

SALT LAKE CITY SCHOOL DISTRICT

440 EAST 100 SOUTH SALT LAKE CITY, UTAH 84111-1898

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2016

PREPARED BY THE OFFICE OF THE
BUSINESS ADMINISTRATOR

Janet M. Roberts, Business Administrator
Alan T. Kearsley, CPA, Director of Finance

SALT LAKE CITY SCHOOL DISTRICT

Table of Contents

Year Ended June 30, 2016

	Page
INTRODUCTORY SECTION:	
Letter of Transmittal	1
GFOA Certificate of Achievement for Excellence in Financial Reporting	6
ASBO Certificate of Excellence in Financial Reporting	7
Administrative Organizational Chart	8
Members of the Board of Education	9
FINANCIAL SECTION:	
Independent Auditor's Report	11
Management's Discussion and Analysis	14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	24
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet - Governmental Funds	26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	30
Statement of Fund Net Position - Proprietary Funds	
Governmental Activities - Internal Service Funds	31
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	
Governmental Activities - Internal Service Funds	32
Statement of Fund Cash Flows - Proprietary Funds	
Governmental Activities - Internal Service Funds	33
Notes to Basic Financial Statements	34
Required Supplementary Information:	
Schedules of the District's Proportionate Share of the Net Pension Liability (Asset)	58
Schedules of District Contributions - Utah Retirement Systems	59
Notes to Required Supplementary Information - Utah Retirement Systems	60

SALT LAKE CITY SCHOOL DISTRICT

Table of Contents

Year Ended June 30, 2016

Page

FINANCIAL SECTION (Continued):

Combining and Individual Fund Statements and Schedules:

Major Governmental Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>General Fund</i>	63
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>Debt Service Fund</i>	64
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>Capital Projects Fund</i>	65

Nonmajor Governmental Funds:

Combining Balance Sheet - Nonmajor Governmental Funds	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>Special Programs</i> - A Nonmajor Special Revenue Fund	69
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>Child Nutrition</i> - A Nonmajor Special Revenue Fund	70
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>Student Activities</i> - A Nonmajor Special Revenue Fund	71
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - <i>Tax Increment</i> - A Nonmajor Special Revenue Fund	72

Proprietary Funds (Internal Service Funds):

Combining Statement of Fund Net Position - Internal Service Funds	75
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds	76
Combining Statement of Fund Cash Flows - Internal Service Funds	77

STATISTICAL SECTION:

Net Position by Component	80
Fund Balances - Governmental Funds	81
Changes in Net Position	82
Changes in Fund Balances - Governmental Funds	84
Assessed Value and Estimated Actual Value of Taxable Property	86
Direct and Overlapping Property Tax Rates	87
Some of the Principal Property Tax Payers	88
Property Tax Levies and Collections	89

SALT LAKE CITY SCHOOL DISTRICT

Table of Contents

Year Ended June 30, 2016

	Page
STATISTICAL SECTION (Continued):	
Ratios of Outstanding Debt and General Bonded Debt	90
Direct and Overlapping Governmental Activities Debt	92
Legal Debt Margin Information	93
Debt Service Schedule of Outstanding General Obligation Bonds	94
Demographic and Economic Statistics	96
Principal Employers	97
Expenses by Function - Statement of Activities	98
Expenses by Function Per Pupil - Statement of Activities	100
Full-time Equivalents	101
Expenditures by Function - General Fund	102
Expenditures by Function Per Pupil - General Fund	103
Child Nutrition - Facts and Figures	104
Student Enrollment Statistics	105
History of High School Graduates	106
Number of Students per Instructional Staff	107
Teacher Compensation Data	108
Capital Asset Information	109
Historical Summaries of Taxable Values of Property	110
Statements of Net Position - Governmental Activities	112
General Fund - Comparative Balance Sheets	113
General Fund - Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances	114

November 22, 2016

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

The Comprehensive Annual Financial Report of the Salt Lake City School District for the fiscal year ended June 30, 2016 is submitted herewith.

State law requires that school districts publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States. This report is published to fulfill that requirement for the fiscal year ended June 30, 2016 and is comprehensive to include all governmental departments, public authorities or other governmental organizations for which the Salt Lake City School District is financially accountable.

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, 2016 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 unmodified opinion that the District's financial statements for the year ended June 30, 2016 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 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 compliance audit 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 24,211 students in kindergarten through twelfth grade living within the boundaries of Salt Lake City, which are part of a total population of approximately 192,000 citizens. In accomplishing this goal, the District operates 39 schools comprised of 5 high schools, 5 intermediate schools, 27 elementary schools and 2 charter schools. Additionally, the District operates several other educational programs. These include community schools, adult education opportunities, and many programs for at-risk and disabled students, along with programs for highly-motivated students. The average age of the District's 45 buildings is about 26 years.

Component Units

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

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.

Local Economy

The District receives almost one-half of general fund revenues from state sources. The majority of the state funds for education are derived from income taxes. As reported by the Utah Department of Workforce Services, the unemployment rate for Utah as of June 2016 was 4.0% as compared to a national rate of 4.9%. During the last year, the State added 48,500 jobs for a percentage change of 3.5%. The economy of Salt Lake City School District largely mimics that of the State of Utah as a whole. Utah was recently named the number one state for business in CNBC's 10th annual Top States ranking. As noted by Utah Governor Gary Herbert, "Through

responsible budget practices and responsive fiscal policy, Utah persevered through the economic recession and climbed to the top. Today our economy is well equipped to remain sustainable — it is more high-tech, global and diverse. The state has the third most diverse economy in the country, with strong representation in the technology, financial services, aerospace and life-sciences sectors, among others.

Much has happened in the past 10 years. Utah's gross domestic product has grown from \$106.3 billion to \$152.5 billion. Utah's economy stays strong by adhering to conservative fundamental principles: low and consistent tax rates, smaller and more efficient government, sensible regulation and empowering the private sector to create jobs. Each of these foundational practices hinges upon our ability to collaborate, and collaboration is where the Beehive State truly succeeds”.

Utah continues to see growth in tax revenues available for allocation to education. The Governor’s Office of Planning and Budget Utah Key Economic Performance Indicators report for September 2016 states: *“Continuing economic improvement led to growth in unrestricted General Fund and Education Fund revenue collections of 3.2% in FY16, \$11 million above the forecasted increase of 3.0%. The current forecast, which was completed before FY16 was final, and will be revised this fall, was for growth of 4.5% in FY17. After \$13.7 million of automatic deposits to various funds, approximately \$5 million in new one-time revenue will be available for appropriation in the 2017 General Session.”*

The District’s projected enrollment for the next year is anticipated to show an increase of 58 students, bringing enrollment to 23,942 students. Because the District’s student enrollment remains constant while statewide student enrollment is increasing, state funds have been shifting in recent years to cover growth. The 2016 legislature increased the value of the weighted pupil unit (WPU) \$92, or 3% for the 2017 fiscal year. The WPU is the State’s main funding vehicle for the regular school program.

The approved tax rate for the 2016 calendar year is 0.006180, down from 0.006497 for the 2015 year. This tax rate includes a shift from the Debt Service Levy to the Capital Local Levy and a decrease in the overall certified tax rate as a result of increased assessed valuations.

Long-term Financial Planning

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 obligation bonds. As of June 30, 2016, the District’s unused legal debt capacity is approximately \$1,103.8 million. Due to the maturing of debt, the Debt Service property tax levy was decreased for the 2016 calendar year. This decrease was offset by an increase to the Capital Local Levy. The shifting of tax levy from debt to capital will help the District meet its future capital needs without incurring additional debt.

Major Initiatives

During the 2015-16 fiscal year, the Board approved a new five-year Student Achievement Plan. This plan identifies several “Essentials”. Within these Essentials objectives, action steps, timelines and measures or outcomes are identified. Each Essential is driven by an over-arching goal. This plan contains the guiding values which determine where the District allocates financial resources in order to best meet the stated goals. These Essentials and the corresponding goals are as follows:

Assessment and Evaluation - Delivering traditional and computer-based assessments and leveraging state-of-the-art technology to provide immediate feedback. Results are provided to students, parents, teachers, and schools to support decision making for educational goal attainment.

Curriculum – The goals, the methods, and the materials used for teaching and learning. The purpose of the curriculum is to enable each student to be a successful learner, a confident individual, a responsible citizen and an effective contributor.

Instruction – The practices and classroom strategies teachers use to support students in meeting the standards identified for learning. Quality instruction integrates innovative and research-proven teaching strategies, learning technologies, and real world contexts to engage students in relevant, rigorous learning

Communication and Community Engagement – Communication among all stakeholders within the school district and throughout the community is clear, accurate, consistent, and uses a variety of methods to reach the appropriate audience. Good communication builds trust inside and outside the district and encourages businesses, community groups, local leaders, and other to support our educational vision and mission.

Early Childhood – Early childhood education provides a strong start in life for young children, birth to age 5, and their families, supporting optimal development in the early years and a foundation for success in school and throughout life. Early childhood education supports enriched learning experiences for all families and young children and establishes ongoing partnerships with parents.

Educational Equity and Advocacy – Raising the achievement of all students while narrowing the gaps between the highest and lowest performing students, and eliminating the racial predictability and disproportionality of which student groups occupy the highest and lowest achievement categories.

Family and School Collaboration – Families and schools engaged as partners in supporting and advocating for students. Maximizing on skills, strengths and interests, families are active participants in the school community and work collaboratively to promote social, emotional and academic growth.

Student Success – Providing opportunities for students to engage and connect to activities and school. Ensuring graduation credit is earned and career pathways explored. Student success is at the core of our work. Individual planning and building relationships with every student is critical. It is imperative for students to feel safe and supported.

During the 2015-16 fiscal year, the District began the reconstruction of Lincoln Elementary School. This project will continue throughout the 2016-17 fiscal year, and is slated for completion at the beginning of the 2017-18 school year. Upon completion, the new school will be named Liberty Elementary School. As a result of careful planning, the District is able to fund this project with cash reserves and not new debt.

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, 2015. The District has received certificates continuously for thirty-nine 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, 2015, 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 has received certificates continuously for thirty-seven years. The District believes that the 2016 annual report, which will be submitted to ASBO for an annual review, also conforms to these principles and standards.

Acknowledgement

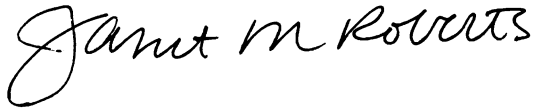
Many individuals helped in preparing this report, including members of the various business departments. We express our appreciation to Alan Kearsley, CPA, Director of Finance; Jason Mott, CPA, Senior Accountant; and Cynthia Done, CPA, Senior Accountant for the major effort in closing the year and making 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,

A handwritten signature in cursive script, reading "Alexa Cunningham".

Dr. Alexa Cunningham,
Superintendent of Schools

A handwritten signature in cursive script, reading "Janet M. Roberts".

Janet M. Roberts,
Business Administrator



Government Finance Officers Association

**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, 2015

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Salt Lake City School District

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

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



Brenda Burkett

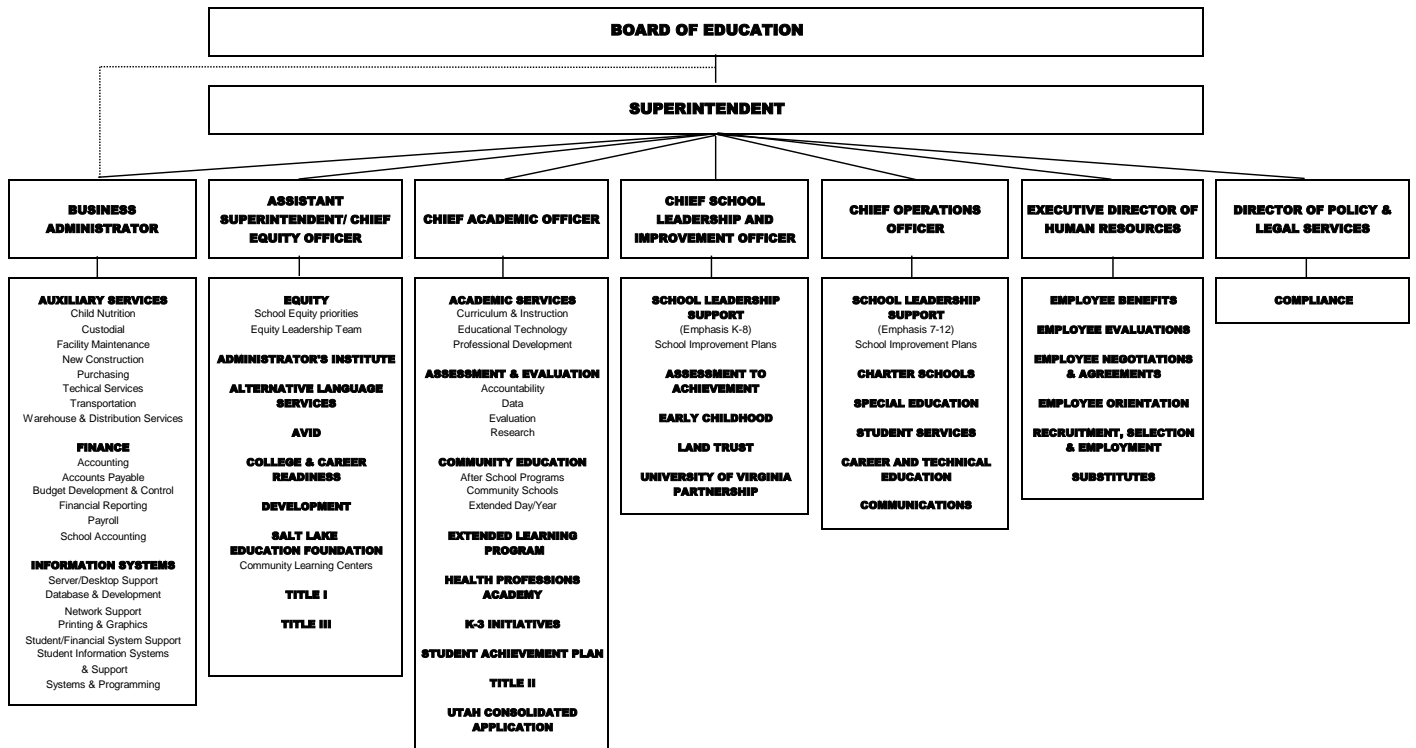
Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

Administrative Organizational Chart Salt Lake City School District

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.

Heather Bennett, President	Precinct Number Five
Tiffany Sandberg, Vice President.....	Precinct Number One
J. Michael Clára.....	Precinct Number Two
Katherine Kennedy	Precinct Number Three
Rosemary Emery	Precinct Number Four
Melissa Ford	Precinct Number Six
Kristi Swett.....	Precinct Number Seven
Omyya Min.....	Student Board Member

Dr. Alexa Cunningham.....	Superintendent of Schools
Janet M. Roberts.....	Business Administrator

This page is intentionally blank.



Independent Auditor's Report

Board of Education
Salt Lake City School District

Report on the Basic Financial Statements

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

Management's Responsibility for the Basic Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Salt Lake City School District as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund statements and schedules and the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Squire & Company, PC

Orem, Utah
November 22, 2016

Management's Discussion and Analysis

This section of Salt Lake School District's (the District) comprehensive annual financial report presents management's discussion and analysis of the District's financial performance during the year ended June 30, 2016. 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 and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$274.4 million at the close of the most recent fiscal year.
- During the year, expenses were \$17.8 million less than the \$276.7 million generated in taxes and other revenues for governmental activities. This was an increase from last year, when expenses were less than revenues by \$14.7 million.
- Student enrollment increased by 84 students to a total of 24,211 students for fiscal 2016. The value of the State's Weighted Pupil Unit (WPU) increased by \$120 or 4.0%. Total state aid decreased by \$5.1 million.
- Federal aid decreased by \$0.7 million mainly due to federal funding reductions and expiring programs.
- The District recognizes a liability for its proportionate share of unfunded obligations of defined benefit pension plans administered by the Utah Retirement Systems.

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

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

The government-wide financial statements include not only the District itself (known as the *primary government*), but also a legally separate education foundation for which the District is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself. The Municipal Building Authority, although also legally separate, functions for all practical purposes as a department of the District, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 24 and 25 of this report.

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

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

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

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the *general fund*, the *debt service fund*, and the *capital projects fund*, each of which are considered to be major funds. Data from the other four 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 26 to 30 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 31 to 33 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 34 to 56 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's proportionate share of the net pension liability (asset) and District contributions to the retirement plans administered by the Utah Retirement Systems. Required supplementary information can be found on pages 58 to 60 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information section of basic financial statements. Combining and individual fund statements and schedules can be found on pages 63 to 77 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$274.4 million at the close of the most recent fiscal year.

SALT LAKE SCHOOL DISTRICT'S Net Position

(in millions of dollars)

June 30, 2016 and 2015

	Governmental activities		Total change
	2016	2015	2016-15
Current and other assets	\$ 292.7	\$ 276.1	\$ 16.6
Capital assets	311.8	317.4	(5.6)
Total assets	604.5	593.5	11.0
Deferred outflows of resources	47.8	17.9	29.9
Current and other liabilities	28.1	30.4	(2.3)
Long-term liabilities outstanding	199.3	181.7	17.6
Total liabilities	227.4	212.1	15.3
Deferred inflows of resources	150.5	142.7	7.8
Net position:			
Net investment in capital assets	249.3	246.4	2.9
Restricted	51.5	45.4	6.1
Unrestricted	(26.4)	(35.2)	8.8
Total net position, as restated	\$ 274.4	\$ 256.6	\$ 17.8

- The largest portion of the District's net position (\$249.3 million or 90.9%) 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 position (\$51.5 million or 18.8%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.
- The remaining net position (a deficit of \$26.4 million) is unrestricted. This balance includes the District's proportionate share of the unfunded obligation of the defined benefit pension plans administered by the Utah Retirement Systems. This liability is recognized in accordance with accounting and reporting standards. The existence of an unrestricted net position deficit indicates the District's overall economic net position, but it does not necessarily reflect positively or negatively on the District's ability to meet its obligations as they come due.

The District's net position increased by \$17.8 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 Position

(in millions of dollars)

Years Ended June 30, 2016 and 2015

	<u>Governmental activities</u>		<u>Total change 2016-15</u>
	<u>2016</u>	<u>2015</u>	
Revenues:			
Program revenues:			
Charges for services	\$ 5.9	\$ 6.6	\$ (0.7)
Operating grants and contributions	64.5	64.7	(0.2)
General revenues:			
Property taxes	141.0	127.4	13.6
Federal and state aid not restricted to specific purposes	51.2	56.8	(5.6)
Earnings on investments	1.2	0.5	0.7
Miscellaneous	12.9	10.2	2.7
Total revenues	<u>276.7</u>	<u>266.2</u>	<u>10.5</u>
Expenses:			
Instruction	157.6	156.3	1.3
Supporting services:			
Students	6.2	5.9	0.3
Instructional staff	16.8	16.0	0.8
General district administration	1.1	1.1	-
General school administration	13.2	12.1	1.1
Central services	5.5	5.0	0.5
Operation and maintenance of school buildings	22.0	20.3	1.7
Student transportation	6.4	5.8	0.6
Child nutrition services	13.4	12.8	0.6
Community services	14.8	14.0	0.8
Interest on long-term liabilities	1.9	2.2	(0.3)
Total expenses	<u>258.9</u>	<u>251.5</u>	<u>7.4</u>
Change in net position	17.8	14.7	3.1
Net position - beginning	<u>256.6</u>	<u>241.9</u>	<u>14.7</u>
Net position - ending	<u><u>\$ 274.4</u></u>	<u><u>\$ 256.6</u></u>	<u><u>\$ 17.8</u></u>

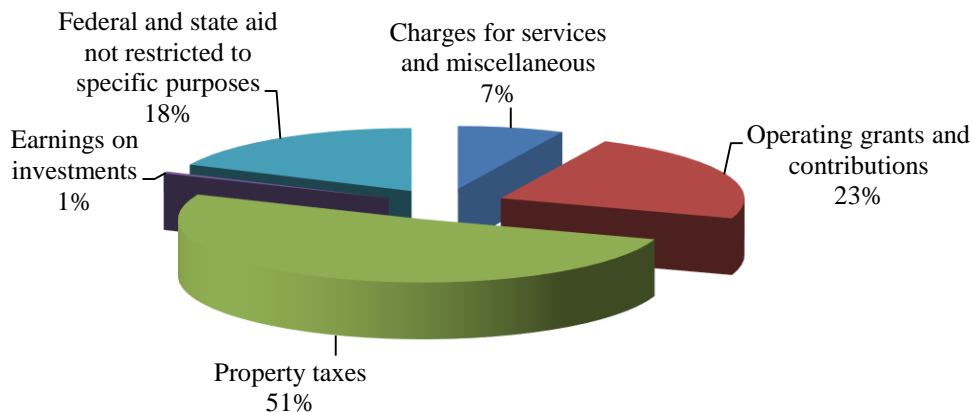
Governmental activities. The key elements of the increase in the District's net position for the year ended June 30, 2016 are as follows:

- Property taxes increased by \$13.6 million. This increase is a result of an increase to the state determined basic rate. The increase in the basic rate is offset by a decrease in state aid. In addition, the Board approved an increase to the board local levy. There was also growth in taxable property and incremental taxes increased by \$1.3 million. Incremental taxes are levied by the District and forwarded directly to a redevelopment agency and are not available to the District.
- Federal and state aid not restricted to specific purposes decreased by \$5.6 million. This decrease was predominantly a result of a decrease in state aid, which is based primarily on weighted pupil units (WPU) and other appropriations. The largest portion of state aid is derived from the Minimum School Program, which is allocated by WPU. This program takes into account property tax collections as part of the allocation method. The state guarantees that if local taxes generated by the required basic tax levy do not provide money

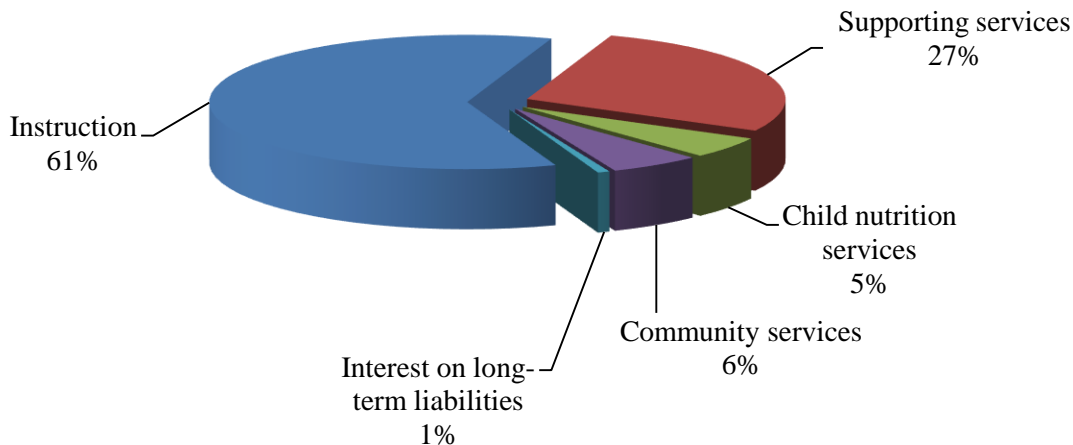
equal to the amount generated by the WPU, it will make up the difference with state funding. Conversely, as property taxes make up a larger portion of the WPU, less state aid is allocated to a district. Even with an increase to the WPU, the District was allocated less state aid during the fiscal year as a result of the increase in property tax revenue. If a student is in membership a full 180 days, the state awards the District one WPU. Certain students receive a weighting greater than one. The value of the WPU (\$3,092) increased by 4.0% over the prior year.

- Miscellaneous revenue increased by \$2.7 million largely due to an increase in the amount received by the District from the local redevelopment agency as part of an ongoing agreement.
- Expenditures remained relatively unchanged. Small increases in most categories are due to increases in salary and benefit costs.

**SALT LAKE CITY SCHOOL DISTRICT
Revenues by Source - Governmental Activities
Year Ended June 30, 2016**



**SALT LAKE CITY SCHOOL DISTRICT
Expenses by Function - Governmental Activities
Year Ended June 30, 2016**



Financial Analysis of the District's Funds

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

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Governmental funds report assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as fund balance. As the District completed the year, its governmental funds reported a combined fund balance of \$110.7 million, \$13.4 million more than the previous year. Fund balance is divided into five portions as follows:

- *nonspendable*, or not in spendable form, includes inventories and prepaid expenditures that are not expected to be converted to cash (\$1.0 million or 0.9%);
- *restricted* includes resources subject to external constraints due to state or federal laws, or externally imposed conditions by grantor or creditors including tax revenues levied for specific purposes (\$50.1 million or 45.2%);
- *committed* includes resources that by Board of Education resolution are limited in use for particular purposes (\$7.5 million or 6.8%);
- *assigned* includes resources that management designates for particular purposes (\$41.0 million or 37.0%);
- *unassigned* or all other available net fund resources (\$11.2 million or 10.1%).

The fund balance of the *general fund* increased by \$3.9 million or 8.7% for the year due to additional resources received which will be allocated to programs going forward, as well as additional resources set aside to cover future increases in employee benefits costs. The fund balance of the *capital projects fund* increased by \$6.1 million or 15.6%, due to the accumulation of resources to pay for future construction projects and other capital needs. The fund balance of the *debt service fund* decreased by \$0.3 million. Taxes levied for the *debt service fund* should reflect the resources needed to meet the current year's debt obligations. The decrease in the fund balance of the *debt service fund* reflects the adjustment of the tax levy to meet debt obligations. In addition, the following other changes in fund balances should be noted:

- Expenditures for general District purposes totaled \$192.5 million, an increase of 2.6% during the current fiscal year. This compares to a 4.6% increase in fiscal 2015. Instruction represents 67.0% of *general fund* expenditures.
- *General fund* salaries totaled \$115.7 million while the associated employee benefits of retirement, social security, and insurance (health and accident, industrial, and unemployment) added \$45.6 million to arrive at 83.8% of total *general fund* expenditures.

General Fund Budgetary Highlights

During the year, the Board revised the District's budget. Budget amendments were made to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$2.9 million or 1.5% in total general fund expenditures. The most significant budgetary adjustments may be summarized as follows:

- \$1.1 million or 8.5% increase in instructional staff – supporting services to reflect salary increases, higher benefit costs, the use of unanticipated prior year carryovers, and the award of new grants during the year.
- \$0.9 million or 0.7% increase in instruction due to salary increases and higher benefit costs.
- \$0.5 million or 3.0% increase in operations and maintenance of school buildings—supporting services due to increased salary and benefit costs, as well as an increased cost of supplies.

Even with these budget adjustments, actual expenditures were \$3.4 million less than final budgeted amounts. The most significant variances may be summarized as follows:

- \$3.6 million or 2.7% positive variance in instruction due to unspent discretionary allocations which are carried over to the next year.
- \$1.9 million or 10.3% negative variance in operation and maintenance of school buildings—supporting services due to increased facility and contracted services expenditures.
- \$0.6 million or 4.5% positive variance in instructional staff—supporting services due to unspent grants and discretionary allocations which are carried over to the next year.

Revenues were \$5.1 million more than the final budgeted amount. State revenue was \$1.8 million or 2.1% less than the final budgeted amount due to less Minimum School Program funds received as a result of applying the state allocation formula to the additional property tax received, as well as other state revenue which was carried over to the next year. Property tax revenue surpassed projections by \$7.1 million or 8.2% in part due to an increase in the state basic levy, growth in taxable property and high collection rates as well as increased collections in fee-in-lieu taxes. Other 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 recorded \$2.0 million in unearned federal and state revenue at June 30, 2016.

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 2016 construction was started on the following facilities: Lincoln Elementary, Highland High School stadium building and softball field, and the East High School softball field. The projects in progress have a projected cost of \$23.2 million. The total expended on these projects, including site acquisition, at June 30, 2016 is \$5.2 million, leaving a projected cost to complete all projects begun to date at \$18.0 million.

Capital assets at June 30, 2016 and 2015 are outlined below:

SALT LAKE CITY SCHOOL DISTRICT'S Capital Assets
(net of accumulated depreciation, in millions of dollars)
June 30, 2016 and 2015

	Governmental activities		Total change 2016-15
	2016	2015	
Sites	\$ 34.0	\$ 33.0	\$ 1.0
Construction in progress	4.1	4.7	(0.6)
Buildings	266.7	272.9	(6.2)
Equipment	3.4	3.1	0.3
Vehicles	3.6	3.7	(0.1)
Total capital assets, net	<u>\$ 311.8</u>	<u>\$ 317.4</u>	<u>\$ (5.6)</u>

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration. Moody's Investor Services has awarded an Aaa rating to all outstanding general obligation bond issues and an Aa1 rating to bonds issued to the Building Authority.

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, 2016 is \$1,158.3 million. Net general obligation debt at June 30, 2016 is \$54.5 million, resulting in a legal debt margin of \$1,103.8 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 amounts, in millions of dollars)

June 30, 2016 and 2015

	Governmental activities 2016	2015	Total change 2016-15
General obligation bonds	\$ 54.5	\$ 63.5	\$ (9.0)
QSCB Bonds	11.0	11.0	-
Total outstanding debt, net	<u>\$ 65.5</u>	<u>\$ 74.5</u>	<u>\$ (9.0)</u>

Additional information on the District's long-term debt can be found in Note 8 to the basic financial statements.

Changing Enrollment within the District

Each year, 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 and adjusted by implied estimates as described above. These projections of enrollment and average daily membership have been reliable 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	2015	2016	2017*	2018*	2019*	2020*
Average Daily Membership	24,127	24,211	23,942	23,671	23,264	22,696

* Projected ADM

The District's enrollment for the year ended June 30, 2016 increased by 84 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 100 South, Salt Lake City, UT 84111.

This page is intentionally blank.

BASIC FINANCIAL STATEMENTS

SALT LAKE CITY SCHOOL DISTRICT

Statement of Net Position

June 30, 2016

	Primary Government Governmental Activities	Component Unit District Foundation
Assets:		
Cash and investments	\$ 136,902,940	\$ 5,606,169
Receivables:		
Property taxes	140,997,367	-
Other local	524,203	-
State of Utah	1,326,067	-
Federal government	6,426,655	-
Due from component unit	32,775	-
Inventories	1,140,020	-
Prepaid expenses	248,814	22,713
Investments restricted for debt service	4,305,330	-
Note receivable	827,945	-
Net pension asset	4,556	-
Capital assets:		
Sites and construction in progress	38,132,275	-
Buildings, equipment, and vehicles, net of accumulated depreciation	273,645,201	-
Total assets	604,514,148	5,628,882
Deferred Outflows of Resources:		
Deferred charge on refunding	3,040,093	-
Amounts related to pensions	44,780,386	-
Total deferred outflows of resources	47,820,479	-
Liabilities:		
Accounts payable	4,131,076	12,881
Accrued interest	698,462	-
Accrued salaries and related benefits	20,838,017	-
Due to primary government	-	32,775
Unearned revenue:		
Other local	408,283	-
State of Utah	1,540,585	-
Federal government	469,897	-
Long-term liabilities:		
Portion due or payable within one year	12,431,270	-
Portion due or payable after one year	186,888,199	-
Total liabilities	227,405,789	45,656
Deferred Inflows of Resources:		
Property taxes levied for future year	138,600,226	-
Amounts related to pensions	11,926,156	-
Total deferred inflows of resources	150,526,382	-
Net Position:		
Net investment in capital assets	249,277,178	-
Restricted:		
Capital projects	42,745,021	-
Debt service	5,909,924	-
Child nutrition services	2,864,349	-
Unrestricted	(26,394,016)	5,583,226
Total net position	\$ 274,402,456	\$ 5,583,226

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, 2016

Activities or Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Primary Government	Component Unit
				Total Governmental Activities	District Foundation
Primary government:					
Governmental activities:					
Instruction	\$ 157,579,097	\$ 4,385,232	\$ 40,830,561	\$ (112,363,304)	
Supporting services:					
Students	6,218,591	-	1,697,756	(4,520,835)	
Instructional staff	16,823,554	-	4,358,967	(12,464,587)	
General district administration	1,117,841	-	687,816	(430,025)	
General school administration	13,206,765	-	544,709	(12,662,056)	
Central	5,502,790	-	322,198	(5,180,592)	
Operation and maintenance of school buildings	21,970,649	104,886	1,162,442	(20,703,321)	
Student transportation	6,378,272	28,290	3,074,592	(3,275,390)	
Child nutrition services	13,389,707	1,423,050	11,865,636	(101,021)	
Community services	14,794,072	-	-	(14,794,072)	
Interest on long-term liabilities	1,963,779	-	-	(1,963,779)	
Total primary government	<u>\$ 258,945,117</u>	<u>\$ 5,941,458</u>	<u>\$ 64,544,677</u>	<u>(188,458,982)</u>	
Component unit:					
Salt Lake Education Foundation	<u>\$ 2,680,431</u>	<u>\$ -</u>	<u>\$ 5,621,488</u>		\$ 2,941,057
General revenues:					
Property taxes:					
Basic state supported program for regular K-12 instruction (set by state legislature)				33,738,478	-
Voted local				17,782,666	-
Board local				43,902,779	-
Debt service				9,581,262	-
Capital outlay for buildings and other capital needs				21,261,461	-
Tax Increment				14,756,784	-
Total property taxes				<u>141,023,430</u>	-
Federal and state revenue not restricted to specific purposes				51,156,775	-
Earnings (loss) on investments				1,249,264	(10,040)
Miscellaneous				12,859,097	-
Total general revenues				<u>206,288,566</u>	<u>(10,040)</u>
Change in net position				17,829,584	2,931,017
Net position - beginning				<u>256,572,872</u>	<u>2,652,209</u>
Net position - ending				<u>\$ 274,402,456</u>	<u>\$ 5,583,226</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, 2016

	Major Funds			Nonmajor	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
Assets:					
Cash and investments	\$ 65,956,200	\$ 2,125,634	\$ 44,152,145	\$ 12,385,850	\$ 124,619,829
Receivables:					
Property taxes	96,657,641	9,109,905	15,131,707	20,098,114	140,997,367
Other local	377,510	-	827,945	178,662	1,384,117
State of Utah	543,783	-	-	782,284	1,326,067
Federal government	5,397,081	-	-	1,029,574	6,426,655
Inventories	-	-	-	762,887	762,887
Prepaid expenditures	112,365	-	47,853	88,596	248,814
Investments restricted for debt service	-	-	4,305,330	-	4,305,330
Total assets	<u>\$ 169,044,580</u>	<u>\$ 11,235,539</u>	<u>\$ 64,464,980</u>	<u>\$ 35,325,967</u>	<u>\$ 280,071,066</u>
Liabilities:					
Accounts payable	\$ 903,457	\$ -	\$ 2,577,624	\$ 237,180	\$ 3,718,261
Due to student organizations	-	-	-	245,721	245,721
Accrued salaries and related benefits	20,838,017	-	-	-	20,838,017
Unearned revenue:					
Other local	136,982	-	-	271,301	408,283
State of Utah	1,527,653	-	-	12,932	1,540,585
Federal government	469,897	-	-	-	469,897
Total liabilities	23,876,006	-	2,577,624	767,134	27,220,764
Deferred Inflows of Resources:					
Unavailable revenue note receivable	-	-	827,945	-	827,945
Unavailable property tax revenue	2,099,850	197,909	328,731	47,441	2,673,931
Property taxes levied for future year	94,775,154	8,932,483	14,837,005	20,055,584	138,600,226
Total deferred inflows of resources	96,875,004	9,130,392	15,993,681	20,103,025	142,102,102
Fund Balances:					
Nonspendable:					
Inventories	-	-	-	762,887	762,887
Prepaid expenditures	112,365	-	47,853	88,596	248,814
Restricted:					
Debt service	-	2,105,147	4,305,330	-	6,410,477
Capital projects	-	-	41,540,492	-	41,540,492
Child nutrition services	-	-	-	2,099,650	2,099,650
Committed:					
Economic stabilization	7,000,000	-	-	-	7,000,000
Community recreation	-	-	-	466,941	466,941
Assigned:					
Charter schools	756,250	-	-	-	756,250
Programs	15,810,903	-	-	8,308,969	24,119,872
Programs reported in the schools	2,923,717	-	-	15,709	2,939,426
Students	-	-	-	2,713,056	2,713,056
Employee benefit obligations	10,475,961	-	-	-	10,475,961
Unassigned	11,214,374	-	-	-	11,214,374
Total fund balances	<u>48,293,570</u>	<u>2,105,147</u>	<u>45,893,675</u>	<u>14,455,808</u>	<u>110,748,200</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 169,044,580</u>	<u>\$ 11,235,539</u>	<u>\$ 64,464,980</u>	<u>\$ 35,325,967</u>	<u>\$ 280,071,066</u>

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

SALT LAKE CITY SCHOOL DISTRICT

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

June 30, 2016

Total fund balances for governmental funds	\$ 110,748,200
--	----------------

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

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

Sites	\$ 34,035,690	
Construction in progress	4,096,585	
Buildings, net of \$204,248,207 accumulated depreciation	266,686,642	
Equipment, net of \$6,824,323 accumulated depreciation	3,205,360	
Vehicles, net of \$8,173,229 accumulated depreciation	<u>3,618,098</u>	311,642,375

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 inflows of resources in the funds.

2,673,931

The District's note receivable payments will be collected after year-end, and are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.

827,945

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

(698,462)

Internal service funds are used by management to charge the costs of distribution, printing and graphics, technical, and employee benefit services to individual funds. The assets, deferred inflows of resources, liabilities, and deferred outflow of resources of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is:

755,140

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

4,556

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 position. Balances at year-end are:

General obligation bonds payable	(49,365,000)	
Qualified school construction bonds payable	(11,000,000)	
Unamortized deferred amounts on refunding	3,040,093	
Unamortized premiums and discounts	(5,175,391)	
Net pension liability	(121,674,561)	
Deferred outflows of resources related to pensions	44,466,797	
Deferred inflows of resources related to pensions	<u>(11,843,167)</u>	<u>(151,551,229)</u>

Total net position of governmental activities

\$ 274,402,456

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

SALT LAKE CITY SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2016

	Major Funds			Nonmajor	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
Revenues:					
Property taxes	\$ 93,719,159	\$ 10,156,858	\$ 20,170,940	\$ 16,981,816	\$ 141,028,773
Earnings on investments	785,853	8,409	316,267	57,382	1,167,911
School lunch sales	-	-	-	1,423,050	1,423,050
Other local	3,519,698	-	589,477	13,268,330	17,377,505
State of Utah	81,711,570	-	-	4,695,141	86,406,711
Federal government	16,644,447	-	349,694	12,300,600	29,294,741
Total revenues	196,380,727	10,165,267	21,426,378	48,726,319	276,698,691
Expenditures:					
Current:					
Instruction	128,920,339	-	-	10,894,010	139,814,349
Supporting services:					
Students	6,135,406	-	-	111,799	6,247,205
Instructional staff	13,575,203	-	-	3,318,068	16,893,271
General district administration	811,039	-	-	234,494	1,045,533
General school administration	11,071,417	-	-	2,191,080	13,262,497
Central	5,386,665	-	-	149,417	5,536,082
Operation and maintenance of school buildings	20,735,493	-	-	307,763	21,043,256
Student transportation	5,724,106	-	-	-	5,724,106
Child nutrition services	150,119	-	-	13,094,787	13,244,906
Community services	-	-	-	14,794,275	14,794,275
Capital outlay	-	-	15,236,851	-	15,236,851
Debt service:					
Principal retirement	-	8,162,722	-	-	8,162,722
Interest, fiscal charges, and other	-	2,289,705	78,638	-	2,368,343
Total expenditures	192,509,787	10,452,427	15,315,489	45,095,693	263,373,396
Excess (deficiency) of revenues over (under) expenditures	3,870,940	(287,160)	6,110,889	3,630,626	13,325,295
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	73,022	15,424	88,446
Net change in fund balances	3,870,940	(287,160)	6,183,911	3,646,050	13,413,741
Fund balances - beginning	44,422,630	2,392,307	39,709,764	10,809,758	97,334,459
Fund balances - ending	\$ 48,293,570	\$ 2,105,147	\$ 45,893,675	\$ 14,455,808	\$ 110,748,200

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, 2016

Net change in fund balances-total governmental funds	\$ 13,413,741
---	----------------------

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 depreciation exceeded capital outlays in the current period.

Capital asset purchases	\$ 9,605,969	
Loss on disposal of capital assets	(11,817)	
Proceeds from sale of capital assets	(88,446)	
Depreciation expense	<u>(15,215,749)</u>	(5,710,043)

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, 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 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 bonds and related items is as follows:

Repayment of bond principal	8,162,722	
Interest expense	82,042	
Amortization of bond premiums and discounts	773,543	
Amortization of deferred amounts on refunding	<u>(451,021)</u>	8,567,286

Property taxes that are not collected for several months after the District's fiscal year end are not considered as available in the governmental funds and are, instead, counted as deferred inflows of resources. Deferred property tax revenues increased this year.

(5,343)

Pension expense reported in the statement of activities does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.

813,634

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 position of the internal service funds is reported with governmental activities.

	<u>750,309</u>
Change in net position of governmental activities	<u><u>\$ 17,829,584</u></u>

SALT LAKE CITY SCHOOL DISTRICT

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

Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Property taxes	\$ 86,625,189	\$ 86,625,189	\$ 93,719,159	\$ 7,093,970
Earnings on investments	511,654	511,654	785,853	274,199
Other local	2,322,694	2,700,151	3,519,698	819,547
State of Utah	80,968,422	83,487,020	81,711,570	(1,775,450)
Federal government	16,850,318	17,923,382	16,644,447	(1,278,935)
Total revenues	187,278,277	191,247,396	196,380,727	5,133,331
Expenditures:				
Current:				
Instruction	131,646,679	132,536,375	128,920,339	3,616,036
Supporting services:				
Students	6,351,187	6,282,089	6,135,406	146,683
Instructional staff	13,101,445	14,221,518	13,575,203	646,315
General district administration	908,336	918,070	811,039	107,031
General school administration	11,135,355	11,510,210	11,071,417	438,793
Central	5,428,908	5,597,407	5,386,665	210,742
Operation and maintenance of school buildings	18,248,417	18,798,508	20,735,493	(1,936,985)
Student transportation	6,027,738	5,805,722	5,724,106	81,616
Child nutrition services	178,002	210,260	150,119	60,141
Total expenditures	193,026,067	195,880,159	192,509,787	3,370,372
Excess (deficiency) of revenues over (under) expenditures - net change in fund balances	(5,747,790)	(4,632,763)	3,870,940	8,503,703
Fund balances - beginning	44,422,630	44,422,630	44,422,630	-
Fund balances - ending	<u>\$ 38,674,840</u>	<u>\$ 39,789,867</u>	<u>\$ 48,293,570</u>	<u>\$ 8,503,703</u>

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

SALT LAKE CITY SCHOOL DISTRICT

Statement of Fund Net Position

Proprietary Funds

Governmental Activities - Internal Service Funds

June 30, 2016

Assets:

Current assets:

Cash and investments	\$ 12,283,111
Inventories	377,133
Receivables	806
Total current assets	12,661,050

Noncurrent assets:

Capital assets:

Equipment	513,976
Accumulated depreciation	(378,875)
Net capital assets	135,101
Total assets	12,796,151

Deferred Outflows of Resources:

Amounts related to pensions	313,589
-----------------------------	---------

Liabilities:

Current liabilities:

Accounts payable	167,094
Accrued vacation	230,826
Accrued sick leave	248,819
Early retirement incentive payable	1,035,263
Health insurance payable	3,068,416
Dental insurance payable	435,988
Workers compensation payable	556,958
Total current liabilities	5,743,364

Noncurrent liabilities:

Net pension liability	852,208
Accrued vacation	649,567
Accrued sick leave	2,760,176
Early retirement incentive payable	2,266,296
Total noncurrent liabilities	6,528,247
Total liabilities	12,271,611

Deferred Inflows of Resources:

Amounts related to pensions	82,989
-----------------------------	--------

Net Position:

Investment in capital assets	135,101
Unrestricted	620,039
Total net position	\$ 755,140

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 Position

Proprietary Funds

Governmental Activities - Internal Service Funds

Year Ended June 30, 2016

Operating revenues:

Charges for services	\$ 21,940,591
----------------------	---------------

Operating expenses:

Salaries	920,808
----------	---------

Employee benefits	19,904,086
-------------------	------------

Materials	279,282
-----------	---------

Contracted services	11,579
---------------------	--------

Equipment maintenance	31,121
-----------------------	--------

Depreciation	29,573
--------------	--------

Other expenses	95,186
----------------	--------

Total operating expenses	<u>21,271,635</u>
--------------------------	-------------------

Operating income	668,956
------------------	---------

Nonoperating income:

Earnings on investments	<u>81,353</u>
-------------------------	---------------

Change in net position	750,309
------------------------	---------

Total net position - beginning	<u>4,831</u>
---------------------------------------	--------------

Total net position - ending	<u><u>\$ 755,140</u></u>
------------------------------------	--------------------------

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

SALT LAKE CITY SCHOOL DISTRICT

Statement of Fund Cash Flows

Proprietary Funds

Governmental Activities - Internal Service Funds

Year Ended June 30, 2016

Cash flows from operating activities:

Receipts from interfund services provided	\$ 21,940,254
Payments to suppliers	(543,363)
Payments made to or on behalf of employees	<u>(20,768,344)</u>
Net cash provided by operating activities	628,547

Cash flows from capital and related financing activities:

Acquisition of capital assets	(89,491)
-------------------------------	----------

Cash flows from investing activities:

Interest earned	<u>81,353</u>
Net change in cash and cash equivalents	620,409

Cash and cash equivalents - beginning

11,662,702

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

\$ 12,283,111

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

Operating income	\$ 668,956
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	29,573
Pension expense	(192,773)
Changes in operating assets and liabilities:	
Receivables	(337)
Inventories	(33,996)
Accounts payable	(92,199)
Net pension liability	186,609
Accrued vacation	(241,472)
Accrued sick leave	61,013
Early retirement incentive payable	184,839
Health insurance payable	(197,870)
Dental insurance payable	101,749
Workers compensation payable	<u>154,455</u>
Total adjustments	<u>(40,409)</u>
Net cash provided by operating activities	<u><u>\$ 628,547</u></u>

Noncash investing, capital, and financing activities:

none

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

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.

- *Blended component unit.* The Municipal Building Authority of Salt Lake City School District (the Building Authority) is a corporation in the state of Utah. The Building Authority has the same board as the Board of Education and provides financing services solely to the District. The District is obligated in some manner for the debt of the Building Authority; all of the Building Authority's debt outstanding is expected to be repaid with resources of the District. The Building Authority is presented as a blended component unit of the District as part of the *capital projects fund*.
- *Discretely presented component unit.* The Salt Lake Education Foundation (the 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. 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 position and the statement of changes in net position) display information about the primary government (the District) and its discretely presented component unit. 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 and blended component unit. Separate statements for each fund category (governmental and proprietary) are presented. The emphasis of

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

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 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, including the Open Classroom and Salt Lake Center for Science Education charter schools, 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 type:

- *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.

Measurement focus, basis of accounting, and financial statement presentation – The *government-wide financial statements* and *proprietary fund financial statements* are reported using the economic resources measurement focus and are reported using the accrual basis of accounting. The government-wide and proprietary 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 unearned 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 benefit obligations, which are recognized as expenditures to the extent they have

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

matured. 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 position 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. All annual appropriations lapse at fiscal year-end with the exception of contractual obligations. 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 1. 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 additional 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, 2016 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.

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 – In proprietary funds, the District considers cash to be cash on hand and demand deposits and considers cash equivalents to be short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Utah 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. Inventories reported in the governmental funds are equally offset by an unspendable portion of fund balance, indicating that they are not expected to be converted to cash.

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

Prepaid Items – Prepaid items of all funds are recorded as expenditures/expenses when consumed rather than when purchased.

Notes Receivable – In the fund financial statements, governmental fund types recognize payments received during the current period as other financing sources.

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 leasehold improvements. 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 extend 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
Leasehold improvements	20-40
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

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.

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

All vacation pay and vested sick leave plus related payroll taxes are accrued when earned 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 Liabilities – In the government-wide financial statements and internal service fund financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, as well as 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 unamortized bond premiums or discounts and refunding costs.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and deferred amounts on refunding 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.

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

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

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

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has the following sources that qualify for reporting in this category:

- Property taxes levied for future year – property taxes levied on January 1, 2016 for the following school year.
- Deferred inflow of resources related to pensions – includes a) differences between expected and actual experience and b) changes of assumptions in the measurement of the net pension liability/asset, and c) changes in proportion and differences between contributions and proportionate share of contributions.

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

The following items arise only under a modified accrual basis of accounting and are reported in the governmental funds balance sheet; these items are deferred and recognized as an inflow of resources in the period that the amounts become available:

- Unavailable property tax revenue – consists of uncollected, delinquent property taxes.
- Unavailable revenue note receivable – consists of the amount remaining on note receivable.

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

Net position is divided into three components: net investment in capital assets (capital assets net of related debt), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

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

Fund balance classifications are summarized as follows:

- **Nonspendable** – This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories and prepaid expenditures are classified as nonspendable.
- **Restricted** – This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include the following:
 - Unspent tax revenues levied for specific purposes, such as capital projects and debt service.
 - Remaining fund balances in the child nutrition fund.
- **Committed** – This category includes amounts that can only be used for specific purposes established by formal action of the District's Board of Education. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the Board of Education. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Education has approved to commit fund balance amounts for the following purposes:
 - As defined in Utah law as an "undistributed reserve," the District maintains for economic stabilization up to five percent of general fund budgeted expenditures. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). Also defined by state law, the commitment is not to be used "in the negotiation or settlement of contract salaries for school district employees" and the use of this reserve requires a written resolution adopted by a

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

majority vote of the Board of Education filed with the Utah State Board of Education and Utah State Auditor.

- The Board committed community recreation program balances within the Special Programs fund for the program's use and not general District use.
- **Assigned** – This category includes *general fund* balance amounts that the District intends to be used for a specific purpose but are neither restricted nor committed. The Board of Education has by resolution authorized the District's business administrator to assign fund balances. The District has assigned *general fund* resources that are to be used for the District's charter schools, programs, schools, and employee benefit obligations. The District has also assigned amounts in other governmental funds for programs, schools, and students.
- **Unassigned** – Residual balances in the *general fund* are classified as unassigned. In governmental funds other than the *general fund*, negative unassigned fund balance may be reported if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Net position/fund balance flow assumption – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report in each category of net position and fund balance, a flow assumption must be made about the order in which the resources are considered to be applied.

- **Net Position** – It is the District's policy to consider restricted net position to have been depleted before unrestricted net position.
- **Fund Balance** – It is the District's policy to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

2. DEPOSITS AND INVESTMENTS

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

Carrying amount of deposits	\$ 2,897,907
Carrying amount of investments	143,916,532
Total cash and investments	<u>\$ 146,814,439</u>
Governmental funds cash and investments	\$ 124,619,829
Internal service funds cash and investments	12,283,111
Statement of net position cash and investments, unrestricted	136,902,940
Investments restricted for debt service	4,305,330
Component unit cash and investments	5,606,169
Total cash and investments	<u>\$ 146,814,439</u>

The District complies with the State Money Management Act (*Utah Code* Title 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

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

deposit, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, banker's acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the state of Utah.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The District considers the rules of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

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

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

	Carrying Amount	Bank Balance	Amount Insured
Salt Lake City School District	\$ 2,554,506	\$ 5,400,704	\$ 521,785
Salt Lake Education Foundation	343,401	388,456	364,013
Total deposits	<u>\$ 2,897,907</u>	<u>\$ 5,789,160</u>	<u>\$ 885,798</u>

- Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. At June 30, 2016, the uninsured amount of the District's and Foundation's bank deposits was uncollateralized.

Investments – The District's investments are with the PTIF, government agencies, and in corporate bonds through a broker. The Foundation has deposits separate from the District and invests private funds through a broker.

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

SALT LAKE CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

At June 30, 2016, 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	5-10	More Than 10
Salt Lake City School District:					
Utah Public Treasurers' Investment Fund (PTIF)	\$ 72,825,118	\$ 72,825,118	\$ -	\$ -	\$ -
U.S. Government securities	4,951,696	-	4,951,696	-	-
Corporate bonds	60,876,950	17,762,324	43,114,626	-	-
Total Salt Lake City School District	138,653,764	90,587,442	48,066,322	-	-
Salt Lake Education Education Foundation, a component unit:					
Mutual funds	1,734,814	1,734,814	-	-	-
U.S. Government securities	757,700	-	757,700	-	-
Corporate bonds	2,770,254	757,155	2,013,099	-	-
Total Salt Lake Education Foundation	5,262,768	2,491,969	2,770,799	-	-
Total investments	\$ 143,916,532	\$ 93,079,411	\$ 50,837,121	\$ -	\$ -

- **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's policy is to manage its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term to maturity on all investments in commercial paper and 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 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 at the time of purchase.

At June 30, 2016 the District has \$4,951,696 invested in government agencies rated AA+ and Aaa or higher by Standard & Poor's and Moody's Investors Service, Inc., respectively. The District also has \$60,876,950 invested in corporate bonds rated BBB+ and Baa1 or higher by Standard & Poor's and Moody's Investors Service, Inc., respectively. In addition, the District has \$72,825,118 invested in the PTIF that is not rated.

At June 30, 2016 the Foundation has \$757,700 invested in government agencies rated AA+ and Aaa or higher by Standard & Poor's and Moody's Investors Service, Inc., respectively. The Foundation also has \$2,770,254 invested in corporate bonds rated BBB+ and Baa1 or higher by Standard & Poor's and Moody's Investors Service, Inc., respectively. In addition, the Foundation has \$1,734,814 invested in mutual funds that are not rated.

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

- **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. Investments held in a brokerage account are covered by Securities Investor Protection Corporation up to \$500,000.

3. FAIR VALUE MEASUREMENTS

In 2016, the District adopted Government Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. The new standard provides guidance for determining a fair value measurement for financial reporting purposes. The standard also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

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

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

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

- Public Treasurers' Investment Fund position of \$72,825,118, the unit of account is each share held, and the value of the position is the fair value of the pool's share price multiplied by the number of shares held (Level 2 inputs).
- U.S. government securities of \$4,951,696 are valued using quoted market prices (Level 1 inputs).
- Corporate bonds of \$60,876,950 are valued using a matrix pricing model (Level 2 inputs).

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

- Mutual funds of \$1,734,814 are valued using quoted market prices (Level 1 inputs).
- U.S. government securities of \$757,700 are valued using quoted market prices (Level 1 inputs).
- Corporate bonds of \$2,770,254 are valued using a matrix pricing model (Level 2 inputs).

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

4. PROPERTY TAXES

District property tax revenue – 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 (the legal lien date) 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 September 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.

An annual uniform fee based on the value of motor vehicles is levied in lieu of an ad valorem tax on motor vehicles. This uniform fee was 1.5% of the fair market statewide value of the property, as established by the State Tax Commission. Legislation requires motor vehicles be subject to an “age-based” fee that is due each time a vehicle is registered. The revenues collected in each county from motor vehicle fees are 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 collected.

As of June 30, 2016, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2016 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.

Incremental taxes – In addition to property taxes the District levies for its own purposes, the District levies property taxes for the redevelopment agency (located within the boundaries of the District) in accordance with the Community Development and Renewal Agencies Act (Utah Code 17C-1). These taxes are forwarded directly by the county to the redevelopment agency as these taxes are collected by the county.

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

During the year ended June 30, 2016, incremental taxes levied by the District for the redevelopment agency totaling \$14,756,784 were recorded as revenue with an equivalent amount of expenditure for community services in the *tax increment fund* (a nonmajor special revenue fund).

SALT LAKE CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

5. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Sites	\$ 32,954,353	\$ 1,081,337	\$ -	\$ 34,035,690
Construction in progress	4,731,114	6,286,289	(6,920,818)	4,096,585
Total capital assets, not being depreciated	37,685,467	7,367,626	(6,920,818)	38,132,275
Capital assets, being depreciated:				
Buildings/leasehold improvements	477,139,766	6,920,818	-	484,060,584
Equipment	10,294,846	1,539,551	(162,148)	11,672,249
Vehicles	11,840,127	788,283	(266,352)	12,362,058
Total capital assets, being depreciated	499,274,739	9,248,652	(428,500)	508,094,891
Accumulated depreciation for:				
Buildings/leasehold improvements	(204,248,207)	(13,125,735)	-	(217,373,942)
Equipment	(7,184,191)	(1,300,715)	153,119	(8,331,787)
Vehicles	(8,173,229)	(818,872)	248,140	(8,743,961)
Total accumulated depreciation	(219,605,627)	(15,245,322)	401,259	(234,449,690)
Total capital assets, being depreciated, net	279,669,112	(5,996,670)	(27,241)	273,645,201
Governmental activity capital assets, net	<u>\$ 317,354,579</u>	<u>\$ 1,370,956</u>	<u>\$ (6,948,059)</u>	<u>\$ 311,777,476</u>

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

Governmental activities:	
Instruction	\$ 13,333,411
Supporting services:	
Instructional staff	1,806
General district administration	74,524
Operation and maintenance of school buildings	975,072
Student transportation	667,935
Child nutrition services	163,001
Capital assets held by the District's internal service funds are charged to the various functions based on their usage of the assets	<u>29,573</u>
Total depreciation expense, governmental activities	<u>\$ 15,245,322</u>

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

The District is obligated at June 30, 2016 under construction commitments as follows:

Project	Project Authorized	Costs to Date	Costs to Complete
Lincoln Elementary Rebuild	\$ 21,200,000	\$ 4,313,959	\$ 16,886,041
Highland High Stadium Building / Softball Field	1,162,000	760,857	401,143
East High Softball Field	876,000	103,106	772,894
	<u>\$ 23,238,000</u>	<u>\$ 5,177,922</u>	<u>\$ 18,060,078</u>

A restriction of fund balance established in the *capital projects fund* will be used to fulfill the required costs to complete at June 30, 2016.

6. STATE RETIREMENT PLANS

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

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

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

Defined Contribution Plans (individual account plans):

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

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

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

Benefits provided – The URS provides retirement, disability, and death benefits to participants in the defined benefit pension plans. Retirement benefits are determined from 1.25% to 2.0% of the employee's highest 3 or 5 years of compensation times the employee's years of service depending on the pension plan; benefits are subject to cost-of-living adjustments up to 2.50% or 4.00%, limited to the actual Consumer Price Index increase for the year. Employees are eligible to retire based on years of service and age.

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required contributions and associated earnings are vested during the first four years of employment. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

SALT LAKE CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

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

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

	Defined Benefit Plans Rates			District Rates for 401(k) Plan
	District Contribution	Employee Paid	Paid by District for Employee	
Tier 1 Noncontributory System	22.19%	-	-	1.50%
Tier 1 Contributory System	17.70%	1.00%	5.00%	-
Tier 2 Contributory System *	8.22%	-	-	1.78%
Tier 2 Defined Contribution Plan *	-	-	-	10.00%

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

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

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

	<u>District Contributions</u>	<u>Employee Contributions</u>
Tier 1 Noncontributory System	\$ 21,493,247	\$ -
Tier 1 Contributory System	265,299	7,494
Tier 2 Contributory System	3,087,623	-
401(k) Plan	2,045,998	2,911,938
457 Plan and other individual plans	-	436,155

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

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At June 30, 2016, the District reported a net pension asset of \$4,556 and a net pension liability of \$122,526,769 for the following plans:

	Proportionate Share	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	3.7983689%	\$ -	\$ 119,317,645
Tier 1 Contributory System	5.1210614%	-	3,209,124
Tier 2 Contributory System	2.0870398%	4,556	-
Total		<u>\$ 4,556</u>	<u>\$ 122,526,769</u>

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

For the year ended June 30, 2016, the District recognized pension expense of \$22,937,221 for the defined benefit pension plans and \$2,045,998 for the defined contribution plans. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 9,372,521
Changes of assumptions	-	2,371,499
Net difference between projected and actual earnings on pension plan investments	32,946,771	-
Changes in proportion and differences between contributions and proportionate share of contributions	79,133	182,136
District contributions subsequent to the measurement date	11,754,482	-
Total	<u>\$ 44,780,386</u>	<u>\$ 11,926,156</u>

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

The \$11,754,482 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of December 31, 2015 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2017	\$ 4,565,630
2018	4,565,630
2019	4,887,040
2020	7,149,572
2021	(12,553)
Thereafter	(55,571)

Actuarial assumptions – The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2013.

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

The long-term expected rate of return on defined benefit pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

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

SALT LAKE CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension (asset) liability:			
Tier 1 Noncontributory System	\$ 215,960,431	\$ 119,317,645	\$ 38,282,539
Tier 1 Contributory System	7,255,900	3,209,124	(223,715)
Tier 2 Contributory System	835,490	(4,556)	(641,232)
Total	<u>\$ 224,051,821</u>	<u>\$ 122,522,213</u>	<u>\$ 37,417,592</u>

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

Payables to the pension plans – At June 30, 2016, the District reported payables of \$4,604,489 for contributions to defined benefit pension plans and \$695,515 for contributions to defined contribution plans.

7. RISK MANAGEMENT

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10 million per occurrence through policies administered by the Utah State Risk Management Fund (Fund). The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Fund. Property physical damage is insured to replacement value with a \$1,000 deductible; automobile physical damage is insured to actual value with a \$500 deductible; other liability is limited to the lesser of \$10 million or the statutory limit. The Fund is a public entity risk pool operated by the State for the benefit of the state and local governments within the State. The District pays annual premiums to the Fund; the Fund obtains independent coverage for insured events, up to \$25 million per location. This is a pooled arrangement where the participants' pay experience rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Insurance coverage by major category of risk has remained relatively constant as compared to the prior fiscal year. Insurance settlements have not exceeded insurance coverage for the past three years.

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, 2016, an estimate of all future costs based on open claims was recorded as a liability of \$556,958; this liability is serviced through the *employee benefits fund*. The District carries a co-insurance policy to cover individual claims in excess of \$400,000.

SALT LAKE CITY SCHOOL DISTRICT**Notes to Basic Financial Statements***Continued*

A reconciliation of the accrued liability for the years ended June 30, 2016 and 2015 is as follows:

	<u>Workers Compensation</u>	
	<u>2016</u>	<u>2015</u>
Accrued liability - beginning	\$ 402,503	\$ 741,083
Charges for services	630,585	522,016
Claims paid	<u>(476,130)</u>	<u>(860,596)</u>
Accrued liability - ending	<u>\$ 556,958</u>	<u>\$ 402,503</u>

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

The District self-insures dental benefits for employees and retains a third-party administrator to process claims. At June 30, 2016, the current unpaid and the incurred but not reported liabilities were recorded as a liability of \$435,988. This liability is considered current as claims are submitted for payment within a year of the date of service and is recorded in the *employee benefits fund*. This liability is the District's best estimate based on available information from the third-party administrator.

A reconciliation of the accrued liability for the years ended June 30, 2016 and 2015 is as follows:

	<u>Accrued Dental Insurance</u>	
	<u>2016</u>	<u>2015</u>
Accrued liability - beginning	\$ 334,239	\$ 402,635
Charges for services	1,465,644	1,045,522
Claims paid	<u>(1,363,895)</u>	<u>(1,113,918)</u>
Accrued liability - ending	<u>\$ 435,988</u>	<u>\$ 334,239</u>

The District self-insures health benefits for employees and retains a third-party administrator to process claims. The District carries a co-insurance policy to cover individual claims in excess of \$200,000. At June 30, 2016, the current unpaid and the incurred but not reported liabilities were recorded as a liability of \$3,068,416. This liability is considered current as claims are submitted for payment within a year of the date of service and is recorded in the *employee benefits fund*. This liability is the District's best estimate based on available information from the third-party administrator.

A reconciliation of the accrued liability for the years ended June 30, 2016 and 2015 is as follows:

	<u>Accrued Health Insurance</u>	
	<u>2016</u>	<u>2015</u>
Accrued liability - beginning	\$ 3,266,286	\$ 3,166,821
Charges for services	15,555,764	18,048,890
Claims paid	<u>(15,753,634)</u>	<u>(17,949,425)</u>
Accrued liability - ending	<u>\$ 3,068,416</u>	<u>\$ 3,266,286</u>

SALT LAKE CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

8. LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 57,527,722	\$ -	\$ (8,162,722)	\$ 49,365,000	\$ 6,855,000
Qualified school construction bonds	11,000,000	-	-	11,000,000	-
Unamortized premiums and discounts	5,948,934	-	(773,543)	5,175,391	-
Total bonds payable, net	74,476,656	-	(8,936,265)	65,540,391	6,855,000
Net pension liability	96,004,485	51,358,340	(24,836,056)	122,526,769	-
Accrued vacation	1,121,865	52,665	(294,137)	880,393	230,826
Accrued sick leave	2,947,982	304,787	(243,774)	3,008,995	248,819
Early retirement incentive	3,116,720	1,435,259	(1,250,420)	3,301,559	1,035,263
Accrued health insurance	3,266,286	15,555,764	(15,753,634)	3,068,416	3,068,416
Accrued dental insurance	334,239	1,465,644	(1,363,895)	435,988	435,988
Workers compensation	402,503	630,585	(476,130)	556,958	556,958
Total governmental activity long-term liabilities	<u>\$ 181,670,736</u>	<u>\$ 70,803,044</u>	<u>\$ (53,154,311)</u>	<u>\$ 199,319,469</u>	<u>\$ 12,431,270</u>

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

General Obligation Bonds – The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2016, including interest payments, are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 6,855,000	\$ 2,079,525	\$ 8,934,525
2018	7,110,000	1,824,925	8,934,925
2019	7,350,000	1,581,000	8,931,000
2020	7,675,000	1,260,950	8,935,950
2021	8,015,000	916,850	8,931,850
2022-2025	12,360,000	1,160,500	13,520,500
Totals	<u>\$ 49,365,000</u>	<u>\$ 8,823,750</u>	<u>\$ 58,188,750</u>

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

General obligation school building bonds payable at June 30, 2016, with their outstanding balances are comprised of the following individual issues:

\$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%. During the year ended June 30, 2013, \$5,730,000 of these bonds were defeased.	\$ 4,820,000
\$18,255,000 2010 refunding bonds, due in annual installments of \$25,000 to \$2,850,000, beginning March 1, 2011 through March 1, 2023, interest from 2.00% to 5.00%.	17,405,000
\$16,360,000 2012 refunding bonds, due in annual installments of \$410,000 to \$3,345,000, beginning March 1, 2013 through March 1, 2021, interest from 2.00% to 5.00%.	5,500,000
\$21,840,000 2013 refunding bonds, due in annual installments of \$75,000 to \$4,530,000, beginning March 1, 2014 through March 1, 2025, interest from 1.50% to 5.00%.	21,640,000
	<u>\$ 49,365,000</u>

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, 2016 is \$1,158,328,110 with general obligation debt outstanding, net of unamortized premiums and discounts of \$54,540,391, resulting in a legal debt margin of \$1,103,787,719.

Qualified School Construction Bonds – Qualified school construction bonds, issued by the Building Authority, payable at June 30, 2016, with their outstanding balances are comprised of the following individual issues:

\$5,000,000 2009 qualified school construction bonds, annual sinking-fund installments of \$385,000 due, beginning March 1, 2012 through March 1, 2024, gross interest rate of 6.75%, federal income tax credit rate subsidy of 6.01%, resulting in a net interest rate of 0.74%.	\$ 5,000,000
\$6,000,000 2010 qualified school construction bonds, annual sinking-fund deposits of \$352,941 due, beginning March 1, 2012 through March 1, 2028, gross interest rate of 5.45%, federal income tax credit rate subsidy of 4.83%, resulting in a net interest rate of 0.62%.	6,000,000
	<u>\$ 11,000,000</u>

SALT LAKE CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

The District transfers \$737,941 annually into a sinking fund. At June 30, 2016, the sinking fund has a balance of \$4,305,330. The annual requirements to amortize all lease revenue bonds outstanding as of June 30, 2016, including interest payments, are listed as follows:

Year Ending June 30,	Principal	Net Interest	Total
2017	\$ -	\$ 74,220	\$ 74,220
2018	-	74,220	74,220
2019	-	74,220	74,220
2020	-	74,220	74,220
2021	-	74,220	74,220
2022-2026	5,000,000	287,849	5,287,849
2027-2028	6,000,000	74,440	6,074,440
Totals	\$ 11,000,000	\$ 733,389	\$ 11,733,389

The District services the qualified school construction bonds obligation from the *capital projects fund*.

The District has filed the required Forms 8038 for the 2009 and 2010 series qualified school construction bonds and has met the requirements that at least 10% of proceeds be spent within six months and 100% within three years in order to comply with IRS requirements to rebate arbitrage earnings. Also, revenues of the Building Authority will be deposited in required accounts to pay debt service on the bonds in order that the 6.01% federal income tax credit rate for the 2009 qualified school construction bonds or the 4.83% federal income tax credit rate for the 2010 qualified school construction bonds is not owed by the District.

Early Retirement Incentive – 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, 2016 is \$1,435,259 and the total liability at June 30, 2016 is \$3,301,559. This liability is serviced through the *employee benefits fund*. The District recognizes the liability and expense in the year in which an employee retires. The District accrues the costs for its 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.

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 affect the financial statements of the District.

All fund balances are positive at June 30, 2016.

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 insignificant.

SALT LAKE CITY SCHOOL DISTRICT**Notes to Basic Financial Statements***Continued***11. SALE OF SCHOOL BUILDING**

On March 18, 2008, the District sold the Matheson elementary school building to the Salt Lake Community Action Program and executed a note agreement secured by the building. Annual payments on the note are calculated over a twenty-year period ending June 30, 2027 with the balance due June 30, 2020. The note receivable bears interest at a variable rate, currently 0.73%. The annual anticipated payments as of June 30, 2016, including interest payments, are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 72,552	\$ 6,062	\$ 78,614
2018	73,084	5,531	78,615
2019	73,619	4,996	78,615
2020	608,690	20,226	628,916
Totals	<u>\$ 827,945</u>	<u>\$ 36,815</u>	<u>\$ 864,760</u>

REQUIRED SUPPLEMENTARY INFORMATION

SALT LAKE CITY SCHOOL DISTRICT
Schedules of the District's Proportionate Share of the Net Pension Liability (Asset) -
Utah Retirement Systems
Plan Years Ended December 31, 2014 and 2015

	2014	2015
Tier 1 Noncontributory System:		
District's proportion of the net pension liability (asset)	3.7984454%	3.7983689%
District's proportionate share of the net pension liability (asset)	\$ 95,437,030	\$ 119,317,645
District's covered-employee payroll	\$ 107,310,945	\$ 104,891,305
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	88.9%	113.8%
Plan fiduciary net position as a percentage of the total pension liability	87.2%	84.5%
Tier 1 Contributory System:		
District's proportion of the net pension liability (asset)	5.1752186%	5.1210614%
District's proportionate share of the net pension liability (asset)	\$ 567,455	\$ 3,209,124
District's covered-employee payroll	\$ 1,903,638	\$ 1,622,237
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	29.8%	197.8%
Plan fiduciary net position as a percentage of the total pension liability	98.7%	92.4%
Tier 2 Contributory System:		
District's proportion of the net pension liability (asset)	2.0028499%	2.0870398%
District's proportionate share of the net pension liability (asset)	\$ (60,695)	\$ (4,556)
District's covered-employee payroll	\$ 9,801,198	\$ 13,478,044
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-0.6%	-0.03%
Plan fiduciary net position as a percentage of the total pension liability	103.5%	100.2%

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

SALT LAKE CITY SCHOOL DISTRICT
Schedules of District Contributions -
Utah Retirement Systems
Years Ended June 30, 2015 and 2016

	<u>2015</u>	<u>2016</u>
Tier 1 Noncontributory System:		
Contractually required contribution	\$ 22,335,883	\$ 21,493,247
Contributions in relation to the contractually required contribution	<u>(22,335,883)</u>	<u>(21,493,247)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 District's covered-employee payroll	 \$ 105,221,848	 \$ 99,265,893
Contributions as a percentage of covered-employee payroll	21.2%	21.7%
 Tier 1 Contributory System:		
Contractually required contribution	\$ 293,178	\$ 265,299
Contributions in relation to the contractually required contribution	<u>(293,178)</u>	<u>(265,299)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 District's covered-employee payroll	 \$ 1,700,415	 \$ 1,498,867
Contributions as a percentage of covered-employee payroll	17.2%	17.7%
 Tier 2 Contributory System:		
Contractually required contribution	\$ 2,287,377	\$ 3,087,623
Contributions in relation to the contractually required contribution	<u>(2,287,377)</u>	<u>(3,087,623)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 District's covered-employee payroll	 \$ 13,729,245	 \$ 18,327,740
Contributions as a percentage of covered-employee payroll	16.7%	16.8%

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

SALT LAKE CITY SCHOOL DISTRICT
Notes to Required Supplementary Information

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

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

***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.

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.

Capital Projects Fund

To account for resources collected by property taxes used for debt service, acquiring and improving sites, construction and remodeling facilities, and purchasing equipment 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, 2016

With Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 86,625,189	\$ 93,719,159	\$ 7,093,970	\$ 81,457,397
Interest on investments	511,654	785,853	274,199	139,299
Other local	2,700,151	3,519,698	819,547	3,073,815
State of Utah	83,487,020	81,711,570	(1,775,450)	86,268,603
Federal government	17,923,382	16,644,447	(1,278,935)	16,154,210
Total revenues	191,247,396	196,380,727	5,133,331	187,093,324
Expenditures:				
Current:				
Instruction	132,536,375	128,920,339	3,616,036	127,893,110
Supporting services:				
Students	6,282,089	6,135,406	146,683	6,114,159
Instructional staff	14,221,518	13,575,203	646,315	12,679,160
General district administration	918,070	811,039	107,031	720,534
General school administration	11,510,210	11,071,417	438,793	10,538,290
Central services	5,597,407	5,386,665	210,742	5,105,707
Operation and maintenance of school buildings	18,798,508	20,735,493	(1,936,985)	19,233,081
Student transportation	5,805,722	5,724,106	81,616	5,266,543
Child nutrition services	210,260	150,119	60,141	152,324
Total expenditures	195,880,159	192,509,787	3,370,372	187,702,908
Excess (deficiency) of revenues over (under) expenditures - net change in fund balances	(4,632,763)	3,870,940	8,503,703	(609,584)
Fund balances - beginning	44,422,630	44,422,630	-	45,032,214
Fund balances - ending	<u>\$ 39,789,867</u>	<u>\$ 48,293,570</u>	<u>\$ 8,503,703</u>	<u>\$ 44,422,630</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, 2016

With Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 9,756,726	\$ 10,156,858	\$ 400,132	\$ 10,275,985
Interest on investments	30,000	8,409	(21,591)	23,867
Total revenues	9,786,726	10,165,267	378,541	10,299,852
Expenditures:				
Principal retirement	8,162,722	8,162,722	-	7,815,000
Interest on bonds	2,287,455	2,287,455	-	2,634,779
Other fees	2,250	2,250	-	3,000
Total expenditures	10,452,427	10,452,427	-	10,452,779
Excess (deficiency) of revenues over (under) expenditures - net change in fund balances	(665,701)	(287,160)	378,541	(152,927)
Fund balances - beginning	2,392,307	2,392,307	-	2,545,234
Fund balances - ending	<u>\$ 1,726,606</u>	<u>\$ 2,105,147</u>	<u>\$ 378,541</u>	<u>\$ 2,392,307</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, 2016

With Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 19,403,204	\$ 20,170,940	\$ 767,736	\$ 20,524,249
Interest on investments	206,275	316,267	109,992	186,647
Other local	327,809	589,477	261,668	639,895
Federal government	-	349,694	349,694	-
Total revenues	19,937,288	21,426,378	1,489,090	21,350,791
Expenditures:				
Facilities acquisition and construction services	33,146,171	14,830,942	18,315,229	13,159,733
Equipment	755,256	405,909	349,347	183,624
Interest on bonds	74,219	73,438	(781)	74,064
Bond agent fees	5,200	5,200	-	4,950
Total expenditures	33,980,846	15,315,489	18,663,795	13,422,371
Excess (deficiency) of revenues over (under) expenditures	(14,043,558)	6,110,889	20,152,885	7,928,420
Other financing sources:				
Sale of capital assets	72,690	73,022	332	72,690
Net change in fund balances	(13,970,868)	6,183,911	20,153,217	8,001,110
Fund balances - beginning	39,709,764	39,709,764	-	31,708,654
Fund balances - ending	<u>\$ 25,738,896</u>	<u>\$ 45,893,675</u>	<u>\$ 20,153,217</u>	<u>\$ 39,709,764</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-regular 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. Revenues are generated through cash sales of food items in addition to federal and state subsidies.

Student Activities Fund

To account for the receipts and disbursements of monies for student activities and organizations at the individual schools.

Tax Increment Fund

This fund is used to account for property taxes levied by the District, but remitted directly to the redevelopment agency located within the boundaries of the District. Incremental taxes are levied as authorized by Utah Code 17C-1. Incremental taxes are recorded as revenue with an equivalent amount of expenditure representing the fact that these amounts are forwarded directly by the county to the redevelopment agency and used at the agency's discretion.

SALT LAKE CITY SCHOOL DISTRICT

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2016

	Special Revenue Funds				
	Special Programs	Child Nutrition	Student Activities	Tax Increment	Total
Assets:					
Cash and investments	\$ 8,130,637	\$ 1,246,834	\$ 3,008,379	\$ -	\$ 12,385,850
Receivables:					
Property taxes	2,183,730	-	-	17,914,384	20,098,114
Other local	122,397	56,265	-	-	178,662
State of Utah	60,235	722,049	-	-	782,284
Federal government	682,542	347,032	-	-	1,029,574
Inventories	-	762,887	-	-	762,887
Prepaid expenditures	84,604	1,812	2,180	-	88,596
Total assets	<u>\$ 11,264,145</u>	<u>\$ 3,136,879</u>	<u>\$ 3,010,559</u>	<u>\$ 17,914,384</u>	<u>\$ 35,325,967</u>
Liabilities:					
Accounts payable	\$ 55,858	\$ 131,720	\$ 49,602	\$ -	\$ 237,180
Due to student organizations	-	-	245,721	-	245,721
Unearned revenue:					
Other local	130,491	140,810	-	-	271,301
State of Utah	12,932	-	-	-	12,932
Total liabilities	199,281	272,530	295,323	-	767,134
Deferred inflows of resources:					
Unavailable property tax revenue	47,441	-	-	-	47,441
Property taxes levied for future year	2,141,200	-	-	17,914,384	20,055,584
Total deferred inflows of resources	2,188,641	-	-	17,914,384	20,103,025
Fund balances:					
Nonspendable:					
Inventories	-	762,887	-	-	762,887
Prepaid expenditures	84,604	1,812	2,180	-	88,596
Restricted:					
Child nutrition services	-	2,099,650	-	-	2,099,650
Committed:					
Community recreation	466,941	-	-	-	466,941
Assigned:					
Programs	8,308,969	-	-	-	8,308,969
Schools	15,709	-	-	-	15,709
Students	-	-	2,713,056	-	2,713,056
Total fund balances	<u>8,876,223</u>	<u>2,864,349</u>	<u>2,715,236</u>	<u>-</u>	<u>14,455,808</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,264,145</u>	<u>\$ 3,136,879</u>	<u>\$ 3,010,559</u>	<u>\$ 17,914,384</u>	<u>\$ 35,325,967</u>

SALT LAKE CITY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds Year Ended June 30, 2016

	Special Revenue Funds				
	Special Programs	Child Nutrition	Student Activities	Tax Increment	Total
Revenues:					
Property taxes	\$ 2,225,032	\$ -	\$ -	\$ 14,756,784	\$ 16,981,816
Tuition	1,765,948	-	-	-	1,765,948
Student fees	-	-	867,831	-	867,831
Food sales	-	1,423,050	-	-	1,423,050
Earnings on investments	18,738	10,717	27,927	-	57,382
Other local revenues	7,985,882	-	2,648,669	-	10,634,551
State of Utah	2,853,727	1,841,414	-	-	4,695,141
Federal government	2,276,378	10,024,222	-	-	12,300,600
Total revenues	17,125,705	13,299,403	3,544,427	14,756,784	48,726,319
Expenditures:					
Current:					
Instruction	7,476,887	-	3,417,123	-	10,894,010
Supporting services:					
Students	111,799	-	-	-	111,799
Instructional staff	3,318,068	-	-	-	3,318,068
General district administration	234,494	-	-	-	234,494
General school administration	2,191,080	-	-	-	2,191,080
Central	149,417	-	-	-	149,417
Operation and maintenance of school buildings	307,763	-	-	-	307,763
Child nutrition services	-	13,094,787	-	-	13,094,787
Community services	37,491	-	-	14,756,784	14,794,275
Total expenditures	13,826,999	13,094,787	3,417,123	14,756,784	45,095,693
Excess of revenues over expenditures	3,298,706	204,616	127,304	-	3,630,626
Other financing sources:					
Proceeds from sale of capital assets	-	15,424	-	-	15,424
Net change in fund balances	3,298,706	220,040	127,304	-	3,646,050
Fund balances - beginning	5,577,517	2,644,309	2,587,932	-	10,809,758
Fund balances - ending	<u>\$ 8,876,223</u>	<u>\$ 2,864,349</u>	<u>\$ 2,715,236</u>	<u>\$ -</u>	<u>\$ 14,455,808</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, 2016

With Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 2,130,830	\$ 2,225,032	\$ 94,202	\$ 1,982,072
Tuition	1,509,102	1,765,948	256,846	1,845,325
Earnings on investments	-	18,738	18,738	16,948
Other local	5,345,695	7,985,882	2,640,187	6,372,711
State of Utah	2,901,613	2,853,727	(47,886)	3,512,570
Federal government	2,338,573	2,276,378	(62,195)	4,183,114
Total revenues	14,225,813	17,125,705	2,899,892	17,912,740
Expenditures:				
Current:				
Instruction	7,843,636	7,476,887	366,749	9,520,801
Supporting services:				
Students	116,861	111,799	5,062	110,411
Instructional staff	3,679,517	3,318,068	361,449	3,866,291
General district administration	239,356	234,494	4,862	306,427
General school administration	2,244,600	2,191,080	53,520	2,017,780
Central	44,400	149,417	(105,017)	137,363
Operation and maintenance of school buildings	333,930	307,763	26,167	681,374
Community services	33,854	37,491	(3,637)	475,648
Capital outlay	-	-	-	784,515
Total expenditures	14,536,154	13,826,999	709,155	17,900,610
Excess (deficiency) of revenues over (under) expenditures - net change in fund balances	(310,341)	3,298,706	3,609,047	12,130
Fund balances - beginning	5,577,517	5,577,517	-	5,565,387
Fund balances - ending	\$ 5,267,176	\$ 8,876,223	\$ 3,609,047	\$ 5,577,517

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, 2016

With Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Food sales	\$ 1,498,453	\$ 1,423,050	\$ (75,403)	\$ 1,377,844
Earnings on investments	6,000	10,717	4,717	5,225
State of Utah	1,821,621	1,841,414	19,793	1,726,002
Federal government	10,057,938	10,024,222	(33,716)	9,674,516
Total revenues	13,384,012	13,299,403	(84,609)	12,783,587
Expenditures:				
Current:				
Salaries	3,263,052	3,244,602	18,450	3,161,552
Employee benefits	1,569,252	1,437,527	131,725	1,376,053
Food	5,909,508	5,797,145	112,363	5,792,693
Supplies	832,400	803,199	29,201	645,448
Contracted services	589,408	561,732	27,676	546,550
Indirect costs	1,019,207	986,745	32,462	742,329
Equipment and maintenance	301,000	263,837	37,163	208,022
Total expenditures	13,483,827	13,094,787	389,040	12,472,647
Excess (deficiency) of revenues over (under) expenditures	(99,815)	204,616	304,431	310,940
Other financing sources:				
Proceeds from sale of capital assets	25,000	15,424	(9,576)	9,204
Net change in fund balances	(74,815)	220,040	294,855	320,144
Fund balances - beginning	2,644,309	2,644,309	-	2,324,165
Fund balances - ending	<u>\$ 2,569,494</u>	<u>\$ 2,864,349</u>	<u>\$ 294,855</u>	<u>\$ 2,644,309</u>

SALT LAKE CITY SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Student Activities

A Nonmajor Special Revenue Fund

Year Ended June 30, 2016

With Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Other local:				
Interest from investments	\$ 20,000	\$ 27,927	\$ 7,927	\$ 17,939
Fees and fines	855,000	867,831	12,831	823,541
Vending	55,000	56,010	1,010	53,141
Other	3,309,999	2,592,659	(717,340)	2,561,723
Total revenues	4,239,999	3,544,427	(695,572)	3,456,344
Expenditures:				
Current:				
Salaries	271,450	224,740	46,710	258,511
Employee benefits	55,042	34,945	20,097	43,815
Contract services	154,000	146,966	7,034	152,860
Purchased services	63,100	101,772	(38,672)	57,648
Supplies	3,624,199	2,898,050	726,149	2,721,671
Dues and fees	1,000	-	1,000	-
Equipment	16,200	10,650	5,550	66,478
Total expenditures	4,184,991	3,417,123	767,868	3,300,983
Excess (deficiency) of revenues over (under) expenditures - net change in fund balances	55,008	127,304	72,296	155,361
Fund balances - beginning	2,587,932	2,587,932	-	2,432,571
Fund balances - ending	<u>\$ 2,642,940</u>	<u>\$ 2,715,236</u>	<u>\$ 72,296</u>	<u>\$ 2,587,932</u>

SALT LAKE CITY SCHOOL DISTRICT

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

A Nonmajor Special Revenue Fund

Year Ended June 30, 2016

With Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 14,756,784	\$ 14,756,784	\$ -	\$ 13,487,433
Expenditures:				
Current:	-	-	-	-
Community services	14,756,784	14,756,784	-	13,487,433
Excess of revenues over expenditures - net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This page is intentionally blank.

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 accrued vacation and sick leave payments, early retirement insurance benefits, health and dental insurance payments, and worker's compensation payments.

SALT LAKE CITY SCHOOL DISTRICT

Combining Statement of Fund Net Position

Internal Service Funds

June 30, 2016

With Comparative Totals for 2015

	2016					2015
	Distribution Services	Printing/ Graphics	Technical Services	Employee Benefits	Total	Total
Assets:						
Current assets:						
Cash and investments	\$ -	\$ 110,792	\$ 365,753	\$ 11,806,566	\$ 12,283,111	\$ 11,662,702
Receivables	806	-	-	-	806	469
Inventories	275,316	28,606	73,211	-	377,133	343,137
Total current assets	276,122	139,398	438,964	11,806,566	12,661,050	12,006,308
Noncurrent assets:						
Capital assets:						
Equipment	288,398	134,127	91,451	-	513,976	435,051
Accumulated depreciation	(220,820)	(75,363)	(82,692)	-	(378,875)	(359,868)
Net capital assets	67,578	58,764	8,759	-	135,101	75,183
Total assets	343,700	198,162	447,723	11,806,566	12,796,151	12,081,491
Deferred Outflows of Resources:						
Amounts related to pensions	84,013	33,756	195,820	-	313,589	100,021
Liabilities:						
Current liabilities:						
Accounts payable	110,293	54,405	2,396	-	167,094	259,293
Accrued vacation	-	-	-	230,826	230,826	111,865
Accrued sick leave	-	-	-	248,819	248,819	405,224
Early retirement incentive	-	-	-	1,035,263	1,035,263	976,968
Health insurance	-	-	-	3,068,416	3,068,416	3,266,286
Dental insurance	-	-	-	435,988	435,988	334,239
Workers compensation	-	-	-	556,958	556,958	402,503
Total current liabilities	110,293	54,405	2,396	5,576,270	5,743,364	5,756,378
Noncurrent liabilities:						
Net pension liability	227,612	96,714	527,882	-	852,208	665,599
Accrued vacation	-	-	-	649,567	649,567	1,010,000
Accrued sick leave	-	-	-	2,760,176	2,760,176	2,542,758
Early retirement incentive	-	-	-	2,266,296	2,266,296	2,139,752
Total noncurrent liabilities	227,612	96,714	527,882	5,676,039	6,528,247	6,358,109
Total liabilities	337,905	151,119	530,278	11,252,309	12,271,611	12,114,487
Deferred Inflows of Resources:						
Amounts related to pensions	22,170	9,385	51,434	-	82,989	62,194
Net Position:						
Net investment in capital assets	67,578	58,764	8,759	-	135,101	75,183
Unrestricted	60	12,650	53,072	554,257	620,039	(70,352)
Total net position	\$ 67,638	\$ 71,414	\$ 61,831	\$ 554,257	\$ 755,140	\$ 4,831

SALT LAKE CITY SCHOOL DISTRICT

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

Internal Service Funds

Year Ended June 30, 2016

With Comparative Totals for 2015

	2016				2015
	Distribution Services	Printing/ Graphics	Technical Services	Employee Benefits	Total
Operating revenues:					
Charges for services	\$ 622,533	\$ 383,058	\$ 1,490,398	\$ 19,444,602	\$ 21,940,591
Operating expenses:					
Salaries	286,581	92,914	541,313	-	920,808
Employee benefits	113,966	49,510	295,805	19,444,805	19,904,086
Materials	24,054	83,821	171,407	-	279,282
Contracted services	-	-	11,579	-	11,579
Equipment maintenance	18,591	3,062	9,468	-	31,121
Depreciation	18,754	8,430	2,389	-	29,573
Other expenses	80,726	5,220	9,240	-	95,186
Total operating expenses	542,672	242,957	1,041,201	19,444,805	21,271,635
Operating income (loss)	79,861	140,101	449,197	(203)	668,956
Nonoperating income:					
Interest on investments	-	-	-	81,353	81,353
Change in net position	79,861	140,101	449,197	81,150	750,309
Net position - beginning	(12,223)	(68,687)	(387,366)	473,107	4,831
Net position - ending	\$ 67,638	\$ 71,414	\$ 61,831	\$ 554,257	\$ 755,140

SALT LAKE CITY SCHOOL DISTRICT

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

Year Ended June 30, 2016

With Comparative Totals for 2015

	2016				2015	
	Distribution Services	Printing/ Graphics	Technical Services	Employee Benefits	Total	Total
Cash flows from operating activities:						
Receipts from interfund services provided	\$ 622,196	\$ 383,058	\$ 1,490,398	\$ 19,444,602	\$ 21,940,254	\$ 22,943,412
Payments to suppliers	(174,903)	(84,804)	(283,656)	-	(543,363)	(355,305)
Payments made to or on behalf of employees	(402,202)	(143,062)	(840,989)	(19,382,091)	(20,768,344)	(23,163,181)
Net cash provided (used) by operating activities	45,091	155,192	365,753	62,511	628,547	(575,074)
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(45,091)	(44,400)	-	-	(89,491)	(6,495)
Cash flows from investing activities:						
Interest earned	-	-	-	81,353	81,353	63,488
Change in cash and cash equivalents	-	110,792	365,753	143,864	620,409	(518,081)
Cash and Cash Equivalents - Beginning	-	-	-	11,662,702	11,662,702	12,180,783
Cash and Cash Equivalents - Ending (displayed as cash and investments in the combining statement of fund net position)	<u>\$ -</u>	<u>\$ 110,792</u>	<u>\$ 365,753</u>	<u>\$ 11,806,566</u>	<u>\$ 12,283,111</u>	<u>\$ 11,662,702</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 79,861	\$ 140,101	\$ 449,197	\$ (203)	\$ 668,956	\$ (68,549)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	18,754	8,430	2,389	-	29,573	31,075
Pension expense	(51,755)	(19,972)	(121,046)	-	(192,773)	43,855
Changes in operating assets and liabilities:						
Receivables	(337)	-	-	-	(337)	5,622
Inventories	(35,735)	10	1,729	-	(33,996)	92,009
Accounts payable	(15,797)	7,289	(83,691)	-	(92,199)	(22,209)
Net pension liability	50,100	19,334	117,175	-	186,609	(95,255)
Accrued vacation	-	-	-	(241,472)	(241,472)	(84,306)
Accrued sick leave	-	-	-	61,013	61,013	(342,009)
Early retirement incentive payable	-	-	-	184,839	184,839	172,204
Health insurance payable	-	-	-	(197,870)	(197,870)	99,465
Dental insurance payable	-	-	-	101,749	101,749	(68,396)
Workers compensation payable	-	-	-	154,455	154,455	(338,580)
Total adjustments	(34,770)	15,091	(83,444)	62,714	(40,409)	(506,525)
Net cash provided (used) by operating activities	<u>\$ 45,091</u>	<u>\$ 155,192</u>	<u>\$ 365,753</u>	<u>\$ 62,511</u>	<u>\$ 628,547</u>	<u>\$ (575,074)</u>
Noncash investing, capital, and financing activities	none	none	none	none	none	none

This page is intentionally blank.

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.	80 - 85
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	86 - 89
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.	90 - 95
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.	96 - 97
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.	98 - 109
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.	110 - 114

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

SALT LAKE CITY SCHOOL DISTRICT

Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)

Fiscal Year Ended June 30,	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2016	\$ 249,277,178	\$ 51,519,294	\$ (26,394,016)	\$ 274,402,456
2015	246,369,037	45,430,231	(35,226,396)	256,572,872
2014	246,581,273	37,426,080	(42,119,504)	241,887,849
2013	244,506,480	39,885,077	46,583,520	330,975,077
2012	236,865,736	36,736,166	47,128,386	320,730,288
2011	228,314,411	37,596,288	46,483,756	312,394,455
2010	217,482,173	34,558,724	40,792,140	292,833,037
2009	210,563,915	29,215,370	38,538,740	278,318,025
2008	186,489,384	40,756,654	29,964,471	257,210,509
2007	166,380,563	44,636,265	27,850,534	238,867,362

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

Note: In FY2015, the District implemented GASB statements 68 and 71, recording its proportionate share of net pension liabilities. As a result, the beginning net position balance was decreased by \$97,942,595. Prior years have not been restated.

SALT LAKE CITY SCHOOL DISTRICT

Fund Balances - Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

Fiscal Year Ended June 30,	General Fund					
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2016	\$ 112,365	\$ -	\$ 7,000,000	\$ 29,966,831	\$ 11,214,374	\$ 48,293,570
2015	100,026	-	7,000,000	28,288,245	9,034,359	44,422,630
2014	75,587	-	7,000,000	28,543,112	9,413,515	45,032,214
2013	94,310	-	7,000,000	27,263,411	9,296,032	43,653,753
2012	114,464	-	7,000,000	27,118,083	9,605,666	43,838,213
2011	144,865	-	7,000,000	26,404,314	10,254,912	43,804,091
2010	123,845	-	7,000,000	19,512,177	11,837,262	38,473,284
2009	416,115	-	7,000,000	16,149,475	12,691,431	36,257,021
2008	705,358	-	7,000,000	7,544,326	13,420,241	28,669,925
2007	534,196	-	7,000,000	4,954,152	13,111,225	25,599,573

Fiscal Year Ended June 30,	All Other Governmental Funds					
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2016	\$ 899,336	\$ 50,050,619	\$ 466,941	\$ 11,037,734	\$ -	\$ 62,454,630
2015	793,731	44,040,499	319,414	7,758,185	-	52,911,829
2014	806,019	35,862,356	409,885	7,497,751	-	44,576,011
2013	609,278	30,496,551	-	7,511,013	-	38,616,842
2012	634,151	28,496,614	-	6,353,859	-	35,484,624
2011	529,853	37,876,976	-	5,127,627	-	43,534,456
2010	873,766	33,444,270	-	3,202,250	-	37,520,286
2009	822,656	23,025,887	-	3,929,781	-	27,778,324
2008	1,218,949	34,359,137 *	-	3,268,385 *	-	38,846,471
2007	1,184,082	41,921,172	-	1,423,452	-	44,528,706

Notes:

* The student activities fund was reclassified from a fiduciary fund to a special revenue fund as of July 1, 2007.
Prior years have not been restated.

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

SALT LAKE CITY SCHOOL DISTRICT

Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2016	2015	2014	2013
Expenses				
Instruction	\$ 157,579,097	\$ 156,111,302	\$ 160,402,578	\$ 156,240,735
Supporting services:				
Students	6,218,591	5,933,832	5,979,448	5,850,872
Instructional staff	16,823,554	16,011,030	15,986,650	14,605,154
General district administration	1,117,841	1,107,411	1,274,078	1,541,222
General school administration	13,206,765	12,100,581	12,268,416	11,675,857
Central	5,502,790	5,017,189	4,790,277	4,626,812
Operation and maintenance of school buildings	21,970,649	20,345,227	19,390,891	19,648,790
Student transportation	6,378,272	5,841,251	6,775,690	6,179,347
Other	-	-	-	-
Child nutrition services	13,389,707	12,787,372	12,935,867	13,587,803
Community services	14,794,072	13,963,081	931,160	1,248,839
Interest on long-term liabilities	1,963,779	2,239,134	2,712,179	3,324,175
Total expenses	<u>258,945,117</u>	<u>251,457,410</u>	<u>243,447,234</u>	<u>238,529,606</u>
Program Revenues				
Charges for services:				
Instruction	4,385,232	4,276,266	4,498,291	3,233,891
Supporting services	133,176	215,887	374,145	349,616
Child nutrition services	1,423,050	1,377,844	1,317,206	1,416,254
Community services	-	659,100	1,876,152	2,102,406
Operating grants and contributions	64,544,677	64,669,217	65,294,680	68,959,797
Total program revenues	<u>70,486,135</u>	<u>71,198,314</u>	<u>73,360,474</u>	<u>76,061,964</u>
Net (expense)/revenue	(188,458,982)	(180,259,096)	(170,086,760)	(162,467,642)
General Revenues and Other Changes in Net Position				
Property taxes	141,023,430	127,422,010	112,767,576	107,488,446
Federal and state aid not restricted to specific purposes	51,156,775	56,849,798	55,395,080	53,071,691
Earnings on investments	1,249,264	453,413	876,215	1,367,829
Miscellaneous	12,859,097	10,218,898	9,903,256	10,784,465
Special item - gain on sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general and other	<u>206,288,566</u>	<u>194,944,119</u>	<u>178,942,127</u>	<u>172,712,431</u>
Change in net position	<u>\$ 17,829,584</u>	<u>\$ 14,685,023</u>	<u>\$ 8,855,367</u>	<u>\$ 10,244,789</u>

Note: Incremental taxes were first reported in 2015 with an equal amount reported as community services expenditures.

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

2012	2011	2010	2009	2008	2007
\$ 153,694,103	\$ 154,113,899	\$ 153,348,876	\$ 151,755,972	\$ 148,719,117	\$ 128,022,243
5,965,406	6,059,853	6,245,107	6,528,229	6,160,831	5,601,671
15,361,417	14,897,568	15,406,650	16,297,035	16,828,598	16,309,593
1,051,678	1,205,297	1,279,297	1,147,099	1,067,519	1,150,893
11,811,898	11,321,300	11,293,363	10,060,731	9,570,287	8,936,635
4,555,684	4,850,665	4,622,323	4,660,032	4,147,499	4,134,114
18,295,132	18,208,395	18,234,484	20,242,738	17,240,137	16,696,371
6,058,589	5,851,624	5,059,709	5,139,744	5,421,467	4,968,145
-	-	-	-	110,252	61,473
14,547,742	14,257,099	13,079,043	13,464,062	12,514,591	12,655,235
919,813	717,929	562,525	513,449	489,901	414,688
3,823,970	4,571,285	5,322,106	5,746,253	4,946,826	7,595,731
236,085,432	236,054,914	234,453,483	235,555,344	227,217,025	206,546,792
4,481,581	4,131,741	3,388,844	3,743,039	6,673,555	4,405,759
370,779	445,325	475,060	491,177	566,065	581,091
1,198,038	1,790,335	1,339,422	1,644,704	1,150,852	1,592,285
2,012,325	1,208,121	1,183,018	1,054,712	1,102,037	587,163
69,875,094	71,722,359	70,280,605	67,347,167	60,378,521	51,643,095
77,937,817	79,297,881	76,666,949	74,280,799	69,871,030	58,809,393
(158,147,615)	(156,757,033)	(157,786,534)	(161,274,545)	(157,345,995)	(147,737,399)
103,998,011	102,066,099	97,273,621	98,026,965	97,748,775	98,994,142
53,295,236	64,447,486	64,685,625	72,648,266	66,263,474	59,246,466
1,518,660	1,316,194	1,683,970	3,772,269	4,552,856	5,365,984
7,856,127	8,960,693	8,814,375	7,934,561	4,134,406	2,291,372
-	-	-	-	1,154,765	1,127,244
166,668,034	176,790,472	172,457,591	182,382,061	173,854,276	167,025,208
\$ 8,520,419	\$ 20,033,439	\$ 14,671,057	\$ 21,107,516	\$ 16,508,281	\$ 19,287,809

SALT LAKE SCHOOL DISTRICT

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2016	2015	2014	2013
Revenues				
Property taxes	\$ 141,028,773	\$ 127,727,136	\$ 113,271,145	\$ 108,165,953
Other local	19,968,466	17,137,920	18,791,513	19,197,207
State of Utah	86,406,711	91,507,175	88,738,160	85,619,270
Federal government	29,294,741	30,011,840	31,951,600	36,412,218
Total revenues	<u>276,698,691</u>	<u>266,384,071</u>	<u>252,752,418</u>	<u>249,394,648</u>
Expenditures				
Instruction	139,814,349	140,714,894	136,144,991	136,600,090
Supporting services:				
Students	6,247,205	6,224,570	5,979,448	5,850,872
Instructional staff	16,893,271	16,545,451	15,940,426	14,582,807
General district administration	1,045,533	1,026,961	1,142,448	1,189,225
General school administration	13,262,497	12,556,070	12,268,416	11,675,857
Central	5,536,082	5,243,070	4,790,277	4,626,812
Operation and maintenance of buildings	21,043,256	19,914,455	18,791,047	19,319,852
Student transportation	5,724,106	5,266,543	6,076,530	5,580,941
Other	-	-	-	-
Child nutrition services	13,244,906	12,624,971	12,727,244	13,130,040
Community services	14,794,275	13,963,081	931,160	1,248,839
Capital outlay	15,236,851	14,127,872	13,286,721	15,933,609
Debt service:				
Principal retirement	8,162,722	7,815,000	14,340,000	12,810,000
Bond issuance costs	-	-	-	240,476
Interest, fiscal charges and other	2,368,343	2,716,793	3,072,526	3,987,980
Total expenditures	<u>263,373,396</u>	<u>258,739,731</u>	<u>245,491,234</u>	<u>246,777,400</u>
Excess (deficiency) of revenues over (under) expenditures	13,325,295	7,644,340	7,261,184	2,617,248
Other financing sources (uses)				
Refunding bonds issued	-	-	-	22,140,000
Bonds issued	-	-	-	-
Bond premium	-	-	-	3,260,900
Payment to refunded bonds escrow agent	-	-	-	(25,148,502)
Proceeds from the sale of capital assets	88,446	81,894	76,446	78,112
Total other financing sources (uses)	<u>88,446</u>	<u>81,894</u>	<u>76,446</u>	<u>330,510</u>
Net change in fund balances	<u>\$ 13,413,741</u>	<u>\$ 7,726,234</u>	<u>\$ 7,337,630</u>	<u>\$ 2,947,758</u>
Debt service as a percentage of noncapital expenditures	4.15%	4.19%	7.16%	7.07%

Note: Incremental taxes were first reported in 2015 with an equal amount reported as community services expenditures.

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

2012	2011	2010	2009	2008	2007
\$ 104,391,365	\$ 101,544,260	\$ 96,367,544	\$ 97,410,606	\$ 99,487,300	\$ 98,980,594
17,381,548	17,810,066	16,723,463	18,448,615	17,837,559	14,466,456
85,203,428	91,265,093	89,412,671	97,096,751	96,616,784	81,208,998
37,966,902	44,904,752	45,553,559	42,898,682	30,025,211	29,680,563
244,943,243	255,524,171	248,057,237	255,854,654	243,966,854	224,336,611
133,718,233	136,628,817	133,719,808	136,305,305	130,643,850	114,778,371
5,847,163	5,942,934	6,138,199	6,421,380	6,055,848	5,509,445
14,759,440	14,312,976	14,872,111	15,762,789	16,303,681	15,848,461
1,054,156	1,292,099	1,225,378	1,039,932	1,132,620	1,043,435
11,457,168	11,179,035	10,972,640	9,740,183	9,255,337	8,659,956
4,555,684	4,850,665	4,622,323	4,660,032	4,147,499	4,134,114
17,381,827	17,390,412	17,478,438	19,492,892	17,029,973	16,485,564
5,463,831	5,253,829	4,508,769	4,587,473	4,414,868	4,057,943
-	-	-	-	110,252	61,473
13,544,074	13,267,624	12,174,820	12,523,847	11,553,314	11,807,975
919,813	717,929	562,525	513,449	489,901	414,688
27,390,187	22,491,052	18,073,415	31,409,429	30,743,475	24,290,623
12,433,000	12,111,000	11,483,000	11,056,000	10,859,000	10,215,000
130,143	208,491	78,023	-	164,012	-
4,140,961	4,797,153	5,443,821	5,876,578	6,071,060	6,732,366
252,795,680	250,444,016	241,353,270	259,389,289	248,974,690	224,039,414
(7,852,437)	5,080,155	6,703,967	(3,534,635)	(5,007,836)	297,197
16,360,000	18,255,000	-	-	16,801,000	-
-	6,000,000	5,000,000	-	-	-
2,062,922	2,984,071	-	-	101,405	-
(18,664,358)	(21,076,861)	-	-	(16,738,393)	-
78,163	102,612	254,258	53,584	109,248	2,135,070
(163,273)	6,264,822	5,254,258	53,584	273,260	2,135,070
\$ (8,015,710)	\$ 11,344,977	\$ 11,958,225	\$ (3,481,051)	\$ (4,734,576)	\$ 2,432,267
7.04%	7.18%	7.23%	7.23%	7.45%	8.27%

SALT LAKE CITY SCHOOL DISTRICT

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Tax Years December 31, 2006 through 2015

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
2006	\$ 2,050,073,870	\$ 6,796,767,472	\$ 6,487,575,310	\$ 57,330	\$ 2,289,658,523	\$ 17,624,132,505	0.006002	\$ 23,061,841,525	76.42%
2007	2,063,831,387	8,151,752,558	7,762,690,241	94,860	2,675,295,454	20,653,664,500	0.005084	27,216,392,096	75.89%
2008	2,076,836,331	8,510,236,464	8,496,549,150	83,650	2,780,464,087	21,864,169,682	0.004937	28,669,298,571	76.26%
2009	1,603,357,209	7,704,027,024	7,364,094,350	72,180	2,752,043,271	19,423,594,034	0.005976	25,580,544,749	75.93%
2010	1,609,972,716	7,379,392,292	7,342,856,970	62,270	2,597,999,755	18,930,284,003	0.006371	24,826,812,300	76.25%
2011	1,576,916,496	7,441,337,891	7,473,015,890	56,380	2,061,037,331	18,552,363,988	0.006408	24,496,904,249	75.73%
2012	1,617,923,834	7,322,058,294	7,608,557,580	58,730	2,012,288,200	18,560,886,638	0.006626	24,407,186,130	76.05%
2013	1,699,347,198	7,592,180,829	8,059,016,800	57,770	2,223,873,242	19,574,475,839	0.006651	25,638,645,909	76.35%
2014	1,675,767,308	7,998,504,654	8,771,128,320	119,110	2,457,162,256	20,902,681,648	0.006303	27,302,520,481	76.56%
2015	1,816,940,749	8,538,284,481	9,263,371,080	128,209	2,499,620,187	22,118,344,706	0.006497	28,958,202,757	76.38%

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, 2006 through 2015

(rate per \$1 of assessed value)

	Tax Rates for the Tax Year Ended December 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Salt Lake City School District direct rates:										
Basic program (1)	0.001736	0.001419	0.001535	0.001651	0.001591	0.001527	0.001433	0.001277	0.001319	0.001556
Voted local (2)	0.000915	0.000951	0.000973	0.001000	0.000880	0.001800	0.001768	0.001385	0.001466	0.001800
Board local (3)	0.002259	0.002284	0.001975	0.001835	0.000400	0.000200	0.000200	0.000200	0.000154	0.000200
K-3 reading program	(b)	(b)	(b)	(b)	0.000121	0.000121	0.000121	0.000121	0.000121	0.000121
Transportation (4)	(b)	(b)	(b)	(b)	0.000151	0.000095	(a)	(a)	(a)	(a)
Tort liability (5)	(b)	(b)	(b)	(b)	0.000100	0.000022	0.000022	0.000019	0.000020	0.000024
Recreation (6)	(b)	(b)	(b)	(b)	0.000485	0.000120	0.000116	0.000111	0.000118	0.000134
Capital outlay (7)	0.001094	0.001115	0.001162	0.001130	0.001119	0.001229	0.001123	0.000801	0.000803	0.000847
10% of Basic - Other (8)	(b)	(b)	(b)	(b)	0.000545	0.000225	0.000223	0.000196	0.000209	0.000247
Debt service (9)	0.000493	0.000534	0.001006	0.001010	0.001016	0.001032	0.000970	0.000827	0.000874	0.001073
Total direct rate	0.006497	0.006303	0.006651	0.006626	0.006408	0.006371	0.005976	0.004937	0.005084	0.006002
Overlapping Rates:										
Salt Lake City Corporation	0.004862	0.004893	0.005036	0.004743	0.004622	0.004637	0.003896	0.003299	0.003383	0.003958
Salt Lake City Library	0.000749	0.000782	0.000820	0.000846	0.000817	0.000791	0.000760	0.000618	0.000657	0.000762
Salt Lake County	0.002531	0.003036	0.003180	0.002793	0.002696	0.002593	0.002278	0.001934	0.001994	0.002371
Central Utah Water District	0.000405	0.000422	0.000446	0.000455	0.000436	0.000421	0.000400	0.000286	0.000302	0.000357
S.L.C. Metro. Water District	0.000373	0.000391	0.000409	0.000423	0.000409	0.000414	0.000398	0.000352	0.000351	0.000350
Mosquito Abatement District	0.000121	0.000127	0.000132	0.000136	0.000131	0.000132	0.000126	0.000097	0.000102	0.000118

Limitations per Utah State Statute:

- (1) Rate established annually by Utah State Legislature
- (2) Maximum rate is 0.002000
- (3) Maximum rate is 0.002500
- (4) Maximum rate is 0.000300
- (5) Maximum rate is 0.000100
- (6) No maximum rate
- (7) Maximum rate is 0.002400
- (8) Maximum rate based on formula and changes annually
- (9) No maximum rate, but must have voter approval for bonds issued

(a) The Transportation tax became available by law for student transportation to and from school in 2010

(b) For the tax year 2012, the legislature consolidated these levies into the Board local levy

Source: Utah State Tax Commission

SALT LAKE CITY SCHOOL DISTRICT

Some of the Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	December 31, 2015			December 31, 2006		
	Taxable Value	Rank	Percent of District's Total Taxable Value (1)	Taxable Value	Rank	Percent of District's Total Taxable Value (1)
LDS Church (Property Reserve, City Creek Reserve, Deseret Title)	\$ 866,974,522	1	4.2%	\$ 443,530,060	1	3.0%
PacifiCorp	442,656,246	2	2.2%	293,714,897	4	2.0%
Boyer Properties	358,193,800	3	1.7%			
Delta Airlines	248,606,580	4	1.2%	345,985,900	3	2.3%
Wasatch Plaza	202,508,700	5	1.0%	143,516,300	7	1.0%
Skywest, Inc.	181,381,535	6	0.9%	430,757,893	2	2.9%
Century Link	136,783,109	7	0.7%			
Questar Gas	136,557,237	8	0.7%			
KBS111 222 Main	135,588,000	9	0.7%			
Grand America Hotel Corporation	91,620,600	10	0.4%	90,107,600	9	0.6%
Qwest Corporation				180,937,719	5	1.2%
Inland Western Salt City Gateway				159,281,000	6	1.1%
Southwest Airlines				91,644,040	8	0.6%
Gateway Associates				87,507,200	10	0.6%
Totals	<u>\$ 2,800,870,329</u>		<u>13.6%</u>	<u>\$ 2,266,982,609</u>		<u>15.3%</u>
Assessed Taxable Value	\$ 20,568,006,058			\$ 14,822,594,794		

Source: Salt Lake City Corporation and District records

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

SALT LAKE CITY SCHOOL DISTRICT

Property Tax Levies and Collections Last Ten Tax Years

Year Ended December 31,	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
2006	\$ 98,008,618	\$ 95,449,850	97.39%	\$ 2,558,768	\$ 98,008,618	100.00%
2007	98,281,497	95,619,445	97.29%	2,664,127	98,283,572	100.00%
2008	98,892,331	95,841,478	96.91%	2,919,769	98,761,247	99.87%
2009	97,662,099	93,364,752	95.60%	3,632,391	96,997,143	99.32%
2010	102,507,323	98,984,079	96.56%	3,159,559	102,143,638	99.65%
2011	104,561,807	101,267,001	96.85%	3,294,806	104,561,807	100.00%
2012	105,362,837	102,220,670	97.02%	3,142,167	105,362,837	100.00%
2013	111,823,157	108,914,237	97.40%	2,192,173	111,106,410	99.36%
2014	114,709,677	112,196,238	97.81%	1,575,478	113,771,716	99.18%
2015	123,866,131	121,474,519	98.07%	-	121,474,519	98.07%

* 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 and General Bonded Debt
Last Ten Fiscal Years**

	Year Ended June 30,			
	2016	2015	2014	2013
Ratios of Outstanding Debt:				
General Obligation Bonds	\$ 49,365,000	\$ 57,527,722	\$ 65,342,722	\$ 79,682,722
Bond Issuance Premiums, Net of Discounts	5,175,391	5,948,934	6,860,915	7,773,953
Qualified School Construction Bonds	11,000,000	11,000,000	11,000,000	11,000,000
Total Debt	<u>\$ 65,540,391</u>	<u>\$ 74,476,656</u>	<u>\$ 83,203,637</u>	<u>\$ 98,456,675</u>
Total Debt as Percentage of Taxable Value	0.30%	0.36%	0.43%	0.53%
Total Debt Per Capita	\$ 340	\$ 390	\$ 435	\$ 520
Total Debt Per Student	\$ 2,707	\$ 3,087	\$ 3,403	\$ 4,089
Ratios of General Bonded Debt:				
General Obligation Bonds	\$ 49,365,000	\$ 57,527,722	\$ 65,342,722	\$ 79,682,722
Bond Issuance Premiums, Net of Discounts	5,175,391	5,948,934	6,860,915	7,773,953
Net General Bonded Debt	<u>\$ 54,540,391</u>	<u>\$ 63,476,656</u>	<u>\$ 72,203,637</u>	<u>\$ 87,456,675</u>
Net General Bonded Debt as Percentage of Taxable Value	0.25%	0.30%	0.37%	0.47%
Net General Bonded Debt Per Capita	\$ 283	\$ 333	\$ 378	\$ 462
Net General Bonded Debt Per Student	\$ 2,253	\$ 2,631	\$ 2,953	\$ 3,632

Source: Salt Lake City School District records

2012	2011	2010	2009	2008	2007
\$ 93,442,722	\$ 107,280,722	\$ 121,055,722	\$ 132,538,722	\$ 143,594,722	\$ 153,797,722
5,244,023	3,721,811	1,284,797	1,506,371	1,727,945	1,899,087
11,000,000	11,000,000	5,000,000	-	-	-
<u>\$ 109,686,745</u>	<u>\$ 122,002,533</u>	<u>\$ 127,340,519</u>	<u>\$ 134,045,093</u>	<u>\$ 145,322,667</u>	<u>\$ 155,696,809</u>
0.59%	0.64%	0.66%	0.61%	0.70%	0.88%
\$ 578	\$ 654	\$ 695	\$ 738	\$ 804	\$ 871
\$ 4,502	\$ 5,013	\$ 5,267	\$ 5,613	\$ 6,250	\$ 6,612

\$ 93,442,722	\$ 107,280,722	\$ 121,055,722	\$ 132,538,722	\$ 143,594,722	\$ 153,797,722
5,244,023	3,721,811	1,284,797	1,506,371	1,727,945	1,899,087
<u>\$ 98,686,745</u>	<u>\$ 111,002,533</u>	<u>\$ 122,340,519</u>	<u>\$ 134,045,093</u>	<u>\$ 145,322,667</u>	<u>\$ 155,696,809</u>
0.53%	0.59%	0.63%	0.61%	0.70%	0.88%
\$ 520	\$ 595	\$ 668	\$ 738	\$ 804	\$ 871
\$ 4,050	\$ 4,561	\$ 5,060	\$ 5,613	\$ 6,250	\$ 6,612

SALT LAKE CITY SCHOOL DISTRICT

Direct and Overlapping Governmental Activities Debt As of June 30, 2016

Taxing Entity (1)	2015 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 *	\$ 21,753,175,225	\$ 21,753,175,225	100.0%	\$ 141,774,839	\$ 141,774,839
Salt Lake County **	83,918,363,066	27,273,467,996	32.5%	174,815,000	56,814,875
Total Overlapping Debt					<u>198,589,714</u>
Direct:					
General Obligation Debt					49,365,000
Qualified School Construction Debt					11,000,000
Deferred Amounts					5,175,391
Total Direct Debt					<u>65,540,391</u>
Total Direct and Overlapping Debt					<u>\$ 264,130,105</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.

* Source: Salt Lake City Corporation

** Source: Salt Lake County Auditor's Office

SALT LAKE CITY SCHOOL DISTRICT

Legal Debt Margin Information Last Ten Fiscal Years June 30, 2007 through 2016

Fiscal Year Ended June 30,	Estimated Fair Market Value	Debt Limit 4% of Fair Market Value	Less General Obligation Debt	Legal Debt Margin	Percentage of Debt To Debt Limit
2007	\$ 23,061,841,525	\$ 922,473,661	\$ 155,696,809	\$ 766,776,852	16.88%
2008	27,216,392,096	1,088,655,684	145,322,667	943,333,017	13.35%
2009	28,669,298,571	1,146,771,943	134,045,093	1,012,726,850	11.69%
2010	25,580,544,749	1,023,221,790	122,340,519	900,881,271	11.96%
2011	24,826,812,300	993,072,492	111,002,533	882,069,959	11.18%
2012	24,496,904,249	979,876,170	98,686,745	881,189,425	10.07%
2013	24,407,186,130	976,287,445	87,456,675	888,830,770	8.96%
2014	25,638,645,909	1,025,545,836	72,203,637	953,342,199	7.04%
2015	27,302,520,481	1,092,100,819	63,476,656	1,028,624,163	5.81%
2016	28,958,202,757	1,158,328,110	54,540,391	1,103,787,719	4.71%

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 part of the fair market value of the taxable property in the District.

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

SALT LAKE CITY SCHOOL DISTRICT

Debt Service Schedule of Outstanding General Obligation Bonds (Fiscal Year) As of June 30, 2016

		Year Ending June 30,											
		2017		2018		2019		2020		2021		2022	
Series 1999	Principal	\$ -	(1)	\$ -	(1)	\$ -	(1)	\$ -		\$ -		\$ -	
\$ 10,000,000	Interest	-	(1)	-	(1)	-	(1)	-		-		-	
Series 2000	Principal	-	(2)	-	(2)	-	(2)	-	(2)	-		-	
\$ 10,000,000	Interest	-	(2)	-	(2)	-	(2)	-	(2)	-		-	
Series 2002B	Principal	-	(6)	-	(6)	-	(6)	-	(6)	-		-	
\$ 12,315,000	Interest	-	(6)	-	(6)	-	(6)	-	(6)	-		-	
Series 2003A	Principal	-	(4)	-	(4)	-	(4)	-	(4)	-	(3)	-	(3)
\$ 45,000,000	Interest	-	(4)	-	(4)	-	(4)	-	(4)	-	(3)	-	(3)
Series 2005A	Principal	-	(8)	-	(8)	-	(8)	-	(8)	-	(7)	-	(8)
\$ 35,000,000	Interest	-	(8)	-	(8)	-	(8)	-	(8)	-	(7)	-	(8)
Series 2006	Principal	1,540,000		1,610,000		1,670,000		-	(9)	-	(9)	-	
\$ 31,255,000	Interest	192,800		131,200		66,800		-	(9)	-	(9)	-	
Series 2007A	Principal	-	(5)	-	(5)	-	(5)	-	(5)	-	(5)	-	(5)
\$ 9,876,000	Interest	-	(5)	-	(5)	-	(5)	-	(5)	-	(5)	-	(5)
Series 2010	Principal	2,360,000		2,480,000		2,605,000		2,735,000		2,850,000		2,135,000	
\$ 18,255,000	Interest	820,500		702,500		578,500		448,250		338,850		196,350	
Series 2012	Principal	1,035,000		1,070,000		1,100,000		410,000		1,885,000		-	
\$ 16,360,000	Interest	171,550		130,150		108,750		64,750		56,550		-	
Series 2013	Principal	1,920,000		1,950,000		1,975,000		4,530,000		3,280,000		1,855,000	
\$ 22,140,000	Interest	894,675		861,075		826,950		747,950		521,450		357,450	
Total		<u>\$ 8,934,525</u>		<u>\$ 8,934,925</u>		<u>\$ 8,931,000</u>		<u>\$ 8,935,950</u>		<u>\$ 8,931,850</u>		<u>\$ 4,543,800</u>	
Total Principal		\$ 6,855,000		\$ 7,110,000		\$ 7,350,000		\$ 7,675,000		\$ 8,015,000		\$ 3,990,000	
Total Interest		<u>2,079,525</u>		<u>1,824,925</u>		<u>1,581,000</u>		<u>1,260,950</u>		<u>916,850</u>		<u>553,800</u>	
Total		<u>\$ 8,934,525</u>		<u>\$ 8,934,925</u>		<u>\$ 8,931,000</u>		<u>\$ 8,935,950</u>		<u>\$ 8,931,850</u>		<u>\$ 4,543,800</u>	

- (1) 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.
- (2) 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.
- (3) The principal and interest due in fiscal 2021 through 2023 on the Series 2003A bonds were refunded, resulting in the defeasance of the old debt and substitution of the "Refunding Bonds" Series of 2007A.
- (4) The principal and interest due in fiscal 2017 through 2020 on the Series 2003A bonds were refunded, resulting in the defeasance of the old debt and substitution of the "Refunding Bonds" Series of 2010.
- (5) The principal and interest due in fiscal 2013 through 2023 on the Series 2007A bonds were refunded, resulting in the defeasance of the old debt and substitution of the "Refunding Bonds" Series of 2010.
- (6) The principal and interest due in fiscal 2013 through 2020 on the Series 2002B bonds were refunded, resulting in the defeasance of the old debt and substitution of the "Refunding Bonds" Series of 2012.
- (7) The principal and interest due in fiscal 2021 on the Series 2005A bonds were refunded, resulting in the defeasance of the old debt and substitution of the "Refunding Bonds" Series of 2012.
- (8) The principal and interest due in fiscal 2017 through 2020 and 2022 through 2025 on the Series 2005A bonds were refunded, resulting in the defeasance of the old debt and substitution of the "Refunding Bonds" Series of 2013.
- (9) The principal and interest due in fiscal 2020 through 2021 on the Series 2006 bonds were refunded, resulting in the defeasance of the old debt and substitution of the "Refunding Bonds" Series 2013
- (11) 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 1998 and for the subsequent bond issues.

Source: Salt Lake City School District records

2023	2024	2025	Total
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	(3)	-	-
-	(3)	-	-
-	(8)	(8)	(8)
-	(8)	(8)	(8)
-	-	-	4,820,000
-	-	-	390,800
-	(5)	-	-
-	(5)	-	-
2,240,000	-	-	17,405,000
89,600	-	-	3,174,550
-	-	-	5,500,000
-	-	-	531,750
1,950,000	2,050,000	2,130,000	21,640,000
264,700	167,200	85,200	4,726,650
<u>\$ 4,544,300</u>	<u>\$ 2,217,200</u>	<u>\$ 2,215,200</u>	<u>\$ 58,188,750</u>
\$ 4,190,000	\$ 2,050,000	\$ 2,130,000	\$ 49,365,000
354,300	167,200	85,200	8,823,750
<u>\$ 4,544,300</u>	<u>\$ 2,217,200</u>	<u>\$ 2,215,200</u>	<u>\$ 58,188,750</u>

SALT LAKE CITY SCHOOL DISTRICT

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year Ended June 30,	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)
2007	178,858	\$ 8,603,388,140	\$ 48,102	2.8%	282,596	\$ 386,526,998	53%
2008	180,651	9,390,333,317	51,981	3.4%	285,429	581,410,300	54%
2009	181,698	8,882,512,905	48,886	5.9%	287,083	555,102,000	55%
2010	183,102	8,201,517,302	44,792	7.1%	289,301	214,364,500	55%
2011	186,440	8,427,996,847	45,205	7.6%	294,575	286,071,300	50%
2012	189,899	8,576,139,629	45,162	6.0%	300,040	430,762,000	50%
2013	189,314	9,110,918,478	48,126	5.0%	299,116	371,443,200	50%
2014	191,180	8,924,247,269	46,680	3.7%	302,064	111,490,800	58%
2015	190,884	9,729,392,270	50,970	3.4%	301,597	426,622,200	58%
2016	192,672	n/a	n/a	3.9%	304,422	541,007,300	57%

Sources:

(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, 2016.

(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 within City limits.

(5) University of Utah Bureau of Economic and Business Research
Based on building permits issued by city planning and zoning departments. Values are estimated construction costs.

(6) Based on data available to District personnel

n/a - This information was not available when this report was published.

SALT LAKE CITY SCHOOL DISTRICT

Principal Employers Current Year and Nine Years Ago June 30, 2007 and 2016

Employer	June 30, 2016		June 30, 2007	
	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)	16,000 - 19,000	5.26%	17,000 - 24,000	6.02%
State of Utah	7,000 - 9,000	2.30%	14,000 - 15,000	4.95%
Salt Lake County	5,000 - 7,000	1.64%	5,000 - 7,000	1.77%
Intermountain Health Care	5,000 - 7,000	1.64%	7,000 - 9,000	2.48%
Salt Lake City School District	3,500 - 4,500	1.15%	3,000 - 4,000	1.06%
L-3 Communications	3,000 - 4,000	0.99%	2,000 - 3,000	0.71%
LDS Church	2,000 - 4,000	0.66%	2,000 - 4,000	0.71%
ARUP Laboratories	2,000 - 3,000	0.66%	1,000 - 2,000	0.35%
Delta Airlines	2,000 - 3,000	0.66%	2,000 - 3,000	0.71%
Salt Lake City Corporation	2,500 - 3,000	0.82%	3,000 - 4,000	1.06%
Primary Children's Hospital	2,000 - 3,000	0.66%	2,000 - 3,000	0.71%
Totals	50,000	16.42%	58,000	20.52%

* 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

Expenses by Function - Statement of Activities Last Ten Fiscal Years

Function	Year Ended June 30,				
	2016	2015	2014	2013	2012
Instruction	\$ 157,579,097 60.85%	\$ 156,111,302 62.08%	\$ 160,402,578 65.89%	\$ 156,240,735 65.50%	\$ 153,694,103 65.10%
Supporting services:					
Students	6,218,591 2.40%	5,933,832 2.36%	5,979,448 2.46%	5,850,872 2.45%	5,965,406 2.53%
Instructional staff	16,823,554 6.50%	16,011,030 6.37%	15,986,650 6.57%	14,605,154 6.12%	15,361,417 6.51%
General district administration	1,117,841 0.43%	1,107,411 0.44%	1,274,078 0.52%	1,541,222 0.65%	1,051,678 0.45%
General school administration	13,206,765 5.10%	12,100,581 4.81%	12,268,416 5.04%	11,675,857 4.89%	11,811,898 5.00%
Central	5,502,790 2.13%	5,017,189 2.00%	4,790,277 1.97%	4,626,812 1.94%	4,555,684 1.93%
Operation and maintenance of school buildings	21,970,649 8.48%	20,345,227 8.09%	19,390,891 7.97%	19,648,790 8.24%	18,295,132 7.75%
Student transportation	6,378,272 2.46%	5,841,251 2.32%	6,775,690 2.78%	6,179,347 2.59%	6,058,589 2.57%
Other	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Child nutrition services	13,389,707 5.17%	12,787,372 5.09%	12,935,867 5.31%	13,587,803 5.70%	14,547,742 6.16%
Community services	14,794,072 5.71%	13,963,081 5.55%	931,160 0.38%	1,248,839 0.52%	919,813 0.39%
Interest on long-term liabilities	1,963,779 0.76%	2,239,134 0.89%	2,712,179 1.11%	3,324,175 1.39%	3,823,970 1.62%
Total	<u>\$ 258,945,117</u>	<u>\$ 251,457,410</u>	<u>\$ 243,447,234</u>	<u>\$ 238,529,606</u>	<u>\$ 236,085,432</u>
Average Daily Membership	24,211	24,127	24,447	24,077	24,365
Average Expenses Per Pupil	\$ 10,695	\$ 10,423	\$ 9,958	\$ 9,907	\$ 9,690

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

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

2011	2010	2009	2008	2007
\$ 154,113,899 65.29%	\$ 153,348,876 65.41%	\$ 151,755,972 64.42%	\$ 148,719,117 65.45%	\$ 128,022,243 61.98%
6,059,853 2.57%	6,245,107 2.66%	6,528,229 2.77%	6,160,831 2.71%	5,601,671 2.71%
14,897,568 6.31%	15,406,650 6.57%	16,297,035 6.92%	16,828,598 7.41%	16,309,593 7.90%
1,205,297 0.51%	1,279,297 0.55%	1,147,099 0.49%	1,067,519 0.47%	1,150,893 0.56%
11,321,300 4.80%	11,293,363 4.82%	10,060,731 4.27%	9,570,287 4.21%	8,936,635 4.33%
4,850,665 2.05%	4,622,323 1.97%	4,660,032 1.98%	4,147,499 1.83%	4,134,114 2.00%
18,208,395 7.71%	18,234,484 7.78%	20,242,738 8.59%	17,240,137 7.59%	16,696,371 8.08%
5,851,624 2.48%	5,059,709 2.16%	5,139,744 2.18%	5,421,467 2.39%	4,968,145 2.41%
- 0.00%	- 0.00%	- 0.00%	110,252 0.05%	61,473 0.03%
14,257,099 6.04%	13,079,043 5.58%	13,464,062 5.72%	12,514,591 5.51%	12,655,235 6.13%
717,929 0.30%	562,525 0.24%	513,449 0.22%	489,901 0.22%	414,688 0.20%
4,571,285 1.94%	5,322,106 2.27%	5,746,253 2.44%	4,946,826 2.18%	7,595,731 3.68%
<u>\$ 236,054,914</u>	<u>\$ 234,453,483</u>	<u>\$ 235,555,344</u>	<u>\$ 227,217,025</u>	<u>\$ 206,546,792</u>
24,336	24,177	23,880	23,250	23,548
\$ 9,700	\$ 9,697	\$ 9,864	\$ 9,773	\$ 8,771

SALT LAKE CITY SCHOOL DISTRICT

Expenses by Function Per Pupil - Statement of Activities Last Ten Fiscal Years

Function	Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$ 6,509 60.85%	\$ 6,470 62.08%	\$ 6,561 65.89%	\$ 6,489 65.50%	\$ 6,308 65.10%	\$ 6,333 65.29%	\$ 6,343 65.41%	\$ 6,355 64.42%	\$ 6,397 65.45%	\$ 5,436 61.98%
Supporting services:										
Students	257 2.40%	246 2.36%	245 2.46%	243 2.45%	245 2.53%	249 2.57%	259 2.66%	273 2.77%	265 2.71%	238 2.71%
Instructional staff	695 6.50%	664 6.37%	654 6.57%	607 6.12%	630 6.51%	612 6.31%	637 6.57%	682 6.92%	724 7.41%	693 7.90%
General district administration	46 0.43%	46 0.44%	52 0.52%	64 0.65%	42 0.45%	50 0.51%	53 0.55%	48 0.49%	46 0.47%	49 0.56%
General school administration	545 5.10%	502 4.81%	502 5.04%	485 4.89%	485 5.00%	465 4.80%	467 4.82%	421 4.27%	412 4.21%	379 4.33%
Central	227 2.13%	208 2.00%	196 1.97%	192 1.94%	187 1.93%	199 2.05%	191 1.97%	195 1.98%	178 1.83%	176 2.00%
Operation and maintenance of school buildings	907 8.48%	843 8.09%	793 7.97%	816 8.24%	751 7.75%	748 7.71%	754 7.78%	848 8.59%	741 7.59%	708 8.08%
Student transportation	263 2.46%	242 2.32%	277 2.78%	257 2.59%	249 2.57%	240 2.48%	210 2.16%	215 2.18%	233 2.39%	211 2.41%
Other	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	5 0.05%	3 0.03%
Child nutrition services	553 5.17%	530 5.09%	529 5.31%	564 5.70%	597 6.16%	586 6.04%	541 5.58%	564 5.72%	538 5.51%	537 6.13%
Community services	611 5.71%	579 5.55%	38 0.38%	52 0.52%	38 0.39%	30 0.30%	23 0.24%	22 0.22%	21 0.22%	18 0.20%
Interest on long-term liabilities	81 0.76%	93 0.89%	111 1.11%	138 1.39%	157 1.62%	188 1.94%	220 2.27%	241 2.44%	213 2.18%	323 3.68%
Total	<u>\$ 10,695</u>	<u>\$ 10,423</u>	<u>\$ 9,958</u>	<u>\$ 9,907</u>	<u>\$ 9,690</u>	<u>\$ 9,700</u>	<u>\$ 9,697</u>	<u>\$ 9,864</u>	<u>\$ 9,773</u>	<u>\$ 8,771</u>
Average Daily Membership	24,127	2,014	24,447	24,077	24,365	24,336	24,177	23,880	23,250	23,548

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

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

SALT LAKE CITY SCHOOL DISTRICT

Full-time Equivalents Last Ten Fiscal Years

Function	June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	1,723.86	1,712.32	1,685.61	1,721.00	1,736.47	1,745.78	1,769.96	1,756.22	1,699.24	1,681.57
Supporting services:										
Students	71.19	74.78	70.96	70.02	70.02	69.48	70.47	71.72	68.92	66.58
Instructional staff	136.45	129.77	122.96	129.67	129.67	131.67	137.56	143.44	141.25	144.41
General district administration	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.55	3.50
General school administration	136.25	136.31	133.39	133.52	132.05	131.53	130.57	122.76	117.32	113.06
Central	54.27	54.74	53.38	53.89	52.87	55.75	55.96	54.35	54.56	57.08
Operation and maintenance of school buildings	197.18	208.18	203.43	210.16	214.87	217.48	213.19	225.23	231.45	244.10
Student transportation	63.71	62.05	53.65	53.00	53.51	55.55	59.28	60.59	59.82	59.12
Other support services	37.12	40.30	38.56	45.59	45.60	37.47	35.80	31.54	35.88	29.96
Child nutrition services	149.42	154.49	161.90	175.15	175.97	179.73	168.39	167.23	164.65	162.06
Community services	266.94	253.27	537.63	531.11	531.11	530.86	540.83	547.93	536.22	545.39
Capital outlay	40.45	37.93	38.93	41.46	41.46	44.44	43.97	43.00	43.00	48.50
Total	<u>2,880.34</u>	<u>2,867.64</u>	<u>3,103.90</u>	<u>3,168.07</u>	<u>3,187.10</u>	<u>3,203.24</u>	<u>3,229.48</u>	<u>3,227.51</u>	<u>3,155.86</u>	<u>3,155.33</u>
Licensed (teachers)	1,321.93	1,322.43	1,303.01	1,351.00	1,332.02	1,347.05	1,346.44	1,320.87	1,292.23	1,275.83
Classified (support)	<u>1,558.41</u>	<u>1,545.21</u>	<u>1,800.89</u>	<u>1,817.07</u>	<u>1,855.08</u>	<u>1,856.19</u>	<u>1,883.04</u>	<u>1,906.64</u>	<u>1,863.63</u>	<u>1,879.50</u>
Total	<u>2,880.34</u>	<u>2,867.64</u>	<u>3,103.90</u>	<u>3,168.07</u>	<u>3,187.10</u>	<u>3,203.24</u>	<u>3,229.48</u>	<u>3,227.51</u>	<u>3,155.86</u>	<u>3,155.33</u>

Source: Salt Lake City School District records

SALT LAKE CITY SCHOOL DISTRICT

Expenditures by Function - General Fund Last Ten Fiscal Years

Function	Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$ 128,920,339 66.97%	\$ 127,893,110 68.14%	\$ 122,147,644 68.04%	\$ 122,634,083 68.79%	\$ 120,032,041 68.66%	\$ 122,465,000 68.48%	\$ 120,175,647 68.33%	\$ 121,894,855 67.85%	\$ 117,089,818 68.34%	\$ 105,426,290 67.16%
Supporting Services:										
Students	6,135,406 3.19%	6,114,159 3.26%	5,948,151 3.31%	5,821,332 3.27%	5,819,902 3.33%	5,892,066 3.29%	6,086,687 3.46%	6,320,902 3.52%	5,957,556 3.48%	5,418,920 3.45%
Instructional staff	13,575,203 7.05%	12,679,160 6.75%	11,798,020 6.57%	11,484,003 6.44%	11,832,489 6.77%	11,657,062 6.52%	12,359,162 7.03%	13,113,177 7.30%	13,413,127 7.83%	13,020,723 8.29%
General district administration	811,039 0.42%	720,534 0.38%	748,818 0.42%	719,420 0.40%	613,129 0.35%	903,263 0.51%	885,924 0.50%	664,535 0.37%	729,621 0.43%	612,564 0.39%
General school administration	11,071,417 5.75%	10,538,290 5.61%	10,326,406 5.75%	10,170,799 5.70%	11,457,168 6.55%	11,179,035 6.25%	10,972,640 6.24%	9,740,183 5.42%	9,255,337 5.40%	8,659,956 5.52%
Central	5,386,665 2.80%	5,105,707 2.72%	4,646,347 2.59%	4,586,731 2.57%	4,516,641 2.58%	4,811,435 2.69%	4,596,755 2.61%	4,634,273 2.58%	4,122,425 2.41%	4,111,611 2.62%
Operation and maintenance of school buildings	20,735,493 10.77%	19,233,081 10.25%	17,692,535 9.85%	17,183,397 9.64%	15,000,732 8.58%	16,511,711 9.23%	16,129,239 9.17%	18,571,321 10.34%	16,193,768 9.45%	15,608,036 9.94%
Student transportation	5,724,106 2.97%	5,266,543 2.81%	6,076,530 3.38%	5,580,941 3.13%	5,463,831 3.13%	5,253,829 2.94%	4,508,769 2.56%	4,587,473 2.55%	4,414,868 2.58%	4,057,943 2.59%
Other	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	110,252 0.06%	60,472 0.04%
Child nutrition services	150,119 0.08%	152,324 0.08%	146,715 0.08%	98,303 0.06%	96,268 0.06%	165,900 0.09%	160,086 0.09%	139,573 0.08%	59,680 0.03%	- 0.00%
Total	<u>\$ 192,509,787</u>	<u>\$ 187,702,908</u>	<u>\$ 179,531,166</u>	<u>\$ 178,279,009</u>	<u>\$ 174,832,201</u>	<u>\$ 178,839,301</u>	<u>\$ 175,874,909</u>	<u>\$ 179,666,292</u>	<u>\$ 171,346,452</u>	<u>\$ 156,976,515</u>
Average Daily Membership	24,211	24,127	24,447	24,077	24,365	24,336	24,177	23,880	23,250	23,548
Average Expenditures Per Pupil	\$ 7,951	\$ 7,780	\$ 7,344	\$ 7,405	\$ 7,176	\$ 7,349	\$ 7,274	\$ 7,524	\$ 7,370	\$ 6,666

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

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

SALT LAKE CITY SCHOOL DISTRICT

Expenditures by Function Per Pupil - General Fund

Last Ten Fiscal Years

Function	Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$ 5,325 66.97%	\$ 5,301 68.14%	\$ 4,996 68.04%	\$ 5,093 68.79%	\$ 4,927 68.66%	\$ 5,032 68.48%	\$ 4,971 68.33%	\$ 5,104 67.85%	\$ 5,036 68.34%	\$ 4,477 67.16%
Supporting Services:										
Students	253 3.19%	253 3.26%	243 3.31%	242 3.27%	239 3.33%	242 3.29%	252 3.46%	265 3.52%	256 3.48%	230 3.45%
Instructional staff	561 7.05%	526 6.75%	483 6.57%	477 6.44%	486 6.77%	479 6.52%	511 7.03%	549 7.30%	577 7.83%	552 8.29%
General district administration	33 0.42%	30 0.38%	31 0.42%	30 0.40%	25 0.35%	37 0.51%	37 0.50%	28 0.37%	31 0.43%	26 0.39%
General school administration	457 5.75%	437 5.61%	422 5.75%	422 5.70%	470 6.55%	459 6.25%	454 6.24%	408 5.42%	398 5.40%	368 5.52%
Central	222 2.80%	212 2.72%	190 2.59%	191 2.57%	185 2.58%	198 2.69%	190 2.61%	194 2.58%	177 2.41%	175 2.62%
Operation and maintenance of school buildings	856 10.77%	797 10.25%	724 9.85%	714 9.64%	616 8.58%	679 9.23%	667 9.17%	778 10.34%	697 9.45%	663 9.94%
Student transportation	236 2.97%	218 2.81%	249 3.38%	232 3.13%	224 3.13%	216 2.94%	186 2.56%	192 2.55%	190 2.58%	172 2.59%
Other	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	5 0.06%	3 0.04%
Child nutrition services	6 0.08%	6 0.08%	6 0.08%	4 0.06%	4 0.06%	7 0.09%	6 0.09%	6 0.08%	3 0.03%	- 0.00%
Total	<u>\$ 7,951</u>	<u>\$ 7,780</u>	<u>\$ 7,344</u>	<u>\$ 7,405</u>	<u>\$ 7,176</u>	<u>\$ 7,349</u>	<u>\$ 7,274</u>	<u>\$ 7,524</u>	<u>\$ 7,370</u>	<u>\$ 6,666</u>
Average Daily Membership	24,211	24,127	24,447	24,077	24,365	24,336	24,177	23,880	23,250	23,548

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

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

SALT LAKE CITY SCHOOL DISTRICT

Child Nutrition - Facts and Figures Last Ten Fiscal Years

	Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Number of schools participating in lunch program	38	38	38	42	43	44	43	44	40	42
Student lunches served:										
Free	1,764,199	1,781,097	1,833,539	1,957,723	1,957,471	1,970,525	1,865,781	1,742,258	1,665,699	1,633,491
Reduced price	220,253	251,621	289,797	279,805	298,036	264,327	357,018	376,429	378,120	366,829
Fully paid	540,969	501,338	469,686	550,313	607,648	604,580	601,930	640,127	631,076	616,240
Total	2,525,421	2,534,056	2,593,022	2,787,841	2,863,155	2,839,432	2,824,729	2,758,814	2,674,895	2,616,560
Adult lunches served:	50,205	50,782	54,378	61,755	64,817	58,232	55,359	58,362	33,131	53,859
Number of schools participating in breakfast program	37	37	37	37	38	36	39	39	36	38
Student breakfasts served:										
Free	771,443	740,958	734,863	772,709	812,068	830,348	791,251	756,864	711,935	719,887
Reduced price	86,096	91,050	99,857	100,697	105,388	93,510	121,545	134,643	134,801	140,935
Fully paid	93,934	71,608	65,729	65,478	75,776	75,497	72,603	77,461	77,893	77,366
Total	951,473	903,616	900,449	938,884	993,232	999,355	985,399	968,968	924,629	938,188
Number of serving days	177	177	177	177	177	177	177	177	178	177
Average daily participation:										
Student lunch	14,268	14,317	14,650	15,751	16,176	15,872	15,959	15,587	15,028	14,783
Adult lunch	284	287	307	349	366	329	313	330	186	304
Student breakfast	5,376	5,105	5,087	5,304	5,611	5,646	5,567	5,474	5,195	5,300
Average daily membership	24,211	24,127	24,447	24,077	24,365	24,336	24,177	23,880	23,250	23,548
Student lunches served as a percentage of ADM	58.93%	59.34%	59.93%	65.42%	66.39%	65.22%	66.01%	65.27%	64.64%	62.78%
Number of students on:										
Free	13,313	13,518	13,145	13,919	13,759	13,964	13,526	12,481	12,266	12,122
Reduced price	1,839	1,868	2,087	2,374	2,056	1,763	2,516	2,668	2,773	2,865
Percentage of students on:										
Free	54.99%	56.03%	53.77%	57.81%	56.47%	57.38%	55.95%	52.27%	52.76%	51.48%
Reduced price	7.60%	7.74%	8.54%	9.86%	8.44%	7.24%	10.41%	11.17%	11.93%	12.17%

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

Source: Salt Lake City School District records

SALT LAKE CITY SCHOOL DISTRICT

Student Enrollment Statistics Last Ten School Years

<u>Year Ended June 30,</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>	<u>Attendance Percentage</u>	<u>Official State October 1 Enrollment Count</u>
2007	23,548	22,392	95.09%	23,933
2008	23,250	22,400	96.34%	23,603
2009	23,880	22,770	95.35%	24,256
2010	24,177	23,043	95.31%	24,494
2011	24,336	23,206	95.36%	24,649
2012	24,365	23,198	95.21%	24,638
2013	24,077	22,887	95.06%	24,487
2014	24,447	23,248	95.10%	24,728
2015	24,127	22,900	94.91%	24,383
2016	24,211	22,937	94.74%	24,370

Source: Salt Lake City School District records

SALT LAKE CITY SCHOOL DISTRICT

History of High School Graduates Last Ten School Years

Year Ended June 30,	East	Highland	West	Horizonte	Innovations*	Salt Lake Center for Science Education*	Total
2007	320	293	337	86			1,036
2008	326	275	362	112			1,075
2009	334	255	414	115			1,118
2010	376	316	390	99			1,181
2011	354	282	450	133			1,219
2012	398	316	423	190			1,327
2013	419	299	420	201	11	17	1,367
2014	385	315	494	204	33	42	1,473
2015	368	332	440	262	77	38	1,517
2016	427	339	405	191	98	39	1,499

Source: Salt Lake City School District records

* Innovations High School and the Salt Lake Center for Science Education Charter School had their first graduating class in 2013

SALT LAKE CITY SCHOOL DISTRICT

Number of Students Per Instructional Staff Last Ten School Years

<u>Year Ended June 30,</u>	<u>Average Daily Membership</u>	<u>Teachers and Instructional Staff</u>	<u>Average Ratio of Students to Teachers and Instructional Staff</u>
2007	23,548	1,385	17.00
2008	23,250	1,418	16.40
2009	23,880	1,414	16.89
2010	24,177	1,387	17.43
2011	24,336	1,412	17.24
2012	24,365	1,407	17.32
2013	24,077	1,402	17.17
2014	24,447	1,405	17.40
2015	24,127	1,409	17.12
2016	24,211	1,432	16.91

Source: Salt Lake City School District records

SALT LAKE CITY SCHOOL DISTRICT

Teacher Compensation Data Last Ten Fiscal Years

Year Ended June 30,	Bachelor Degree 1st Year Teacher Wage	Doctorate Degree 25th Year Teacher Wage	District Median* Teacher Wage	District Median* Teacher Benefits	Total District Median* Teacher Compensation	State Median* Teacher Compensation
2007	\$ 32,873	\$ 64,179	\$ 48,516	\$ 19,950	\$ 68,466	\$ 62,223
2008	34,975	66,438	48,835	20,653	69,488	66,397
2009	37,280	68,780	49,896	20,921	70,817	69,757
2010	37,280	68,780	51,050	21,157	72,207	69,531
2011	37,280	68,780	51,234	21,228	72,462	69,785
2012	37,280	68,780	54,943	22,803	77,746	70,883
2013	37,280	68,780	55,261	25,259	80,520	71,099
2014	37,653	69,468	57,364	26,615	83,979	74,028
2015	38,030	70,163	58,803	29,173	87,976	76,664
2016	39,171	72,268	na	na	na	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 report was published.

Source: Salt Lake City School District records

SALT LAKE SCHOOL DISTRICT

Capital Asset Information Last Ten Fiscal Years

	Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Buildings:										
Elementary Schools										
Number	28	28	28	28	28	28	28	28	28	28
Square feet	2,021,647	2,021,647	2,021,647	2,021,647	2,015,695	2,015,695	2,003,837	2,003,837	2,009,743	1,982,210
Capacity	15,700	15,700	15,700	15,700	15,700	15,700	15,650	15,650	15,700	15,700
Enrollment	13,610	13,902	13,890	13,727	13,985	14,073	13,747	13,545	13,311	13,517
Percent of Capacity	86.69%	88.55%	88.47%	87.43%	89.08%	89.64%	87.84%	86.55%	84.78%	86.10%
Average Age	23.39	22.39	21.39	20.39	19.39	18.79	17.79	16.79	15.29	14.29
Middle Schools										
Number	5	5	5	5	5	5	5	5	5	5
Square feet	645,813	645,813	645,813	645,813	645,813	645,813	645,813	645,813	616,168	616,168
Capacity	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,850	3,850
Enrollment	3,388	3,251	3,301	3,169	3,213	3,204	3,234	3,202	3,292	3,075
Percent of Capacity	90.35%	86.69%	88.03%	84.51%	85.68%	85.44%	86.24%	85.39%	85.51%	79.87%
Average Age	14.20	13.20	12.20	11.20	10.20	9.20	8.20	7.20	27.60	26.60
High Schools										
Number	4	4	4	4	4	4	4	4	4	4
Square feet	1,438,553	1,438,553	1,438,553	1,438,553	1,421,087	1,421,087	1,403,621	1,403,621	1,403,621	1,403,621
Capacity	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Enrollment	6,969	6,797	6,732	6,807	6,685	6,683	6,779	6,821	6,543	5,921
Percent of Capacity	92.92%	90.63%	89.76%	90.76%	89.13%	89.11%	90.39%	90.95%	87.24%	78.95%
Average Age	48.50	47.50	46.50	45.50	44.50	43.50	42.50	41.50	40.50	39.50
Other Buildings										
Number	8	8	8	7	7	7	7	7	8	9
Square feet	366,696	366,696	366,696	338,157	338,157	338,157	338,157	338,157	338,157	372,191
Average Age	31.13	30.13	29.13	32.14	31.14	37.57	36.57	35.57	43.00	36.11
Total Buildings										
Number *	45	45	45	44	44	44	44	44	45	46
Square feet	4,472,709	4,472,709	4,472,709	4,444,170	4,420,752	4,420,752	4,391,428	4,391,428	4,367,689	4,374,190
Capacity	26,950	26,950	26,950	26,950	26,950	26,950	26,900	26,900	27,050	27,050
Enrollment	23,967	23,950	23,923	23,703	23,883	23,960	23,760	23,568	23,146	22,513
Percent of Capacity	88.93%	88.87%	88.77%	87.95%	88.62%	88.91%	88.33%	87.61%	85.57%	83.23%
Average Age	25.98	24.98	23.98	23.50	22.50	22.93	21.93	20.93	23.82	22.09
Number of Portables **	36	35	26	25	23	23	25	25	22	20
Acres of Land	403.21	402.51	402.51	402.51	402.51	402.51	401.33	401.47	401.47	406.23
Number of Vehicles	246	267	282	284	279	270	262	267	253	267

* 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, 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.

Source: Salt Lake City School District records

SALT LAKE CITY SCHOOL DISTRICT

Historical Summaries of Taxable Values of Property

Last Ten Tax Years

For the Tax Years Ended December 31, 2006 through 2015

	2015		2014	2013	2012
	Taxable Value	% of T.V.	Taxable Value	Taxable Value	Taxable Value
<i>Set by State Tax Commission-</i>					
<i>Centrally Assessed</i>	<u>\$ 1,816,940,749</u>	<u>8.2</u>	<u>\$ 1,675,767,308</u>	<u>\$ 1,699,347,198</u>	<u>\$ 1,617,923,834</u>
<i>Set by County Assessor-</i>					
<i>Locally Assessed:</i>					
Real Property:					
Residential real estate-primary use	8,356,464,221	37.8	7,818,551,874	7,408,172,999	7,141,731,914
Residential real estate-not primary use	181,820,260	0.8	179,952,780	184,007,830	180,326,380
Commercial and industrial real estate	9,262,137,660	41.9	8,769,911,490	8,057,786,330	7,607,614,630
Agricultural - FAA	128,209	0.0	119,110	57,770	58,730
Unimproved non FAA	1,233,420	0.0	1,216,830	1,230,470	942,950
Total Real Property	<u>17,801,783,770</u>	<u>80.5</u>	<u>16,769,752,084</u>	<u>15,651,255,399</u>	<u>14,930,674,604</u>
Personal Property:					
Fee in lieu property	367,378,563	1.7	334,675,590	325,440,400	331,778,681
Mobile homes-primary residential use	3,362,286	0.0	3,473,366	3,590,420	3,745,243
Mobile homes-other use	5,731,645	0.0	5,180,360	4,686,113	5,249,553
Commercial and industrial property	2,123,147,693	9.6	2,113,832,940	1,890,156,309	1,671,514,723
Total Personal Property	<u>2,499,620,187</u>	<u>11.3</u>	<u>2,457,162,256</u>	<u>2,223,873,242</u>	<u>2,012,288,200</u>
Total Locally Assessed	<u>20,301,403,957</u>	<u>91.8</u>	<u>19,226,914,340</u>	<u>17,875,128,641</u>	<u>16,942,962,804</u>
Total Taxable Property	<u>\$ 22,118,344,706</u>	<u>100.0</u>	<u>\$ 20,902,681,648</u>	<u>\$ 19,574,475,839</u>	<u>\$ 18,560,886,638</u>
Total Taxable Property (less fee in lieu/age-based property)	<u>\$ 21,750,966,143</u>		<u>\$ 20,568,006,058</u>	<u>\$ 19,249,035,439</u>	<u>\$ 18,229,107,957</u>

Source: Property Tax Division, Utah State Tax Commission.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</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>\$ 1,576,916,496</u>	<u>\$ 1,609,972,716</u>	<u>\$ 1,603,357,209</u>	<u>\$ 2,076,836,331</u>	<u>\$ 2,063,831,387</u>	<u>\$ 2,050,073,870</u>
7,261,895,281	7,203,158,472	7,521,205,474	8,313,316,414	7,982,422,070	6,640,872,862
179,442,610	176,233,820	182,821,550	196,920,050	168,877,860	155,894,610
7,472,027,650	7,341,913,730	7,362,953,510	8,489,152,490	7,765,997,810	6,487,575,310
56,380	62,270	72,180	83,650	94,860	57,330
988,240	943,240	1,140,840	7,396,660	-	-
<u>14,914,410,161</u>	<u>14,722,311,532</u>	<u>15,068,193,554</u>	<u>17,006,869,264</u>	<u>15,917,392,600</u>	<u>13,284,400,112</u>
				-	
330,048,407	871,292,046	864,197,808	1,043,969,067	1,057,956,499	865,964,085
3,653,927	3,709,447	3,956,511	4,063,339	4,038,261	3,755,446
4,722,895	6,782,678	4,260,559	3,268,840	1,964,830	1,874,153
<u>1,722,612,102</u>	<u>1,716,215,584</u>	<u>1,879,628,393</u>	<u>1,729,162,841</u>	<u>1,611,335,864</u>	<u>1,418,064,839</u>
<u>2,061,037,331</u>	<u>2,597,999,755</u>	<u>2,752,043,271</u>	<u>2,780,464,087</u>	<u>2,675,295,454</u>	<u>2,289,658,523</u>
<u>16,975,447,492</u>	<u>17,320,311,287</u>	<u>17,820,236,825</u>	<u>19,787,333,351</u>	<u>18,592,688,054</u>	<u>15,574,058,635</u>
<u>\$ 18,552,363,988</u>	<u>\$ 18,930,284,003</u>	<u>\$ 19,423,594,034</u>	<u>\$ 21,864,169,682</u>	<u>\$ 20,656,519,441</u>	<u>\$ 17,624,132,505</u>
<u>\$ 18,222,315,581</u>	<u>\$ 18,058,991,957</u>	<u>\$ 18,559,396,226</u>	<u>\$ 20,820,200,615</u>	<u>\$ 19,598,562,942</u>	<u>\$ 16,758,168,420</u>

SALT LAKE CITY SCHOOL DISTRICT

Statements of Net Position Governmental Activities June 30, 2012 through 2016

	June 30,				
	2016	2015	2014	2013	2012
Assets:					
Cash and investments	\$ 136,902,940	\$ 123,873,375	\$ 114,832,565	\$ 102,580,013	\$ 102,377,616
Accounts receivable:					
Property taxes	140,997,367	136,349,829	107,476,990	110,423,076	107,847,323
Other local	524,203	1,151,603	817,357	726,685	706,159
State of Utah	1,326,067	1,088,248	1,664,974	1,125,230	1,312,389
Federal government	6,426,655	7,894,869	8,654,056	14,405,149	14,450,054
Due from component unit	32,775	21,281	10,161	55,651	140,192
Inventories	1,140,020	999,300	1,126,458	854,810	833,521
Prepaid expenses	248,814	237,594	190,295	216,762	302,042
Restricted cash	4,305,330	3,560,207	2,820,623	2,081,545	1,342,658
Note receivable	827,945	900,967	973,657	1,045,228	1,118,054
Net pension asset	4,556	60,695	19,637	-	-
Capital assets:					
Sites and construction in progress	38,132,275	37,685,467	32,954,353	37,530,624	48,124,574
Other capital assets, net of accumulated depreciation	273,645,201	279,669,112	292,779,212	300,820,956	295,382,784
Total assets	<u>604,514,148</u>	<u>593,492,547</u>	<u>564,320,338</u>	<u>571,865,729</u>	<u>573,937,366</u>
Deferred Outflows of Resources:					
Deferred charge on refunding	3,040,093	3,491,114	4,051,345	4,611,575	3,045,123
Amounts related to pensions	44,780,386	14,426,732	11,781,574	-	-
Total Deferred outflows of resources	<u>47,820,479</u>	<u>17,917,846</u>	<u>15,832,919</u>	<u>4,611,575</u>	<u>3,045,123</u>
Liabilities:					
Accounts payable	4,131,076	6,365,122	2,390,479	4,476,131	3,720,570
Accrued interest	698,462	780,504	906,413	913,952	1,338,837
Accrued salary and related benefits	20,838,017	20,829,380	21,341,759	21,990,885	23,155,357
Unearned revenue:					
Local	408,283	309,937	1,885,328	1,454,056	229,281
State of Utah	1,540,585	1,485,151	1,635,539	1,527,941	5,411,083
Federal government	469,897	623,778	812,611	874,815	807,152
Noncurrent liabilities:					
Due or payable within one year	12,431,270	13,659,807	13,522,591	16,957,175	14,766,933
Due or payable after one year	186,888,199	168,010,929	191,176,069	90,252,160	100,195,604
Total liabilities	<u>227,405,789</u>	<u>212,064,608</u>	<u>233,670,789</u>	<u>138,447,115</u>	<u>149,624,817</u>
Deferred Inflows of Resources:					
Property taxes levied for future year	138,600,226	133,802,190	104,594,619	107,055,112	103,582,261
Amounts related to pensions	11,926,156	8,970,723	-	-	-
Total deferred inflows of resources	<u>150,526,382</u>	<u>142,772,913</u>	<u>104,594,619</u>	<u>107,055,112</u>	<u>103,582,261</u>
Net Position:					
Net investment in capital assets	249,277,178	246,369,037	246,581,273	244,506,480	236,865,736
Restricted for:					
Capital projects	42,745,021	37,389,920	33,210,251	26,963,231	24,594,980
Debt service	5,909,924	5,396,002	1,891,664	1,344,287	308,030
Child nutrition services	2,864,349	2,644,309	2,324,165	2,322,234	2,517,560
Special programs	-	-	-	5,159,577	4,310,662
Student activities	-	-	-	2,436,612	2,124,821
Scholarships and programs	-	-	-	1,659,136	2,880,113
Unrestricted	(26,394,016)	(35,226,396)	(42,119,504)	46,583,520	47,128,386
Total net position	<u>\$ 274,402,456</u>	<u>\$ 256,572,872</u>	<u>\$ 241,887,849</u>	<u>\$ 330,975,077</u>	<u>\$ 320,730,288</u>

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

Note: In FY2015, the District implemented GASB statements 68 and 71, recording its proportionate share of net pension liabilities. As a result, the beginning net position balance was decreased by \$97,942,595. Prior years have not been restated.

SALT LAKE CITY SCHOOL DISTRICT

General Fund Comparative Balance Sheets June 30, 2012 through 2016

	June 30,				
	2016	2015	2014	2013	2012
Assets:					
Cash and investments	\$ 65,956,200	\$ 61,969,953	\$ 61,483,014	\$ 56,989,681	\$ 58,485,506
Accounts receivable:					
Property taxes	96,657,641	92,440,733	70,117,980	72,040,006	70,359,586
Other local	377,510	701,276	439,723	295,292	367,906
State of Utah	543,783	530,204	781,249	222,699	615,917
Federal government	5,397,081	6,238,212	7,128,289	12,284,360	12,628,674
Prepaid expenditures	112,365	100,026	75,587	94,310	114,464
Total assets	<u>\$ 169,044,580</u>	<u>\$ 161,980,404</u>	<u>\$ 140,025,842</u>	<u>\$ 141,926,348</u>	<u>\$ 142,572,053</u>
Liabilities:					
Liabilities:					
Accounts payable	\$ 903,457	\$ 2,083,593	\$ 1,005,793	\$ 1,741,726	\$ 1,306,635
Accrued salaries and related benefits	20,838,017	20,829,380	21,341,759	21,990,885	23,155,357
Unearned revenue:					
Other local	136,982	68,526	13,382	18,930	35,400
State of Utah	1,527,653	1,410,218	1,635,539	1,527,941	3,134,679
Federal government	469,897	623,778	812,611	874,815	807,152
Total liabilities	<u>23,876,006</u>	<u>25,015,495</u>	<u>24,809,084</u>	<u>26,154,297</u>	<u>28,439,223</u>
Deferred Inflows of Resources:					
Unavailable property tax revenue	2,099,850	2,066,817	1,947,023	2,275,550	2,717,556
Property taxes levied for future year	94,775,154	90,475,462	68,237,521	69,842,748	67,577,061
Total deferred inflows of resources	<u>96,875,004</u>	<u>92,542,279</u>	<u>70,184,544</u>	<u>72,118,298</u>	<u>70,294,617</u>
Fund balances:					
Nonspendable:					
Prepaid expenditures	112,365	100,026	75,587	94,310	114,464
Committed:					
Economic stabilization	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Assigned:					
Charter schools	756,250	761,355	914,387	915,589	1,074,149
Programs	15,810,903	15,542,191	15,857,611	15,841,276	16,223,740
Schools	2,923,717	2,508,738	2,295,153	2,030,585	2,294,233
Employee benefit obligations	10,475,961	9,475,961	9,475,961	8,475,961	7,525,961
Unassigned	11,214,374	9,034,359	9,413,515	9,296,032	9,605,666
Total fund balances	<u>48,293,570</u>	<u>44,422,630</u>	<u>45,032,214</u>	<u>43,653,753</u>	<u>43,838,213</u>
Total liabilities and fund balances	<u>\$ 169,044,580</u>	<u>\$ 161,980,404</u>	<u>\$ 140,025,842</u>	<u>\$ 141,926,348</u>	<u>\$ 142,572,053</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 Statements of Revenues, Expenditures, and Changes in Fund Balances Years Ended June 30, 2012 through 2016

	Proposed Budget 2017	Year Ended June 30,				
		2016	2015	2014	2013	2012
Revenues:						
Property taxes	\$ 89,994,710	\$ 93,719,159	\$ 81,457,397	\$ 74,962,972	\$ 71,560,420	\$ 64,858,727
Interest	511,654	785,853	139,299	601,601	1,050,876	1,165,916
Other local	2,329,395	3,519,698	3,073,815	4,413,761	4,667,032	6,860,079
State of Utah	83,699,736	81,771,570	86,268,603	83,199,671	80,211,270	79,714,817
Federal government	16,723,255	16,664,447	16,154,210	17,731,622	20,604,951	22,266,784
Total revenues	<u>193,258,750</u>	<u>196,460,727</u>	<u>187,093,324</u>	<u>180,909,627</u>	<u>178,094,549</u>	<u>174,866,323</u>
Expenditures:						
Instruction	135,126,393	128,920,339	127,893,110	122,147,644	122,634,083	120,032,041
Supporting services:						
Students	6,303,825	6,135,406	6,114,159	5,948,151	5,821,332	5,819,902
Instructional staff	14,040,229	13,575,203	12,679,160	11,798,020	11,484,003	11,832,489
General district administration	942,341	811,039	720,534	748,818	719,420	613,129
General school administration	11,553,364	11,071,417	10,538,290	10,326,406	10,170,799	11,457,168
Central	5,717,405	5,386,665	5,105,707	4,646,347	4,586,731	4,516,641
Operation and maintenance of school buildings	19,121,156	20,735,493	19,233,081	17,692,535	17,183,397	15,000,732
Student transportation	5,841,900	5,724,106	5,266,543	6,076,530	5,580,941	5,463,831
Child nutrition services	155,697	150,119	152,324	146,715	98,303	96,268
Total expenditures	<u>198,802,310</u>	<u>192,509,787</u>	<u>187,702,908</u>	<u>179,531,166</u>	<u>178,279,009</u>	<u>174,832,201</u>
Excess (deficiency) of revenues over (under) expenditures - Net change in fund balances	(5,543,560)	3,950,940	(609,584)	1,378,461	(184,460)	34,122
Fund balances - beginning	<u>48,373,570</u>	<u>44,422,630</u>	<u>45,032,214</u>	<u>43,653,753</u>	<u>43,838,213</u>	<u>43,804,091</u>
Fund balances - ending	<u>\$ 42,830,010</u>	<u>\$ 48,373,570</u>	<u>\$ 44,422,630</u>	<u>\$ 45,032,214</u>	<u>\$ 43,653,753</u>	<u>\$ 43,838,213</u>

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