$ 6,666 | \$ 6,296 | \$ 6,235 | \$ 5,720 | \$ 5,515 | \$ 5,480 | \$ 5,416 | \$ 5,034 | \$ 4,770 | \$ 4,384 |
| Average Daily Membership | 23,548 | 23,283 | 23,310 | 23,623 | 24,190 | 24,443 | 24,696 | 24,944 | 25,083 | 25,454 |

Note: The totals on percentages may not equal an even 100.00% due to rounding.

SALT LAKE CITY SCHOOL DISTRICT

**Child Nutrition - Facts and Figures
Last Ten Fiscal Years
June 30, 1998 through 2007**

| | Year Ended June 30, | | | | | | | | | |
|--|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
| Number of schools participating in lunch program | 46 | 45 | 45 | 45 | 46 | 43 | 43 | 43 | 42 | 42 |
| Student Lunches Served: | | | | | | | | | | |
| Free | 1,633,491 | 1,666,818 | 1,683,795 | 1,603,149 | 1,552,912 | 1,470,253 | 1,431,823 | 1,380,589 | 1,327,057 | 1,271,933 |
| Reduced price | 366,829 | 294,537 | 300,695 | 304,772 | 326,966 | 349,300 | 340,978 | 327,799 | 328,783 | 317,024 |
| Fully paid | <u>616,240</u> | <u>578,592</u> | <u>549,758</u> | <u>566,669</u> | <u>590,786</u> | <u>632,737</u> | <u>685,232</u> | <u>709,160</u> | <u>692,782</u> | <u>685,288</u> |
| Total | <u>2,616,560</u> | <u>2,539,947</u> | <u>2,534,248</u> | <u>2,474,590</u> | <u>2,470,664</u> | <u>2,452,290</u> | <u>2,458,033</u> | <u>2,417,548</u> | <u>2,348,622</u> | <u>2,274,245</u> |
| Adult Lunches Served: | 53,859 | 56,286 | 53,800 | 58,430 | 59,692 | 60,924 | 68,760 | 68,384 | 74,795 | 72,411 |
| Number of schools participating in breakfast program | 42 | 39 | 39 | 38 | 39 | 38 | 38 | 41 | 40 | 37 |
| Student Breakfasts Served: | | | | | | | | | | |
| Free | 719,887 | 753,079 | 763,293 | 746,675 | 725,439 | 643,524 | 611,285 | 541,693 | 496,764 | 496,311 |
| Reduced price | 140,935 | 112,900 | 114,772 | 115,779 | 126,271 | 131,587 | 118,197 | 101,860 | 97,508 | 96,347 |
| Fully paid | <u>77,366</u> | <u>75,251</u> | <u>69,495</u> | <u>68,972</u> | <u>64,598</u> | <u>64,240</u> | <u>70,507</u> | <u>55,899</u> | <u>49,058</u> | <u>54,032</u> |
| Total | <u>938,188</u> | <u>941,230</u> | <u>947,560</u> | <u>931,426</u> | <u>916,308</u> | <u>839,351</u> | <u>799,989</u> | <u>699,452</u> | <u>643,330</u> | <u>646,690</u> |
| Number of serving days | 190 | 177 | 178 | 177 | 178 | 178 | 178 | 178 | 178 | 178 |
| Average Daily Participation: | | | | | | | | | | |
| Student lunch | 13,771 | 14,350 | 14,237 | 13,981 | 13,880 | 13,777 | 13,809 | 13,582 | 13,195 | 12,777 |
| Adult lunch | 283 | 318 | 302 | 330 | 335 | 342 | 386 | 384 | 420 | 407 |
| Student breakfast | 4,938 | 5,318 | 5,323 | 5,262 | 5,148 | 4,715 | 4,494 | 3,930 | 3,614 | 3,633 |
| Average daily membership | 23,548 | 23,283 | 23,310 | 23,623 | 24,190 | 24,443 | 24,696 | 24,944 | 25,083 | 25,454 |
| Student lunches served as a percentage of ADM | 58.48% | 61.63% | 61.08% | 59.18% | 57.38% | 56.36% | 55.92% | 54.45% | 52.61% | 50.20% |
| Number of students on: | | | | | | | | | | |
| Free lunch | 13,676 | 13,690 | 13,708 | 13,344 | 13,331 | 12,225 | 11,076 | 11,424 | 12,055 | 10,765 |
| Reduced lunch | 2,888 | 2,334 | 2,349 | 2,484 | 2,648 | 2,776 | 2,650 | 2,521 | 2,689 | 2,476 |
| Percentage of students on: | | | | | | | | | | |
| Free lunch | 58.08% | 58.80% | 58.81% | 56.49% | 55.11% | 50.01% | 44.85% | 45.80% | 48.06% | 42.29% |
| Reduced lunch | 12.26% | 10.02% | 10.08% | 10.52% | 10.95% | 11.36% | 10.73% | 10.11% | 10.72% | 9.73% |

Note: In addition to the District's schools, there are several private schools that participate in the lunch program.

SALT LAKE CITY SCHOOL DISTRICT

Student Enrollment Statistics Last Ten Fiscal Years June 30, 1998 through 2007

| Fiscal Year | Average Daily Membership | Average Daily Attendance | Attendance Percentage | Official State October 1 Audited Enrollment Count |
|-------------|--------------------------|--------------------------|-----------------------|---|
| 1997-98 | 25,454 | 23,952 | 94.10% | 25,614 |
| 1998-99 | 25,083 | 23,831 | 95.01% | 25,207 |
| 1999-00 | 24,944 | 23,627 | 94.72% | 24,960 |
| 2000-01 | 24,696 | 23,549 | 95.35% | 24,823 |
| 2001-02 | 24,443 | 23,211 | 94.96% | 24,648 |
| 2002-03 | 24,190 | 23,849 | 98.59% | 24,382 |
| 2003-04 | 23,623 | 22,345 | 94.59% | 23,966 |
| 2004-05 | 23,310 | 22,273 | 95.55% | 23,579 |
| 2005-06 | 23,283 | 21,730 | 93.33% | 23,700 |
| 2006-07 | 23,548 | 22,392 | 95.09% | 23,933 |

SALT LAKE CITY SCHOOL DISTRICT

History of High School Graduates

Last Ten School Years

School Years 1997-98 through 2006-07

| School Year | East | Highland | West | Horizonte | Total |
|----------------|------|----------|------|-----------|-------|
| 1997-98 | 308 | 420 | 297 | 142 | 1,167 |
| 1998-99 | 370 | 384 | 464 | 131 | 1,349 |
| 1999-00 | 381 | 450 | 394 | 121 | 1,346 |
| 2000-01 | 390 | 401 | 366 | 148 | 1,305 |
| 2001-02 | 326 | 368 | 383 | 125 | 1,202 |
| 2002-03 | 359 | 365 | 348 | 175 | 1,247 |
| 2003-04 | 331 | 346 | 380 | 119 | 1,176 |
| 2004-05 | 403 | 392 | 378 | 115 | 1,288 |
| 2005-06 | 291 | 298 | 381 | 45 | 1,015 |
| 2006-07 | 320 | 293 | 337 | 86 | 1,036 |

SALT LAKE CITY SCHOOL DISTRICT

Number of Students Per Instructional Staff Last Ten School Years School Years 1997-98 through 2006-07

| Fiscal Year | Average Daily Membership | Teachers and Instructional Staff | Average Ratio of Students to Teachers and Instructional Staff |
|-------------|--------------------------|----------------------------------|---|
| 1997-98 | 25,454 | 1,385 | 18.38 |
| 1998-99 | 25,083 | 1,386 | 18.10 |
| 1999-00 | 24,944 | 1,407 | 17.73 |
| 2000-01 | 24,696 | 1,388 | 17.79 |
| 2001-02 | 24,443 | 1,395 | 17.52 |
| 2002-03 | 24,190 | 1,377 | 17.57 |
| 2003-04 | 23,623 | 1,354 | 17.45 |
| 2004-05 | 23,310 | 1,344 | 17.34 |
| 2005-06 | 23,283 | 1,364 | 17.07 |
| 2006-07 | 23,548 | 1,385 | 17.00 |

SALT LAKE CITY SCHOOL DISTRICT

Teacher Compensation Data Last Ten Fiscal Years June 30, 1998 through 2007

| Fiscal Year Ending June 30, | Bachelor Degree 1st Year Teacher Wage | Doctorate Degree 25th Year Teacher Wage | District Average* Teacher Wage | District Average* Teacher Benefits | Total District Average* Teacher Compensation | State Average* Teacher Compensation |
|-----------------------------|---------------------------------------|---|--------------------------------|------------------------------------|--|-------------------------------------|
| 1998 | \$ 24,110 | \$ 47,067 | \$ 37,265 | \$ 13,100 | \$ 50,365 | \$ 44,789 |
| 1999 | 24,833 | 48,479 | 39,496 | 13,623 | 53,119 | 47,127 |
| 2000 | 25,826 | 50,419 | 40,182 | 14,054 | 54,236 | 48,331 |
| 2001 | 26,665 | 52,057 | 41,722 | 14,471 | 56,193 | 51,495 |
| 2002 | 27,998 | 54,660 | 45,305 | 14,156 | 59,461 | 52,792 |
| 2003 | 29,538 | 57,667 | 45,774 | 15,310 | 61,084 | 53,268 |
| 2004 | 29,950 | 58,473 | 47,592 | 16,293 | 63,885 | 53,396 |
| 2005 | 30,396 | 59,343 | 48,416 | 20,574 | 68,990 | 57,001 |
| 2006 | 31,308 | 61,123 | 48,246 | 19,554 | 67,800 | 59,182 |
| 2007 | 32,873 | 62,371 | 48,516 | 19,950 | 68,466 | na |

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

na - This information was not available when this book was published.

SALT LAKE SCHOOL DISTRICT

**Capital Asset Information
Last Ten Fiscal Years
June 30, 1998 through 2007**

| | Fiscal Year Ended June 30, | | | | | | | | | |
|------------------------|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
| Buildings: | | | | | | | | | | |
| Elementary Schools | | | | | | | | | | |
| Number | 28 | 27 | 27 | 27 | 27 | 28 | 28 | 28 | 27 | 27 |
| Square feet | 1,982,210 | 2,043,618 | 1,997,571 | 1,970,439 | 1,928,507 | 1,909,587 | 1,854,804 | 1,794,663 | 1,722,355 | 1,722,355 |
| Capacity | 15,700 | 15,200 | 15,200 | 15,200 | 15,200 | 15,550 | 15,550 | 15,550 | 14,900 | 14,900 |
| Enrollment | 13,517 | 13,450 | 13,259 | 13,518 | 13,698 | 13,795 | 13,775 | 13,917 | 14,050 | 14,195 |
| Percent of Capacity | 86.10% | 88.49% | 87.23% | 88.93% | 90.12% | 88.71% | 88.59% | 89.50% | 94.30% | 95.27% |
| Average Age | 14.29 | 14.93 | 17.89 | 20.78 | 21.67 | 27.70 | 35.07 | 37.22 | 36.19 | 34.19 |
| Middle Schools | | | | | | | | | | |
| Number | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Square feet | 616,168 | 579,988 | 542,430 | 542,430 | 542,430 | 542,430 | 542,430 | 542,430 | 542,430 | 542 |
| Capacity | 3,850 | 3,850 | 3,850 | 3,850 | 3,850 | 3,850 | 3,850 | 3,850 | 3,850 | 3,850 |
| Enrollment | 3,075 | 2,893 | 2,904 | 3,004 | 3,104 | 3,189 | 3,160 | 3,188 | 3,217 | 3,355 |
| Percent of Capacity | 79.87% | 75.14% | 75.43% | 78.03% | 80.62% | 82.83% | 82.08% | 82.81% | 83.56% | 87.14% |
| Average Age | 26.60 | 36.20 | 44.80 | 43.80 | 42.80 | 41.80 | 40.80 | 39.80 | 38.80 | 36.80 |
| High Schools | | | | | | | | | | |
| Number | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Square feet | 1,403,621 | 1,276,650 | 1,276,650 | 1,276,650 | 1,276,650 | 1,276,650 | 1,276,650 | 1,276,650 | 1,276,650 | 1,276,650 |
| Capacity | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |
| Enrollment | 5,921 | 6,409 | 6,315 | 6,393 | 6,587 | 6,679 | 6,906 | 6,783 | 6,878 | 6,998 |
| Percent of Capacity | 78.95% | 85.45% | 84.20% | 85.24% | 87.83% | 89.05% | 92.08% | 90.44% | 91.71% | 93.31% |
| Average Age | 39.50 | 38.50 | 37.50 | 36.50 | 35.50 | 34.50 | 33.50 | 32.50 | 31.50 | 30.50 |
| Other Buildings | | | | | | | | | | |
| Number | 9 | 10 | 9 | 8 | 8 | 5 | 5 | 5 | 5 | 5 |
| Square feet | 372,191 | 412,591 | 389,581 | 340,221 | 340,221 | 256,896 | 204,584 | 204,584 | 204,584 | 204,584 |
| Average Age | 36.11 | 40.00 | 39.00 | 38.10 | 37.30 | 27.40 | 26.90 | 26.40 | 25.90 | 25.40 |
| Total Buildings | | | | | | | | | | |
| Number * | 46 | 46 | 45 | 44 | 44 | 42 | 42 | 42 | 41 | 41 |
| Square feet | 4,374,190 | 4,312,847 | 4,206,232 | 4,129,740 | 4,087,808 | 3,985,563 | 3,878,468 | 3,818,327 | 3,746,019 | 3,204,131 |
| Capacity | 27,050 | 26,550 | 26,550 | 26,550 | 26,550 | 26,900 | 26,900 | 26,900 | 26,250 | 26,250 |
| Enrollment | 22,513 | 22,752 | 22,478 | 22,915 | 23,389 | 23,663 | 23,841 | 23,888 | 24,145 | 24,548 |
| Percent of Capacity | 83.23% | 85.69% | 84.66% | 86.31% | 88.09% | 87.97% | 88.63% | 88.80% | 91.98% | 93.52% |
| Average Age | 22.09 | 24.74 | 27.71 | 29.70 | 29.86 | 26.48 | 37.00 | 38.05 | 37.95 | 25.12 |
| Number of Portables ** | 20 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Acres of Land | 406.23 | 406.23 | 403.19 | 400.16 | 400.16 | 384.09 | 384.09 | 384.09 | 371.61 | 371.61 |
| Number of Vehicles | 267 | 303 | 291 | 248 | 252 | 292 | 309 | 276 | 263 | 259 |

* The number of schools may not match the number of operating schools due to schools just constructed not yet opened, schools closed but still being maintained, or timing of demolition and construction of replacement schools. Each school may have a couple of buildings associated with it; however, however, for purposes of this schedule, each school campus is considered one building.

** Portables are not included in a school's capacity or square footage calculations.

SALT LAKE CITY SCHOOL DISTRICT

**Statements of Net Assets
Governmental Activities
June 30, 2001 through 2007**

| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Assets: | | | | | | | |
| Cash and investments | \$ 96,465,191 | \$ 90,129,265 | \$ 87,333,972 | \$ 83,890,232 | \$ 107,473,832 | \$ 65,020,609 | \$ 68,238,189 |
| Accounts receivable: | | | | | | | |
| Property taxes | 99,200,222 | 97,012,010 | 88,348,645 | 88,623,525 | 83,703,902 | 83,310,132 | 66,976,550 |
| Other local | 1,032,829 | 786,909 | 907,776 | 1,076,434 | 588,129 | 607,011 | 930,155 |
| State of Utah | 708,164 | 756,688 | 477,558 | 461,973 | 557,456 | 5,184,005 | 356,768 |
| Federal government | 9,072,418 | 8,959,931 | 8,043,703 | 7,043,975 | 3,610,023 | 7,356,435 | 2,872,448 |
| Due from component unit | 36,860 | 313,079 | 313,079 | 261,024 | 150,112 | 99,119 | - |
| Inventories | 1,179,465 | 1,153,045 | 1,032,792 | 888,687 | 791,421 | 710,250 | 1,125,923 |
| Prepaid expenses | 623,927 | 443,237 | 310,237 | 280,723 | 292,385 | 971,347 | 820,597 |
| Bond issuance costs, net of accumulated depreciation | 775,668 | 843,712 | 780,508 | 662,974 | 705,231 | 289,979 | - |
| Capital assets: | | | | | | | |
| Sites and construction in progress | 33,801,386 | 61,745,338 | 70,294,119 | 61,348,824 | 42,635,256 | 47,489,952 | 78,663,862 |
| Other capital assets, net of accumulated depreciation | 287,284,375 | 251,950,418 | 217,695,334 | 200,046,335 | 194,648,348 | 177,554,904 | 114,835,408 |
| Total assets | <u>530,180,505</u> | <u>514,093,632</u> | <u>475,537,723</u> | <u>444,584,706</u> | <u>435,156,095</u> | <u>388,593,743</u> | <u>334,819,900</u> |
| Liabilities: | | | | | | | |
| Accounts payable | 6,417,130 | 7,729,934 | 7,275,997 | 8,436,855 | 5,929,545 | 7,712,470 | 9,046,886 |
| Accrued interest | 3,096,625 | 2,232,876 | 1,369,127 | 1,549,407 | 1,729,687 | 1,145,038 | 884,952 |
| Accrued salary and related benefits | 14,402,457 | 13,180,250 | 17,521,907 | 19,198,286 | 16,851,084 | 18,293,782 | 12,734,444 |
| Deferred revenue: | | | | | | | |
| Property taxes | 95,872,639 | 93,330,467 | 85,900,507 | 85,833,020 | 79,782,468 | 78,755,464 | 75,072,127 |
| Other local sources | 1,220,808 | 827,457 | 799,725 | 686,773 | 773,319 | 208,956 | 611,782 |
| State of Utah | 7,373,657 | 4,890,609 | 4,249,684 | 4,573,306 | 5,627,298 | 4,721,802 | 4,700,526 |
| Federal government | 9,756 | 3,849 | 856 | 3,849 | 6,524 | 8,036 | 194,074 |
| Noncurrent liabilities: | | | | | | | |
| Due within one year | 12,510,489 | 12,195,418 | 9,566,579 | 8,102,180 | 9,936,530 | 5,959,348 | 5,799,419 |
| Due in more than one year | 149,633,914 | 159,279,507 | 138,296,796 | 111,603,282 | 115,493,150 | 75,555,195 | 54,159,418 |
| Total liabilities | <u>290,537,475</u> | <u>293,670,367</u> | <u>264,981,178</u> | <u>239,986,958</u> | <u>236,129,605</u> | <u>192,360,091</u> | <u>163,203,628</u> |
| Net Assets: | | | | | | | |
| Invested in capital assets, net of related debt | 167,156,231 | 163,658,436 | 160,495,660 | 149,879,564 | 159,535,207 | 149,029,009 | 138,719,270 |
| Restricted for: | | | | | | | |
| Special programs | 2,588,366 | 1,846,416 | 1,481,871 | 974,069 | 929,333 | 1,293,849 | 303,708 |
| Child nutrition | 2,036,789 | 2,877,334 | 2,119,030 | 1,647,674 | 810,292 | 179,976 | - |
| Debt service | - | - | - | - | - | 586,164 | - |
| Capital projects | 40,011,110 | 27,307,980 | 20,828,545 | 24,339,503 | 9,444,111 | 14,491,434 | 9,688,858 |
| Unrestricted | 27,850,534 | 24,733,099 | 25,631,439 | 27,756,938 | 28,307,547 | 30,653,220 | 22,904,436 |
| Total net assets | <u>\$ 239,643,030</u> | <u>\$ 220,423,265</u> | <u>\$ 210,556,545</u> | <u>\$ 204,597,748</u> | <u>\$ 199,026,490</u> | <u>\$ 196,233,652</u> | <u>\$ 171,616,272</u> |

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

SALT LAKE CITY SCHOOL DISTRICT

**General Fund
Comparative Balance Sheets
June 30, 2001 through 2007**

| | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| Assets: | | | | | | | |
| Cash and investments | \$ 43,151,596 | \$ 34,269,478 | \$ 44,012,715 | \$ 44,326,829 | \$ 46,480,759 | \$ 39,270,714 | \$ 42,218,653 |
| Accounts receivable: | | | | | | | |
| Property taxes | 61,169,614 | 62,068,284 | 58,167,599 | 59,732,256 | 56,327,718 | 58,081,799 | 48,936,901 |
| Other local | 759,403 | 893,942 | 973,125 | 945,259 | 467,427 | 354,831 | 443,207 |
| State of Utah | 281,350 | 364,063 | 216,786 | 155,135 | 228,827 | 4,200,225 | 78,832 |
| Federal government | 5,768,939 | 7,258,689 | 6,043,612 | 5,200,018 | 2,768,623 | 4,195,234 | 1,922,911 |
| Due from other funds | - | - | - | - | - | 2,604,038 | 1,063,731 |
| Inventories | 264,430 | 354,574 | 424,179 | 348,748 | 317,658 | 281,325 | 329,999 |
| Prepaid expenditures | 269,766 | 272,598 | 224,979 | 249,750 | 283,494 | 867,417 | 504,031 |
| Total assets | \$ 111,665,098 | \$ 105,481,628 | \$ 110,062,995 | \$ 110,957,995 | \$ 106,874,506 | \$ 109,855,583 | \$ 95,498,265 |
| Liabilities and Fund Balances: | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 2,508,475 | \$ 2,568,540 | \$ 6,378,376 | \$ 1,629,548 | \$ 2,516,452 | \$ 1,808,061 | \$ 1,727,179 |
| Accrued salaries and related benefits | 14,402,457 | 13,180,250 | 17,521,907 | 19,198,286 | 16,851,084 | 18,293,782 | 12,734,444 |
| Deferred revenue: | | | | | | | |
| Property taxes | 61,740,301 | 62,425,284 | 58,453,558 | 59,983,245 | 56,706,641 | 58,361,484 | 49,780,505 |
| Other local | 30,879 | 4,318 | 25,859 | 19,860 | 73,123 | 17,997 | 136,918 |
| State of Utah | 7,373,657 | 4,890,609 | 4,199,568 | 4,545,105 | 5,463,415 | 4,620,583 | 4,632,385 |
| Federal government | 9,756 | 3,849 | 856 | 3,849 | 6,524 | 8,036 | 52,549 |
| Total liabilities | 86,065,525 | 83,072,850 | 86,580,124 | 85,379,893 | 81,617,239 | 83,109,943 | 69,063,980 |
| Fund balances: | | | | | | | |
| Reserved: | | | | | | | |
| Encumbrances | - | - | - | - | - | 292,880 | 173,629 |
| Inventories | 264,430 | 354,574 | 424,179 | 348,748 | 317,658 | 281,325 | 329,999 |
| Prepaid expenditures | 269,766 | 272,598 | 224,979 | 249,750 | 283,494 | 867,417 | 504,031 |
| Unreserved: | | | | | | | |
| Designated for: | | | | | | | |
| General contingencies | 7,000,000 | 7,000,000 | 7,000,000 | 6,500,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Programs | 1,494,415 | 493,935 | 382,879 | 98,047 | 25,101 | 62,617 | - |
| Schools | 3,459,737 | 3,083,312 | 2,966,566 | 2,625,988 | 2,208,674 | 1,708,414 | 2,215,375 |
| Undesignated | 13,111,225 | 11,204,359 | 12,484,268 | 15,755,569 | 17,422,340 | 18,532,987 | 18,211,251 |
| Total fund balances | 25,599,573 | 22,408,778 | 23,482,871 | 25,578,102 | 25,257,267 | 26,745,640 | 26,434,285 |
| Total liabilities and fund balances | \$ 111,665,098 | \$ 105,481,628 | \$ 110,062,995 | \$ 110,957,995 | \$ 106,874,506 | \$ 109,855,583 | \$ 95,498,265 |

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

SALT LAKE CITY SCHOOL DISTRICT

**General Fund
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances**

| | Proposed | Fiscal Year Ended June 30, | | | | | | |
|---|----------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Budget 2007-08 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
| Revenues: | | | | | | | | |
| Property taxes | \$ 59,544,525 | \$ 60,850,999 | \$ 53,369,481 | \$ 54,631,176 | \$ 51,586,978 | \$ 50,013,444 | \$ 51,459,447 | \$ 52,350,340 |
| Interest | 2,197,636 | 2,967,983 | 1,703,777 | 1,069,495 | 626,485 | 1,453,016 | 1,547,171 | 3,786,759 |
| Other local revenue | 1,067,317 | 4,433,188 | 3,688,867 | 3,120,073 | 3,067,047 | 2,897,284 | 2,258,528 | 2,017,725 |
| State of Utah | 90,071,392 | 76,552,865 | 71,676,182 | 69,922,001 | 67,970,207 | 67,713,689 | 70,089,622 | 65,549,967 |
| Federal government | 14,842,613 | 15,362,275 | 15,045,518 | 14,483,282 | 12,191,566 | 9,847,036 | 9,208,045 | 8,903,930 |
| Total Revenues | 167,723,483 | 160,167,310 | 145,483,825 | 143,226,027 | 135,442,283 | 131,924,469 | 134,562,813 | 132,608,721 |
| Expenditures: | | | | | | | | |
| Instruction | 120,965,185 | 105,426,290 | 99,571,980 | 100,174,972 | 92,038,844 | 91,918,024 | 92,892,867 | 90,665,743 |
| Support services: | | | | | | | | |
| Counseling and child accounting | 5,766,519 | 5,418,920 | 5,165,921 | 4,687,110 | 4,539,965 | 4,296,342 | 4,354,558 | 4,017,423 |
| Media services and educational supervision | 13,659,301 | 13,020,723 | 11,683,625 | 11,655,995 | 10,660,170 | 9,723,036 | 9,681,025 | 8,855,217 |
| General district administration | 514,184 | 612,564 | 358,179 | 360,833 | 339,133 | 819,258 | 754,306 | 592,215 |
| General school administration | 8,720,774 | 8,659,956 | 8,116,323 | 7,780,109 | 7,408,795 | 7,193,298 | 7,165,052 | 6,844,735 |
| Central services | 4,534,508 | 4,110,610 | 4,003,994 | 3,928,749 | 3,711,379 | 3,509,838 | 3,185,058 | 2,476,494 |
| Operation and maintenance of buildings | 15,451,755 | 15,608,036 | 13,816,735 | 13,209,340 | 12,992,156 | 13,023,744 | 13,184,271 | 16,400,577 |
| Student transportation | 4,478,080 | 4,057,943 | 3,780,775 | 3,463,364 | 3,366,309 | 2,929,302 | 2,745,967 | 2,572,722 |
| Other | - | 61,473 | 60,386 | 60,786 | 64,697 | - | - | - |
| Total Expenditures | 174,090,306 | 156,976,515 | 146,557,918 | 145,321,258 | 135,121,448 | 133,412,842 | 133,963,104 | 132,425,126 |
| Excess (deficiency) of revenues over (under) expenditures | (6,366,823) | 3,190,795 | (1,074,093) | (2,095,231) | 320,835 | (1,488,373) | 599,709 | 183,595 |
| Other financing sources: | | | | | | | | |
| Operating transfer out | - | - | - | - | - | - | 288,354 | 41,785 |
| Net change in fund balance | (6,366,823) | 3,190,795 | (1,074,093) | (2,095,231) | 320,835 | (1,488,373) | 311,355 | 141,810 |
| Fund balances - beginning | 25,599,573 | 22,408,778 | 23,482,871 | 25,578,102 | 25,257,267 | 26,745,640 | 26,434,285 | 26,292,475 |
| Fund balances - ending | \$ 19,232,750 | \$ 25,599,573 | \$ 22,408,778 | \$ 23,482,871 | \$ 25,578,102 | \$ 25,257,267 | \$ 26,745,640 | \$ 26,434,285 |

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

SALT LAKE CITY SCHOOL DISTRICT

Historical Summaries of Taxable Values of Property Last Ten Tax Years December 31, 1997 through 2006

| | 2006 | | 2005 | | 2004 | | 2003 | |
|--|-------------------|-----------|-------------------|-------------------|-------------------|---------------|---------------|---------------|
| | Taxable Value | % of T.V. | Taxable Value | Taxable Value | Taxable Value | Taxable Value | Taxable Value | Taxable Value |
| <i>Set by State Tax Commission- Centrally Assessed</i> | \$ 2,050,073,870 | 11.6 | \$ 1,888,464,689 | \$ 2,060,112,828 | \$ 1,934,054,794 | | | |
| <i>Set by County Assessor- Locally Assessed:</i> | | | | | | | | |
| Real Property: | | | | | | | | |
| Residential real estate-primary use | 6,640,872,862 | 37.7 | 5,694,210,289 | 5,275,500,947 | 5,055,390,082 | | | |
| Residential real estate-not primary use | 155,894,610 | 0.9 | 119,905,160 | 98,796,390 | 107,641,420 | | | |
| Commercial and industrial real estate | 6,488,770,260 | 36.8 | 5,543,060,010 | 5,487,885,450 | 5,397,884,680 | | | |
| Agricultural - FAA | 57,330 | 0.0 | 485,460 | 454,800 | 4,824,170 | | | |
| Unimproved non FAA | - | - | - | - | 46,740 | | | |
| Total Real Property | 13,285,595,062 | 75.4 | 11,357,660,919 | 10,862,637,587 | 10,565,787,092 | | | |
| Personal Property: | | | | | | | | |
| Fee in lieu property | 865,964,085 | 4.9 | 816,908,485 | 1,664,119,899 | 864,761,464 | | | |
| Mobile homes-primary residential use | 3,755,446 | 0.0 | 4,145,984 | 4,658,860 | 5,578,546 | | | |
| Mobile homes-other use | 1,874,153 | 0.0 | 2,204,036 | 2,749,493 | 3,032,274 | | | |
| Commercial and industrial property | 1,418,064,839 | 8.0 | 1,570,119,166 | 1,440,125,458 | 1,564,068,562 | | | |
| Total Personal Property | 2,289,658,523 | 13.0 | 2,393,377,671 | 3,111,653,710 | 2,437,440,846 | | | |
| Total Locally Assessed | 15,575,253,585 | 88.4 | 13,751,038,590 | 13,974,291,297 | 13,003,227,938 | | | |
| Total Taxable Property | \$ 17,625,327,455 | 100.0 | \$ 15,639,503,279 | \$ 16,034,404,125 | \$ 14,937,282,732 | | | |

Source: Property Tax Division, Utah State Tax Commission

| <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <u>Taxable Value</u> | <u>Taxable Value</u> | <u>Taxable Value</u> | <u>Taxable Value</u> | <u>Taxable Value</u> | <u>Taxable Value</u> |
| <u>\$ 2,118,713,906</u> | <u>\$ 2,335,868,812</u> | <u>\$ 2,007,174,139</u> | <u>\$ 1,871,420,356</u> | <u>\$ 1,125,119,511</u> | <u>\$ 1,252,754,113</u> |
| 5,032,529,629 | 4,805,158,368 | 4,693,552,102 | 4,551,424,130 | 4,445,444,836 | 4,217,332,127 |
| 97,037,270 | 92,425,240 | 90,591,940 | 92,904,780 | 102,428,270 | 102,007,320 |
| 5,409,017,340 | 5,247,292,940 | 5,062,008,700 | 4,644,765,400 | 4,409,130,150 | 4,092,707,970 |
| 3,814,540 | 3,585,710 | 1,556,480 | 1,540,700 | 1,387,310 | 1,353,480 |
| 76,770 | 76,270 | 55,000 | 129,830 | 111,490 | 130,510 |
| <u>10,542,475,549</u> | <u>10,148,538,528</u> | <u>9,847,764,222</u> | <u>9,290,764,840</u> | <u>8,958,502,056</u> | <u>8,413,531,407</u> |
| 1,059,932,794 | 1,102,999,770 | 518,851,505 | 154,920,800 | 1,048,227,768 | 956,324,849 |
| 5,513,431 | 5,660,951 | 5,567,338 | 5,448,978 | 5,268,618 | 4,139,438 |
| 2,429,626 | 2,460,172 | 2,753,116 | 2,954,413 | 2,818,966 | 3,470,597 |
| <u>1,615,857,011</u> | <u>1,644,134,676</u> | <u>1,653,019,395</u> | <u>1,644,208,719</u> | <u>1,571,723,424</u> | <u>1,382,901,856</u> |
| <u>2,683,732,862</u> | <u>2,755,255,569</u> | <u>2,180,191,354</u> | <u>1,807,532,910</u> | <u>2,628,038,776</u> | <u>2,346,836,740</u> |
| <u>13,226,208,411</u> | <u>12,903,794,097</u> | <u>12,027,955,576</u> | <u>11,098,297,750</u> | <u>11,586,540,832</u> | <u>10,760,368,147</u> |
| <u>\$ 15,344,922,317</u> | <u>\$ 15,239,662,909</u> | <u>\$ 14,035,129,715</u> | <u>\$ 12,969,718,106</u> | <u>\$ 12,711,660,343</u> | <u>\$ 12,013,122,260</u> |

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