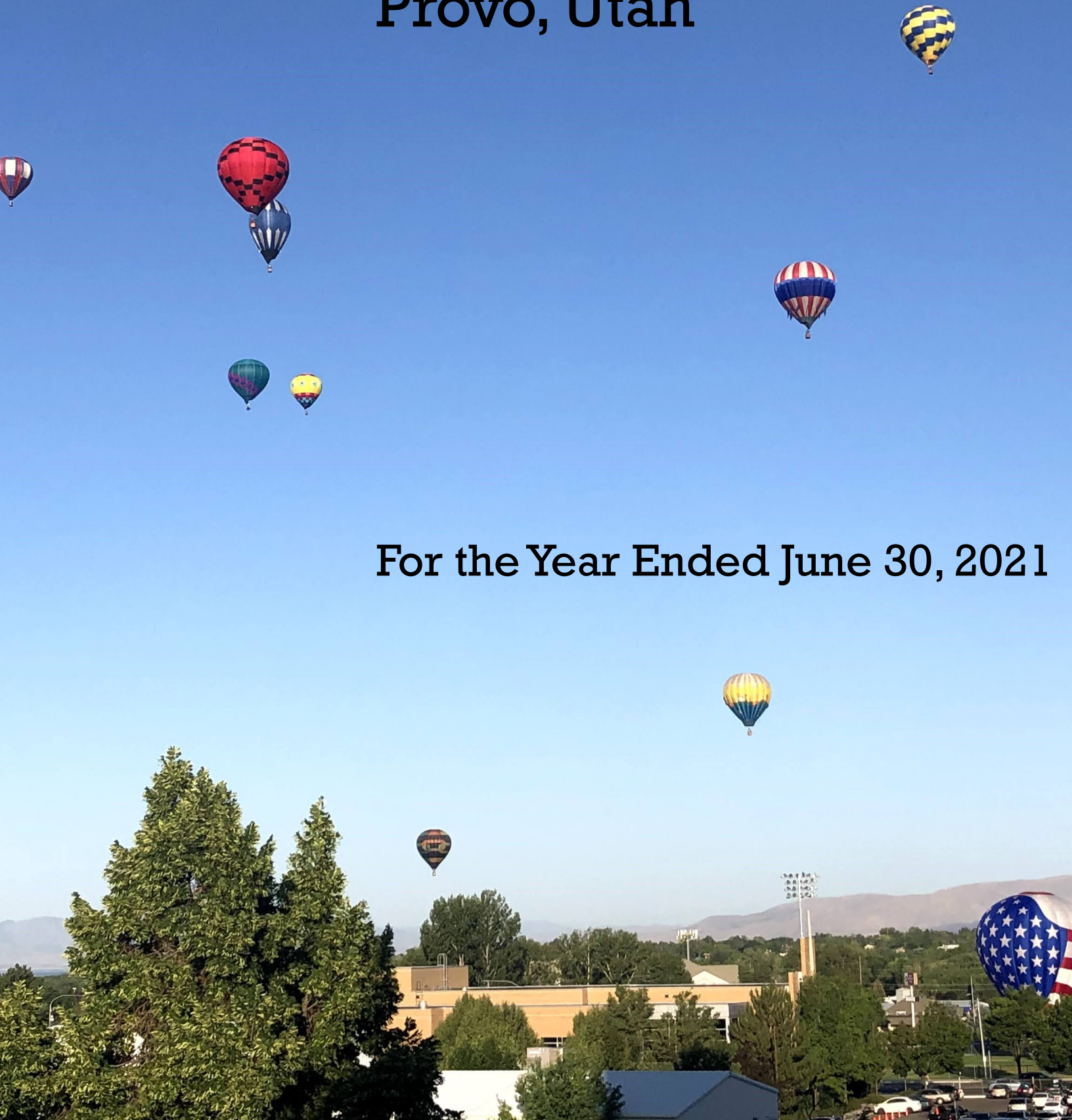


Popular Annual Financial Report Provo City School District Provo, Utah



For the Year Ended June 30, 2021



To the Citizens of Provo City,

We are pleased to present Provo City School District's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2021. This report is designed to provide information on essential district functions and make the financial operations of our school district more understandable for general citizens.

This PAFR, for the fiscal year ended June 30, 2021, contains a brief summary and explanation of the District's general operating fund revenues and expenditures as well as other relevant financial and statistical trends and information applicable to the District and its citizens. This selected information is taken from financial statements contained in the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. Information in the Annual Comprehensive Financial Report includes both government-wide and governmental fund data. Individuals who wish to review GAAP basis, full disclosure financial statements should refer to the District's Annual Comprehensive Financial Report, which can be viewed at <https://provo.edu/business-and-finance/financial-reports/>.

The purpose of the PAFR is to help community members understand how the district utilizes tax dollars and other revenues to educate our students. Our goal is to ensure that you have the best, most easily understandable financial information available and to increase your confidence in the manner our District is operated. Questions and comments are welcome and may be directed to Provo City School District Business Services at 801-374-4800.

Respectfully,

Keith Rittel, Superintendent of Schools



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

Provo City School District
Utah

For its Annual Financial Report
for the Fiscal Year Ended

2020

Christopher P. Morrill
Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Provo City School District for its Popular Annual Financial Report for the fiscal year ended June 30, 2020.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Provo City School District has received a Popular Award for nine consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and will be submitting it to the GFOA.

Provo City School District was officially organized in 1898. Our purpose is to provide public education to students who reside in Provo City. The District operates two traditional high schools, an alternative high school, two middle schools, thirteen elementary schools and an E-school. The 2020-2021 school year presented interesting challenges in all aspects of educating students in Provo City School District. COVID-19 continued to create a delicate balance between student and employee safety and making sure students receive the best education possible, along with meaningful extracurricular activities. District administration, members of the District safety committee, and representatives of the Utah County Health Department met three days a week the greater part of the school year to review current COVID-19 caseloads, outbreaks and strategies to combat issues arising from the COVID-19 pandemic. The District's Teaching and Learning Department provided hundreds of hours of professional development, focused on blended learning curriculum to take advantage of technology provided to students and teachers. The Technology Department focused on providing 1-to-1 devices for all students throughout the District. This initiative provided unique challenges including network security and technology maintenance. The Facilities Department continued its commitment to providing clean schools with extra sanitation throughout the year. The Child Nutrition Department provided thousands of meals to all students throughout the District. The District's instructional staff, including teachers and aides, provided excellent education for students in class, online and at home. District nurses provided COVID-19 testing services, contact tracing and inexhaustible help and guidance to school and district administration. The Student Services Department provided extra social workers and advocates to monitor students' social and emotional wellbeing. The Special Education Department provided many services to students with disabilities both at school and in homes. Successful completion of the school year required the combined effort and energy of all District employees—reaffirming our belief that our employees are our most important asset.

Throughout the challenging year, the District has been able to maintain a strong financial position, in part because of our goal to focus on long-term planning and transparency. The District goals guide the actions of administrators, teachers, students and parents in making decisions to create a successful learning environment for all students, whether in person or online. This plan creates a starting point for budget creation, classroom planning and student achievements. Giving teachers the support needed to provide excellent classrooms is one of the main goals, including making sure that the compensation is competitive with surrounding school districts.

Capital improvement planning is another key element in the long-term planning of the school district. With the creation of the Facilities Advisory Committee, comprised of District administration, a long-term capital plan has been created, prioritizing projects throughout the District. Using the long-term capital plan, administration has been able to put that plan into action and schedule projects accordingly. General obligation bonds were approved by Provo City voters in November 2020 to rebuild the academic wing of Timpview High School, which was identified as a critical facilities need. Construction is well under way as of the publication of this report. Municipal Building Authority bonds were also authorized in November 2021 to replace two additional schools. Those projects will begin in 2022.

Provo City School District is well managed. Key financial information, as well as other key data points will be addressed throughout this document. For further information regarding the budget process in our annual budget document or complete financial information from the Annual Comprehensive Financial Report, please visit <https://provo.edu/business-and-finance/financial-reports/>.

Our Goals

- Continuous academic improvement and transparency
- Support for teachers and teaching aligned with research, best practices, and teacher-identified needs
- Improved certainty and stability in the direction of the district
- Financial prioritization, long-term planning, and transparency
- Teamwork, Professional Conduct, and Civility

District Organization



Gina Hales
2021-Current



Melanie Hall
Board President
2017-Current



Nate Bryson
2019-Current



McKay Jensen
2019-Current



Jennifer Partridge
2019-Current



Teri McCabe
2021-Current



Rebecca Nielsen
Board Vice President
2017-Current



Keith Rittel
Superintendent



Derek Anderson
Business Administrator



Jason Cox
Executive Director—
HR/Deputy Superin-
tendent



Todd McKee
Executive Director—
Secondary Education



Anne-Marie Harrison
Executive Director—
Teaching & Learning



Alex Judd
Executive Director—
Elementary Educa-
tion



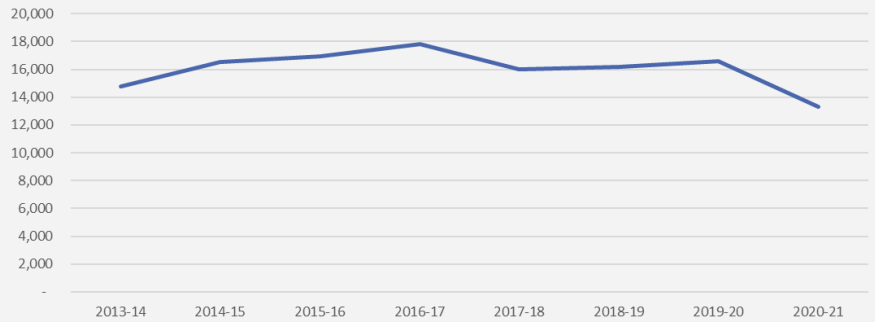
Doug Finch
Executive Director—
Student Services

The Provo City School District Board of Education is the elected governing body. The Board of Education appoints the District Superintendent and the Business Administrator. The term of office for Board members is four years, beginning on the first Monday in January following the November election. The term of office for the Superintendent and Business Administrator is two years.

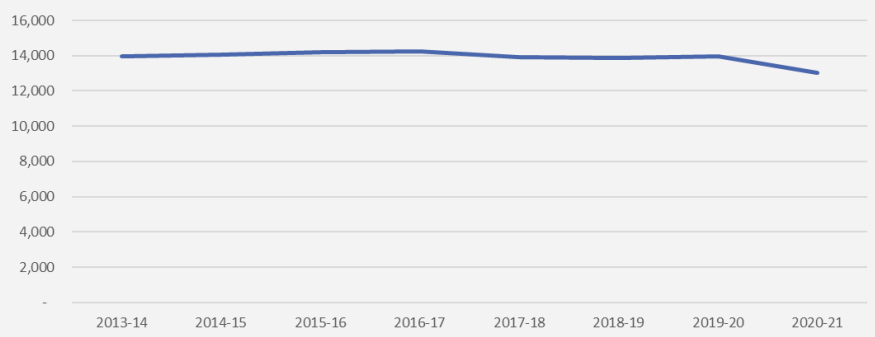
Popular Annual Financial Report

State funding from the Utah State Board of Education is almost solely funded by student enrollment. Student enrollment has stayed relatively flat over the last 8 years with the exception of the 2020-2021 school year. Some parents chose to use alternate sources for education due to concern of the COVID-19 pandemic. Total district enrollment has fluctuated a little more due to a format change in the District's eSchool program.

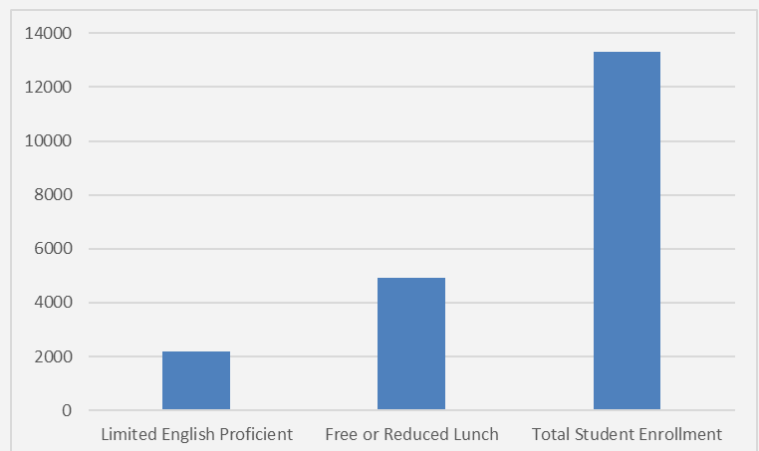
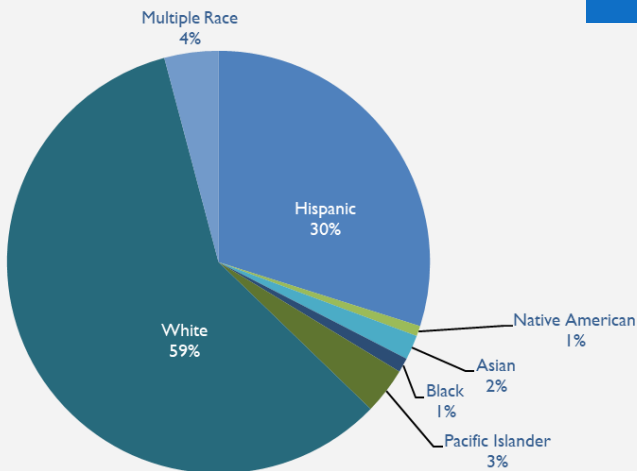
Total District Enrollment 2013-2021



District Enrollment - Traditional Schools - 2013-2021



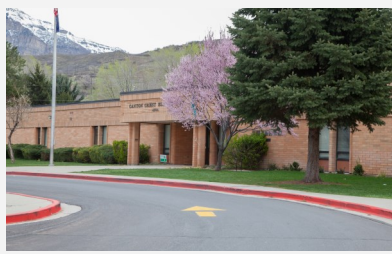
Students at Provo City School District come from diverse backgrounds and cultures. The District has a Diversity and Equity Committee that regularly meets to identify needs and services for students. From limited English speakers to free and reduced lunch to Homeless or Youth in Custody, these students are provided extra services from the District to maximize their educational resources. Numbers for free or reduced lunch are lower than previous years because school lunch has been provided at no cost since the COVID-19 pandemic began and applications are not required this school year.



Elementary Schools



Amelia Earhart Elementary (K-6)
Principal: Ryan McCarty
Enrollment: 422
Year Built: 1999



Canyon Crest Elementary K-6)
Principal: Rene Cunningham
Enrollment: 379
Year Built: 1982



Edgemont Elementary (K-6)
Principal: Harmony Kartchner
Enrollment: 536
Year rebuilt: 2017



Franklin Elementary (K-6)
Principal: Jason Benson
Enrollment: 332
Year Built: 1994



Rock Canyon Elementary (K-6)
Principal: Seth Hansen
Enrollment: 515
Year Rebuilt: 2016



Spring Creek Elementary (K-6)
Principal: Jill Franklin
Enrollment: 382
Year Built: 2002



Sunset View Elementary (K-6)
Principal: Chris Chilcoat
Enrollment: 526
Year Rebuilt: 2016



Timpanogos Elementary (K-6)
Principal: Carrie Rawlins
Enrollment: 565
Year Rebuilt: 2008

Middle Schools



Centennial Middle School (7-8)
Principal: Kyle Bates
Enrollment: 1,200
Year Built: 1996



Dixon Middle School (7-8)
Principal: John Anderson
Enrollment: 928
Year Built: 1931
Municipal Building Authority bonds
approved to rebuild November 2021





Lakeview Elementary (K-6)
Principal: Mike Barker
Enrollment: 667
Year Built: 2007



Provo Peaks Elementary (K-6)
Principal: Mark Burge
Enrollment: 473
Year Built: 2011



Provost Elementary (K-6)
Principal: Kami Alvarez
Enrollment: 416
Year Rebuilt: 2018



Wasatch Elementary (K-6)
Principal: Chris Fuhriman
Enrollment: 623
Year Built: 1949



Westridge Elementary (K-6)
Principal: Kim Hawkins
Enrollment: 601
Year Built: 1979

Municipal Authority Bonds Approved to rebuild November 2021

High Schools



Provo High School (9-12)
Principal: Boyd McAfee
Enrollment: 1,931
Year Built: 2018



Timpview High School (9-12)
Principal: Fidel Montero
Enrollment: 2,353
Year Built: 1974



Independence High School (9-12)
Principal: Jacob Griffin
Enrollment: 184
Year Built: 1992

Financial Information—All Funds

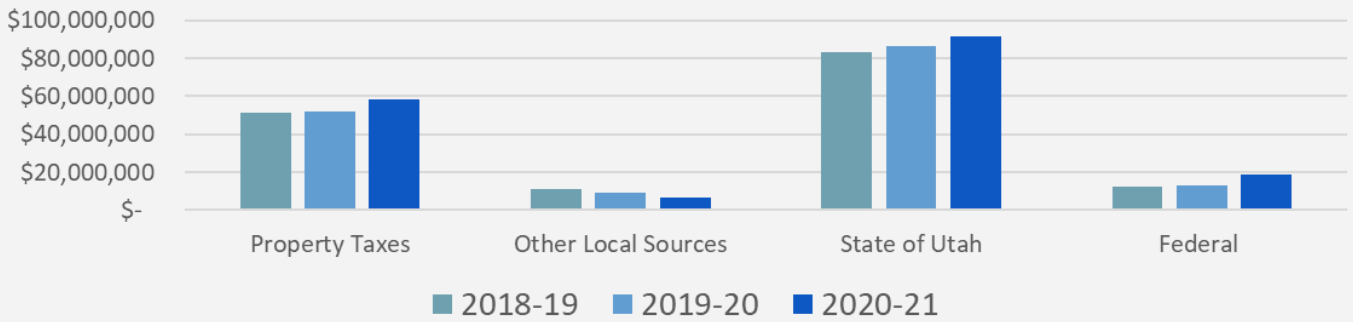
Readers of the Popular Annual Financial Report should keep in mind that the numbers are from the District’s Annual Comprehensive Financial Report. The numbers below and in subsequent pages are presented in GAAP format and represent the District’s governmental funds. The report contains all of the audited financial statements and disclosures. The PAFR is not audited and does not include a presentation of all funds in their entirety. The PAFR is not intended to present a complete financial picture according to GAAP, but is intended to present District financial information in a summary form that is easy to understand. To obtain a complete financial picture of Provo City School District, please view our Annual Comprehensive Financial Report by visiting our website at <https://provo.edu/business-and-finance/financial-reports/>.

The information below reflects a three-year comparison of the District’s governmental revenues and expenditures. Subsequent pages will address individual funds, but an overall representation of all funds is important to show the District’s total revenues and expenditures by function.

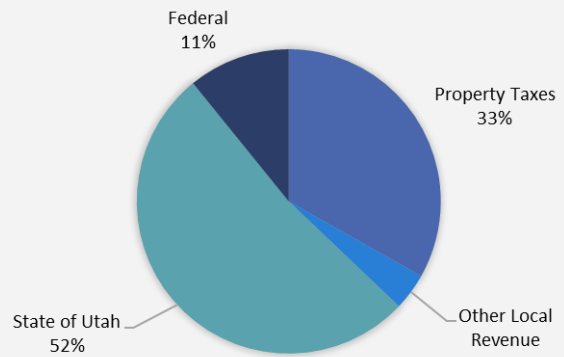
Revenues	2018-19	2019-20	2020-21
Property Taxes	\$ 51,290,626	\$ 52,082,647	\$ 58,205,541
Other Local Sources	11,336,047	9,159,781	6,920,196
State of Utah	83,519,693	86,692,546	91,376,286
Federal	12,639,150	13,185,638	19,042,337
Total Revenues	\$ 158,785,516	\$ 161,120,612	\$ 175,544,360

Expenditures	2018-19	2019-20	2020-21
Instruction	\$ 80,966,915	\$ 83,637,213	\$ 82,536,613
Supporting Services:			
Students	8,055,457	8,473,557	9,472,770
Instructional Staff	9,864,643	10,569,236	11,923,502
District Administration	2,942,204	2,854,541	2,535,537
School Administration	7,178,006	7,753,544	8,217,857
Business	5,194,789	5,181,189	5,748,200
Operation and Maintenance of Buildings	11,883,835	13,450,470	13,963,297
Student Transportation	2,131,430	2,056,407	2,003,125
School Food Services	5,612,524	5,911,440	5,669,101
Community Services	1,836,912	1,822,447	2,018,448
Capital Outlay	18,702,786	5,610,588	12,603,144
Debt Service:			
Bond Principal	5,945,941	6,197,642	6,443,387
Bond Interest and Fees	3,912,626	3,677,095	3,438,719
Total Expenditures	\$ 164,228,068	\$ 157,195,369	\$ 166,573,700

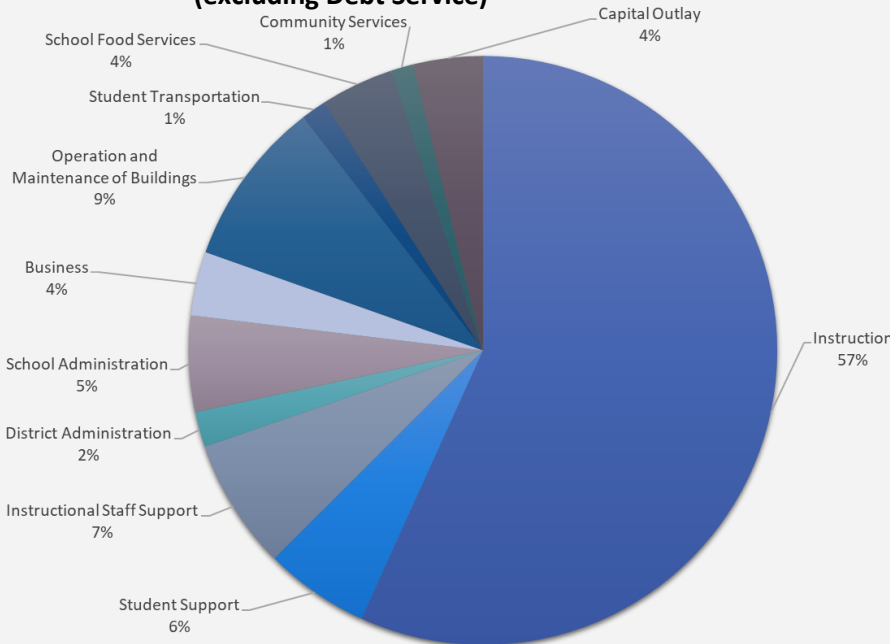
Revenue - All Funds



The Provo City School District Board of Education went through a truth in taxation and approved a tax increase for this fiscal year which accounts for the increase in property tax revenue for this fiscal year. Regular local revenue continues to trend downward due to the interest rates in the Public Treasurers Investment Fund decreasing. State revenue went up due to an increase in the WPU (weighted pupil unit). The majority of state revenue is contingent on the budgeted increase in the WPU (weighted pupil unit) and the district’s increase/decrease in students. The increase in state revenue is due to an increase in the amount of the WPU, not the enrollment in the district. Federal revenue showed the largest increase, primarily due to COVID-19 relief funding.



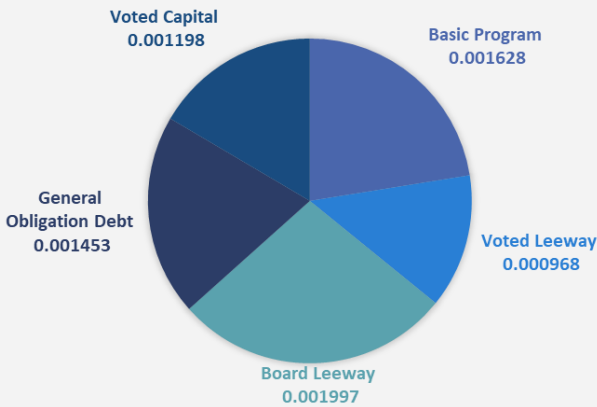
Expenditures by Function FY21—All Funds (excluding Debt Service)



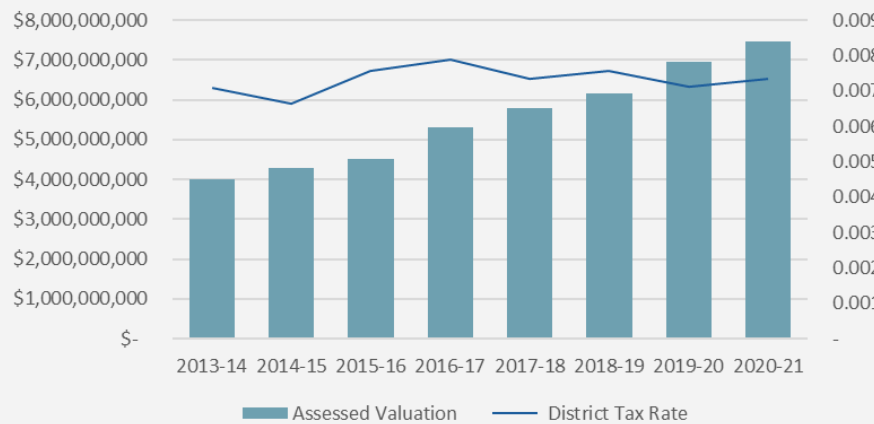
In FY21, increases in expenditures across functions were primarily due to increases in normal costs for salaries and benefits. The instruction function decreased slightly due to the decrease in purchased services in relation to eSchool. Expenditures for capital outlay has increased significantly due to the construction of Timpview High School. Voters approved a GO bond for the replacement in November 2020. The school board also approved a Municipal Building Authority bond for the replacement of two schools in October 2021.

Other expenditures throughout the district remained relatively flat.

Property taxes in the city of Provo are levied for four separate entities. Provo City School District, Provo City, Utah County and Central Utah Water Conservancy District all receive revenue from property taxes. Below shows the amount per dollar that goes to each entity. While property taxes are fairly low for the other entities, they receive tax revenue from other sources in addition to property taxes.



Provo City Assessed Valuation vs. District Tax Rate



Property tax rates are set every June unless the board sets a Truth in Taxation hearing in August of the current budget year. Levies are set for general operating, capital and debt service expenditures. Property valuations have increased significantly over the last eight years, which has kept the property tax rate relatively flat.

Revenues	2018-19	2019-20	2020-21
Property Taxes	\$ 31,310,666	\$ 33,046,806	\$ 37,861,708
Other Local Sources	6,345,904	5,440,387	4,306,537
State of Utah	82,056,244	85,411,264	90,307,945
Federal	8,858,715	8,905,035	14,790,719
Total Revenues	\$ 128,571,529	\$ 132,803,492	\$ 147,266,909

Expenditures	2018-19	2019-20	2020-21
Instruction	\$ 77,475,650	\$ 80,768,604	\$ 80,569,988
Supporting Services:			
Students	8,055,457	8,473,557	9,338,445
Instructional Staff	9,898,593	10,550,190	11,866,384
District Administration	2,898,273	2,854,541	2,535,537
School Administration	7,178,006	7,718,485	7,918,849
Business	5,065,508	5,181,189	5,748,200
Operation and Maintenance of Buildings	9,474,167	9,683,180	13,956,836
Student Transportation	2,131,430	2,056,407	2,003,125
Food Services	-	30,997	111,953
Capital Outlay	3,620,785	2,745,800	3,328,598
Community Services	531,780	381,596	208,730
Debt Service	9,020	-	-
Total Expenditures	\$ 126,338,669	\$ 130,444,546	\$ 137,586,645

Functions within all funds are used to delineate expenditures and assign them to certain job functions. The state requires the use of functions to appropriately account for different types of expenditures to accurately reflect the goal of the expenditures. For example, the **Instruction function** is used to account for all classroom expenditures that are between teachers and students. Salaries, benefits, supplies, field trips, etc. are accounted for in the Instruction function. Expenditures in the instruction function trended downward slightly this year due to the decrease in purchased services in relation to the change in eSchool’s format.

Student Support Services—this function covers social workers, health service providers, school counselors, and related supplies, contract services, and travel.

Instructional Staff Support—this function covers professional development costs for teachers/staff, instructional coaches, technology support, media center specialists, and related supplies, contract services and travel.

District Administration—this function covers the cost of district administration, i.e. superintendent, district directors that are specific to district-wide admin, and related supplies, contract services and travel.

School Administration—this function covers the cost of principals, assistant principals, and school administrative secretarial staff, and related supplies, contract services and travel.

Business—this function covers the cost of purchasing, personnel, business services, warehouse, public relations, administrative technology, and related supplies, contract services and travel.

Operation and Maintenance of Buildings—this function covers the cost of maintenance and cleaning of the district buildings.

Student Transportation—this function covers all costs related to student transportation.

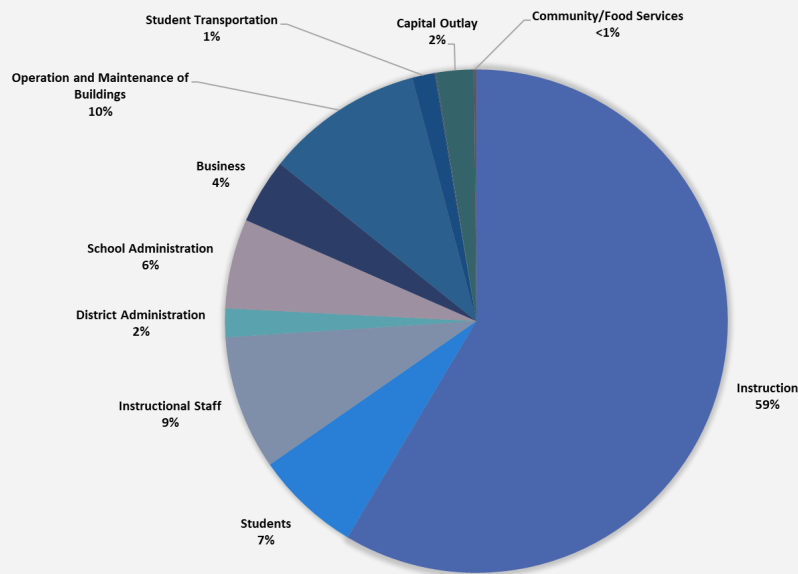
Food Services—this function covers all costs related to feeding students at the District.

Capital Outlay—this function covers all costs of major district projects

Community Services—this function covers costs of activities benefiting the community as a whole.

Debt Service—this function covers costs related to principal and interest payments for general obligation bonds.

EXPENDITURES BY FUNCTION - GENERAL FUND



Financial Information—Debt Service

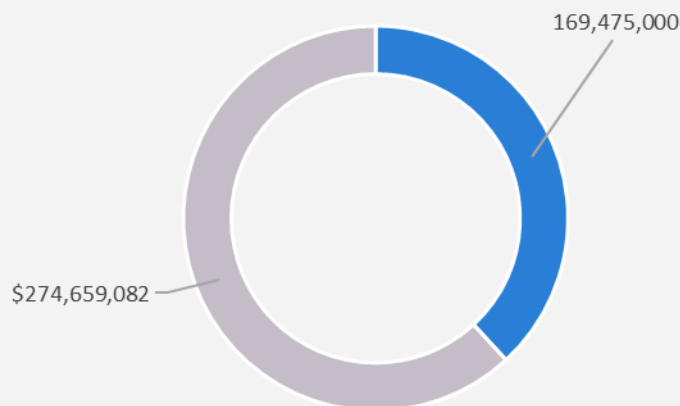
School districts are not able to raise funds sufficient to build new or replace existing buildings. General obligation bonds, guaranteed by property taxes, are districts' only source of new "revenue" which can be used to provide those buildings. Lease revenue bonds can also be issued through the District's Municipal Building Authority, but those payments are made with existing District revenue. Municipal Building Authority bonds were approved by the Municipal Building Authority board in November 2021 for the building of two additional schools. Below is information about bonds outstanding, as well as the District's debt limit and debt margin.

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
2015A Series G.O. Bonds	Bond Refunding	\$ 22,790,000.00	2.13%	June 15, 2027	\$ 13,305,000
2015 Series G.O. Bonds	School Building	\$ 50,615,000.00	2.25% to 5%	June 15, 2035	39,475,000
2016 Series G.O. Bonds	School Building	\$ 50,650,000.00	2.00% to 5%	June 15, 2036	43,025,000
2021 Series G.O. Bonds	School Building	\$ 73,670,000.00	1.75% to 5%	June 15, 2041	73,670,000
					\$ 169,475,000

New general obligation bonds were approved by voters in November 2020. Bonds were issued in May 2021 for the rebuild of the academic wing of Timpview High School. This project is well under way at the time of the publication of this report. Two more schools are slated to be rebuilt in their entirety starting at the end of fiscal year 2022.

	2020	2020	2019
Estimated Fair Market Value	\$ 11,103,352,058	\$ 10,376,702,550	\$ 9,423,134,014
"Fair Market Value" X 4% (Debt Limit)	444,134,082	415,068,102	376,925,361
Outstanding balance General Obligation Debt	169,475,000	102,225,000	108,400,000
Debt Margin	\$ 274,659,082	\$ 312,843,102	\$ 268,525,361

Legal Debt Margin

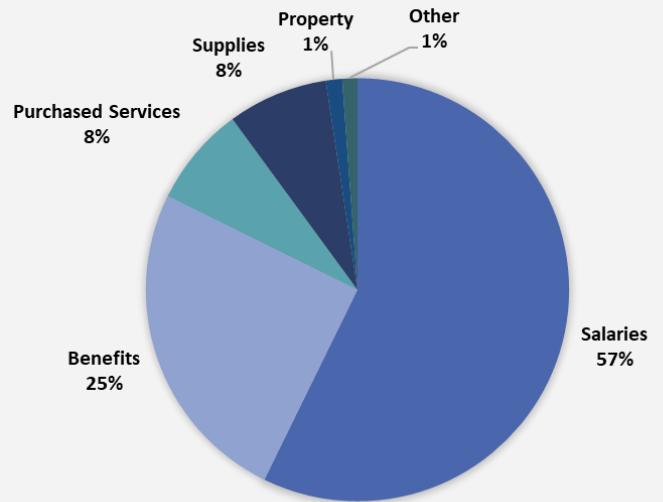


Expenditures by Object (General Fund)	2018-19	2019-20	2020-21
Salaries	\$ 68,227,167	\$ 72,260,522	\$ 78,778,602
Benefits	31,468,509	32,868,802	34,470,630
Purchased Services	12,616,778	12,792,485	10,495,093
Supplies	8,795,785	8,079,652	10,538,004
Property	3,726,262	2,971,870	1,712,470
Other	1,504,168	1,471,215	1,591,846
Total Expenditures	\$ 126,338,669	\$ 130,444,546	\$ 137,586,645

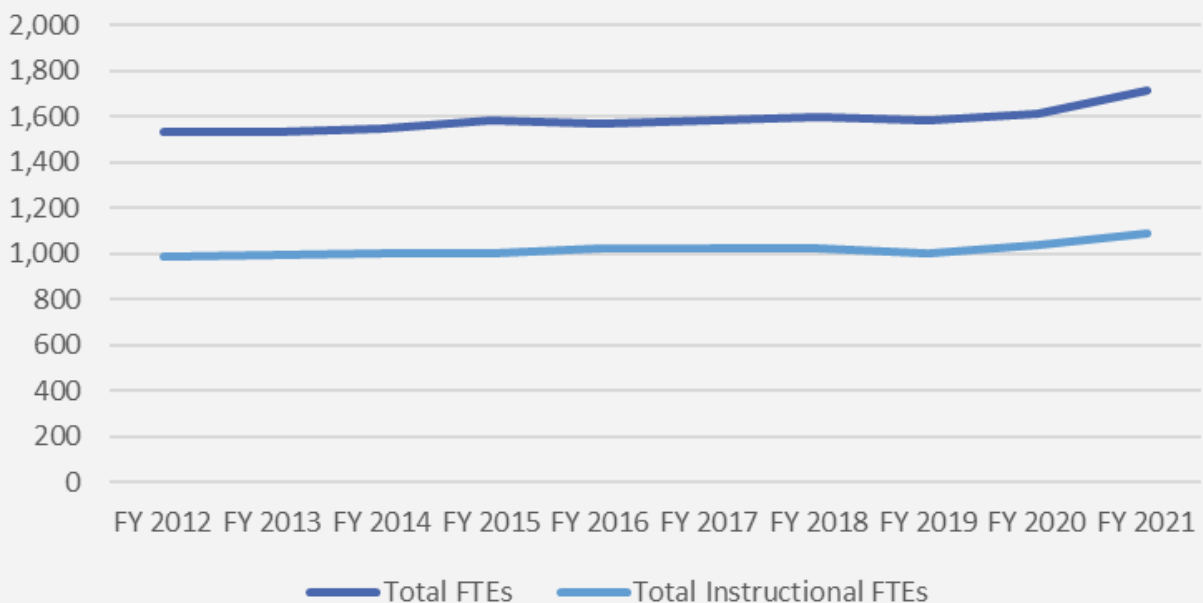
Salaries and benefits account for 82% of total General Fund expenditures. The increase in salaries and benefits is primarily due to the results of negotiations and the planned increase in medical insurance costs.

FTEs in the District continue to increase even with the decrease in enrollment. Federal COVID-19 relief funds have allowed the District to retain teachers in order to keep class sizes small and provide additional social workers and instructional aides to help recover learning loss due to the COVID-19 pandemic. The instruction function had the biggest increase between FY20 and FY21—52 FTEs. The total increase was 99 FTEs spread across all functions.

EXPENDITURES BY OBJECT - GENERAL FUND



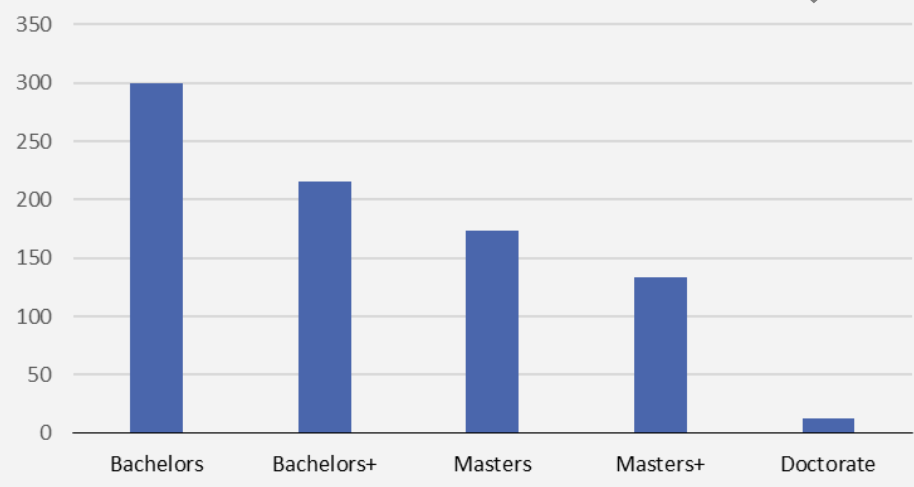
District FTEs



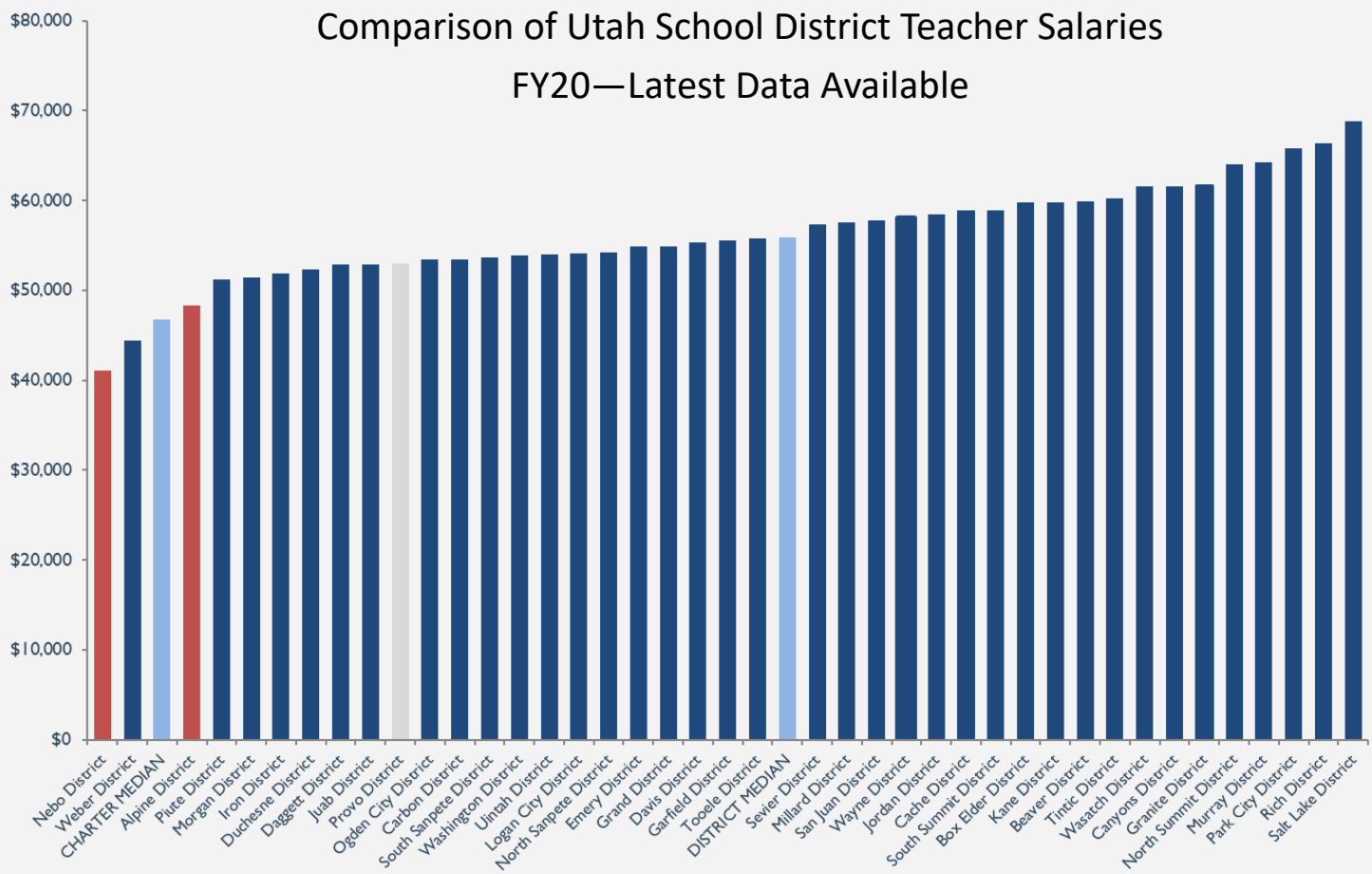
School districts throughout the United States are all dealing with the struggles of retaining effective teachers. Provo City School District’s teachers are well educated and we are seeing more teachers staying longer. More than half of our teachers have been teaching for longer than five years and more than a third of our teachers have at least a Masters Degree.

The challenge the District faces now is to create a more competitive wage for our educators. As seen in the comparison of teacher salaries below, our district has some work to do to remain competitive with surrounding districts.

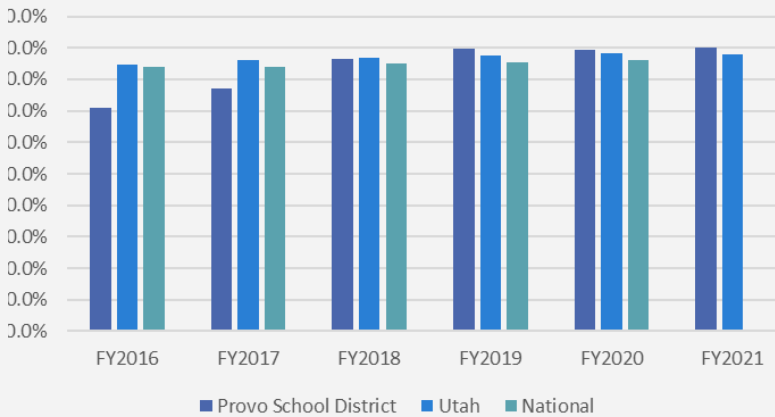
Teacher Education Levels



Comparison of Utah School District Teacher Salaries FY20—Latest Data Available

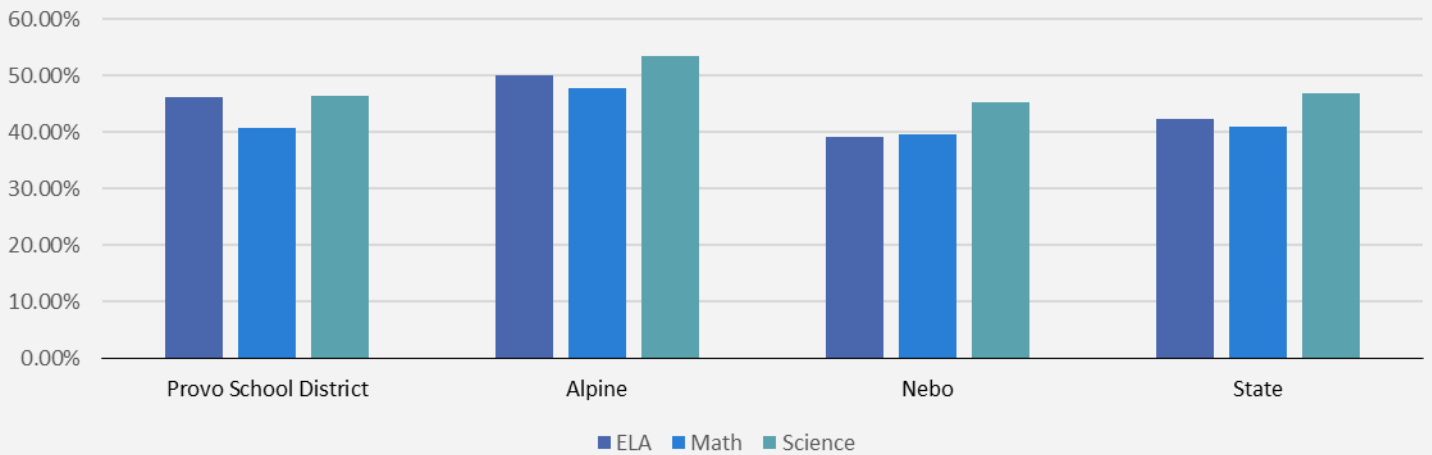


Graduation Rates Comparisons 2016-2021

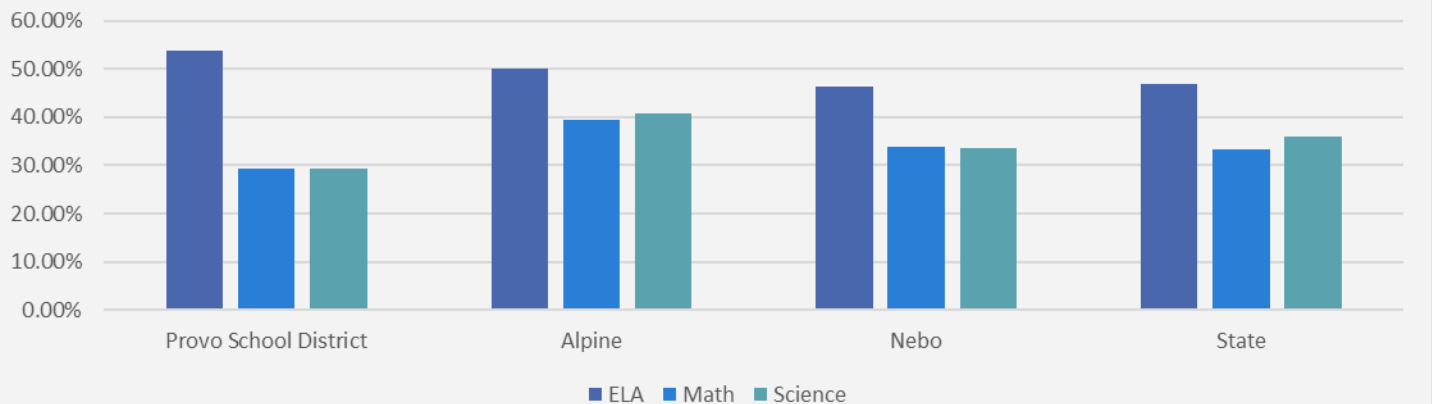


Everything that the District does is with one goal in mind—educating and caring for our students. Many students have shown a resiliency beyond our expectations through the COVID-19 pandemic. Although the education process was a bit different than it had been in previous years, many students still excelled in their classes, their sports and their lives. Through the pandemic, our graduation rates continued to rise. There is still a lot of work to do to address learning loss for our younger students, but with our incredible staff, we know we will continue to excel in Provo City School District.

RISE Proficiency Compared to State and Neighboring Districts Elementary and Middle Schools 2020-2021 School Year



RISE Proficiency Compared to State and Neighboring Districts High Schools (9th and 10th Grades)



District Information

Provo City School District's mission to provide opportunities for success for every student is a mission that envelops all departments, from Human Resources to Business Services to schools to each individual employee. All departments and staff create expectations to provide assistance in completing that mission. The Popular Annual Financial Report of Provo City School District is meant to provide a high-level view of what the District is trying to accomplish in all different areas. Other information about the District is provided on its website, www.provo.edu. Further financial information is available in the District's Annual Comprehensive Financial Report, along with the District's Annual Budget report. Reports are available for this year and prior years at <https://provo.edu/business-and-finance/financial-reports/>. If you have any questions, please contact Provo City School District at 801-374-4800 or send a request to the Office of the Business Administrator, Provo City School District, 280 West 940 North, Provo, UT, 84604.

