

Provo City School District Popular Annual Financial Report



**For the Year Ended
June 30, 2023**

Provo City
SCHOOL DISTRICT

280 W. 940 N.
Provo, UT 84604
(801)374-4800
www.provo.edu

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, 2023. 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, 2023, 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, 2023. 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,



Business Administrator



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

June 30, 2022

Christopher P. Morrell
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, 2022.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for the 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 ten consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements and will be submitted to the GFOA.

Provo City School District was officially organized in 1898 and is a legally separate entity enjoying all rights and privileges afforded political subdivisions in the State of Utah. The District is fiscally independent. Policymaking and legislative authority are vested in the Board of Education (Board) consisting of seven members. The Board is responsible for, among other things, developing policy, adopting the budget, levying taxes, incurring bonded debt, and hiring both the Superintendent and Business Administrator. The Superintendent and Business Administrator are responsible for implementing policies of the Board and overseeing the day to day operations of the District. Board members serve four year staggered terms with no more than four board members elected every two years.

Our Guiding Principles

- Pursuit of Excellence
- Lifelong Learning
- Individual Potential
- Inclusion of All
- Family Partnerships
- Civic Engagement
- Literacy

Our mission is to develop a culture of meaningful innovation to ensure that all students in Provo City School District are future-ready. As such, personnel strives to provide a quality education experience for students by following the District's seven guiding principles and five goals, which help direct and impact all strategic planning, both financial and non-financial.

The District's purpose is to provide a comprehensive array of learning opportunities for students who reside in Provo City. To accomplish this purpose, the District educated 13,612 students across two traditional high schools, an alternative high school, two middle schools, thirteen elementary schools, and an eSchool. The District strives to provide authentic and impactful learning experiences in which students can explore their interests and become college-and-career-ready. In addition to core classes such as mathematics, science, and english, the District offers a wide variety of electives in engineering, business, technology, art, animation, and animal science – to name a few. Students are encouraged to challenge

themselves in a growing number of Advanced Placement courses and explore dual-credit opportunities within the Concurrent Enrollment program.

Throughout the year, the District has been able to maintain a strong financial position, in part because of our focus on engaged learning, collaboration, continuous improvement, strategic planning, and transparency. We are committed to renewal and strive to continually raise the bar for student achievement.

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. These goals create 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.

Provo City School District is well-managed and fiscally sound. 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
2017 - Current



Megan Van Wagenen
2023 - Current



Lisa Boyce
2023 - Current



Rebecca Nielsen
Board Vice-President
2019 - Current



Teri McCabe
2021 - Current



Rebecca Nielsen
Board President
2017 - Current



Wendy Dao
Superintendent



Derek Anderson
Business Administrator



Jason Cox
Executive Director-
HR/Deputy Superin-
tendent



Darrell Jensen
Executive Director-
Secondary Education



Anne-Marie Harrison
Executive Director-
Teaching & Learning



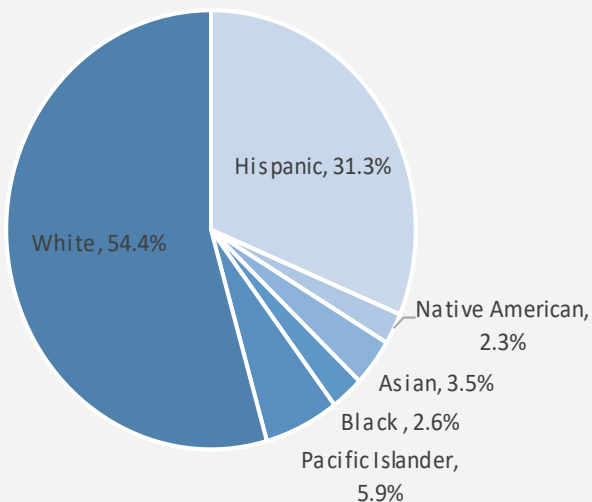
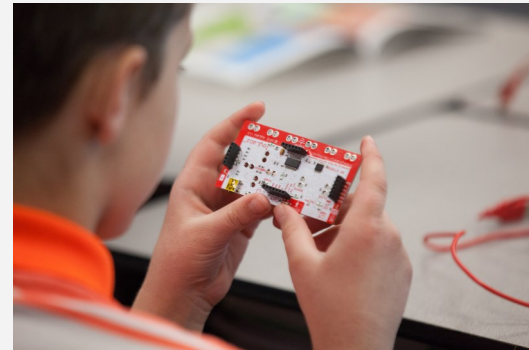
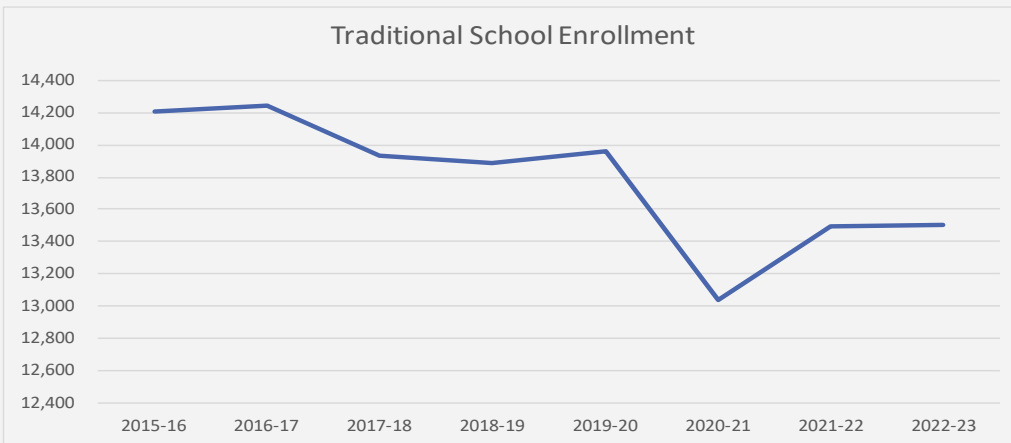
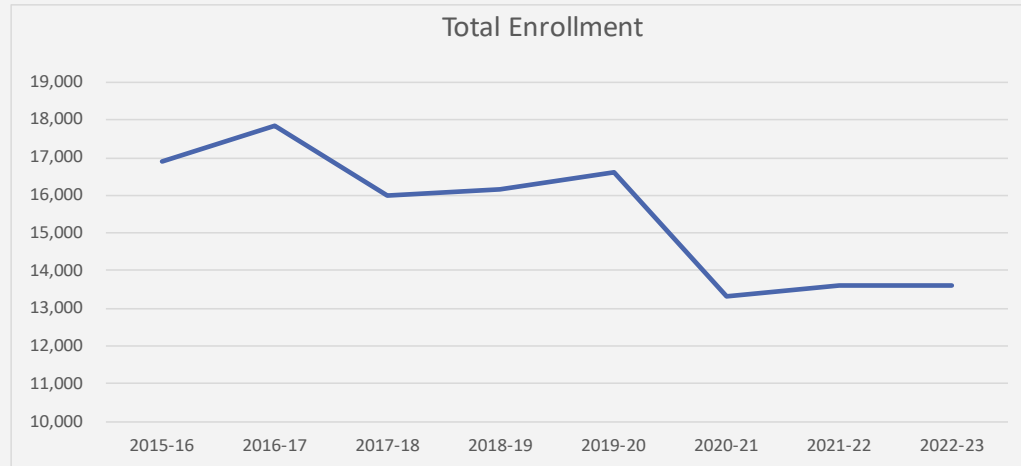
Jarod Sites
Executive Director-
Elementary Educa-
tion



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.

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 2020-21 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.



Students at the 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 meals were provided at no cost during the pandemic, which affected data gathering because applications for free and reduced lunch were not required during that time.

Elementary Schools



Amelia Earhart Elementary (K-6)

Principal: Ryan McCarty

Enrollment: 419

Year Built: 1999



Canyon Crest Elementary K-6

Principal: Sean Edwards

Enrollment: 474

Year Built: 1982



Edgemont Elementary (K-6)

Principal: Harmony Kartchner

Enrollment: 631

Year rebuilt: 2017



Rock Canyon Elementary (K-6)

Principal: Seth Hansen

Enrollment: 530

Year Rebuilt: 2016



Spring Creek Elementary (K-6)

Principal: Ruthann Snow

Enrollment: 423

Year Built: 2002



Sunset View Elementary (K-6)

Principal: Chris Chilcoat

Enrollment: 546

Year Rebuilt: 2016

Middle Schools



Centennial Middle School (7-8)

Principal: Brook Taylor

Enrollment: 1,099

Year Built: 1996



Dixon Middle School (7-8)

Principal: John Anderson

Enrollment: 937

Year Built: 1931

Municipal Building Authority bonds
approved to rebuild Nov. 2021



Franklin Elementary (K-6)
Principal: Jason Benson
Enrollment: 336
Year Built: 1994



Lakeview Elementary (K-6)
Principal: Jamie Davis-Leite
Enrollment: 689
Year Built: 2007



Provo Peaks Elementary (K-6)
Principal: Mark Burge
Enrollment: 517
Year Built: 2011



Provost Elementary (K-6)
Principal: Tricia Biggs
Enrollment: 470
Year Rebuilt: 2018



Timpanogos Elementary (K-6)
Principal: Carrie Rawlins
Enrollment: 622
Year Rebuilt: 2008



Wasatch Elementary (K-6)
Principal: Chris Fuhrman
Enrollment: 609
Year Built: 1949



Westridge Elementary (K-6)
Principal: Kim Hawkins
Enrollment: 620
Year Built: 1979

Municipal Authority Bonds Approved to rebuild November 2021

High Schools



Provo High School (9-12)
Principal: Kami Alvarez
Enrollment: 1,971
Year Built: 2018



Timpview High School (9-12)
Principal: Momi Tuua
Enrollment: 2,339
Year Built: 1974



Independence High School (9-12)
Principal: Jacob Griffin
Enrollment: 267
Year Built: 1992

Financial Information—All Funds

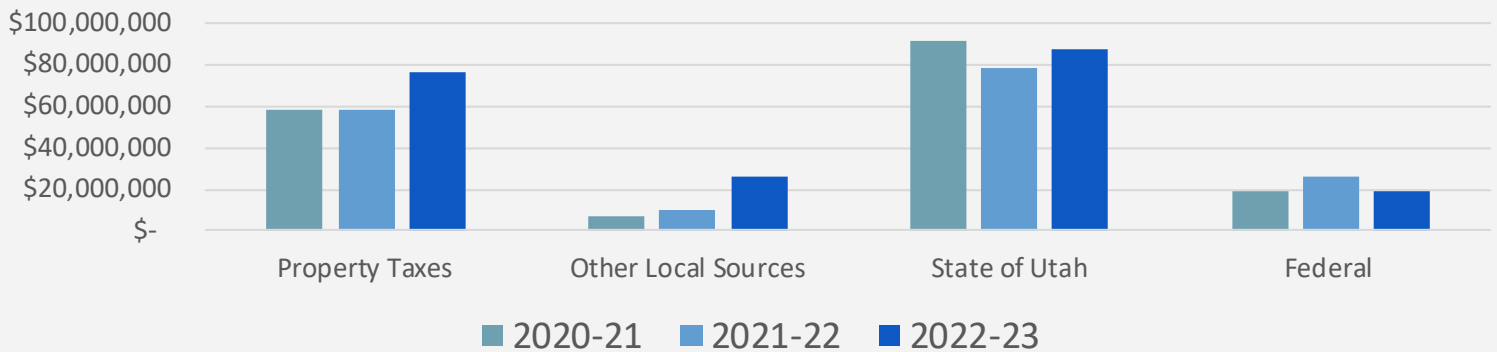
Readers of the Popular Annual Financial Report should keep in mind that the numbers are from the District's Annual Comprehensive Financial Report. The numbers below and in subsequent pages are presented in GAAP format and represent the District's governmental funds. The report contains all of the audited 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	2020-21	2021-22	2022-23
Property Taxes	\$ 58,205,541	\$ 58,668,732	\$ 76,786,890
Other Local Sources	6,920,196	10,189,462	26,437,361
State of Utah	91,376,286	78,939,363	87,784,664
Federal	19,042,337	25,796,923	19,279,414
Total Revenues	\$ 175,544,360	\$ 173,594,480	\$ 210,288,329

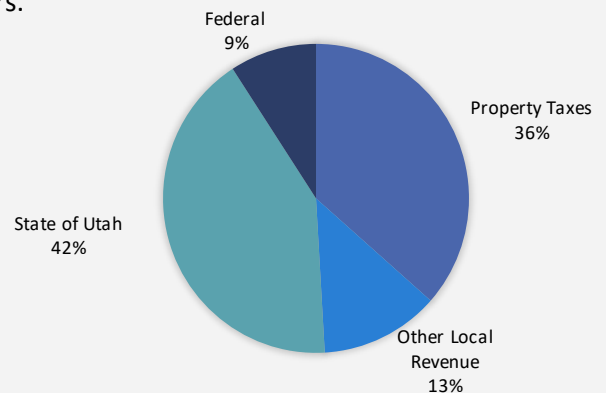
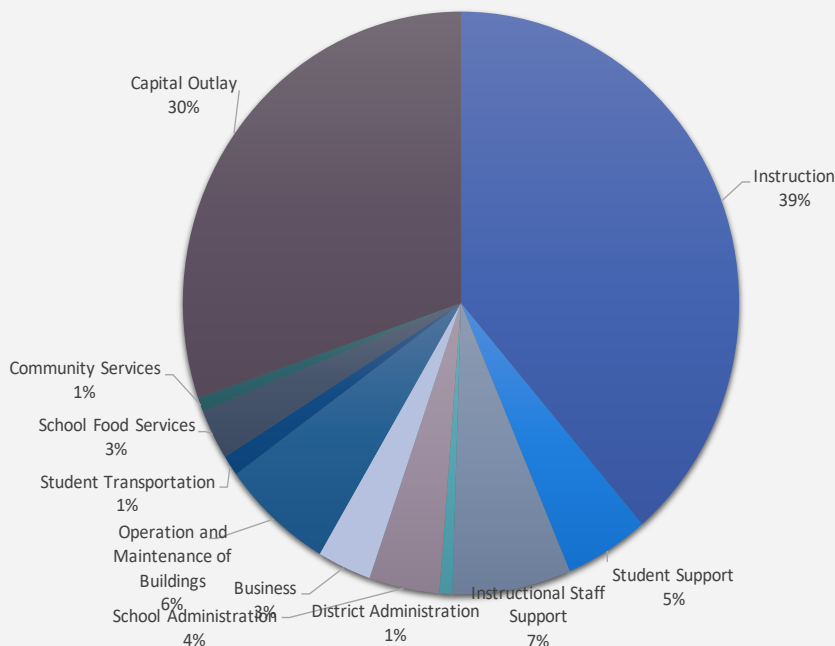
Expenditures	2020-21	2021-22	2022-23
Instruction	\$ 82,536,613	\$ 88,879,025	\$ 89,909,211
Supporting Services:			
Students	9,472,770	10,358,912	11,352,034
Instructional Staff	11,923,502	12,185,547	16,009,935
District Administration	2,535,537	2,759,644	1,731,009
School Administration	8,217,857	8,621,772	9,494,223
Business	5,748,200	6,018,253	7,318,510
Operation and Maintenance of Buildings	13,963,297	13,661,660	15,116,278
Student Transportation	2,003,125	2,212,681	2,675,515
School Food Services	5,669,101	5,950,011	6,465,085
Community Services	2,018,448	1,707,621	1,800,973
Capital Outlay	12,603,144	33,569,783	70,350,774
Debt Service:			
Bond Principal	6,443,387	20,005,863	11,018,460
Bond Interest and Fees	3,438,719	7,374,993	9,667,896
Total Expenditures	\$ 166,573,700	\$ 213,305,765	\$ 252,909,903

Revenue - All Funds



During the year ended June 30, 2023, combined fund balances decreased by \$45.8 million. Much of the decrease is in relation to building projects in the Capital Projects fund and the Municipal Building Authority fund. Other funds had minor increases and decreases due to regular operating activity. Local revenue increased \$34.2 million due to a property tax increase, lease revenue in the Municipal Building Authority and Child Nutrition payments. State revenue increased by \$8.9 million due to an increase in the Weighted Pupil Unit (WPU). Federal revenue decreased by \$6.5 million primarily due to the spenddown of COVID-related federal funding in prior years.

Expenditures by Function— All Funds (excluding Debt Service)



In fiscal year 2023, increases in expenditures across functions were primarily due to increases in normal costs for salaries and benefits. The instruction function increased due to salary increases and regular operating costs. Expenditures for capital outlay has increased due to the construction and renovation of schools. Voters approved a GO bond for the replacement of Timpview High in Nov. 2020. The school board also approved a Municipal Building Authority bond for the replacement of two other schools in Oct. 2021.

Other expenditures throughout the District remained relatively flat.

Financial Information—Property Taxes—All Funds

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 School District - 73%

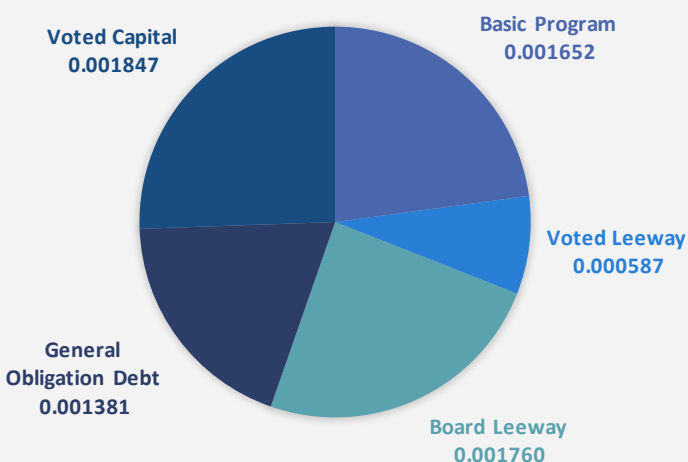


Provo City - 17%

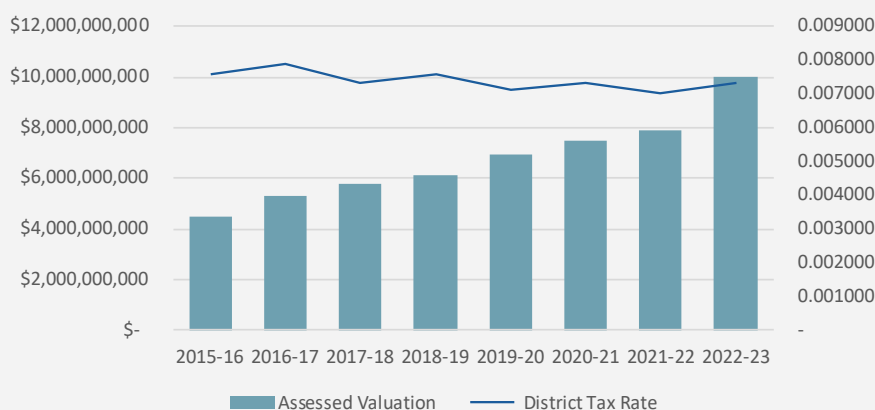


Utah County
- 7%

Central Utah Water - 4%



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	2020-21	2021-22	2022-23
Property Taxes	\$ 37,861,708	\$ 35,541,844	\$ 41,473,053
Other Local Sources	4,306,537	4,799,528	9,349,686
State of Utah	90,307,945	77,841,829	85,206,842
Federal	14,790,719	19,690,191	14,771,764
Total Revenues	\$ 147,266,909	\$ 137,873,392	\$ 150,801,345

Expenditures	2020-21	2021-22	2022-23
Instruction	\$ 80,569,988	\$ 86,107,486	\$ 87,055,771
Supporting Services:			
Students	9,338,445	10,309,708	11,290,286
Instructional Staff	11,866,384	12,131,958	15,931,050
District Administration	2,535,537	2,759,644	1,730,609
School Administration	7,918,849	8,472,995	9,401,217
Central Services	5,748,200	6,018,253	7,138,378
Operation and Maintenance of Buildings	13,956,836	7,903,718	13,794,385
Student Transportation	2,003,125	2,212,681	2,247,304
Food Services	111,953	82,949	-
Capital Outlay	3,328,598	699,858	69,842
Community Services	208,730	133,733	-
Total Expenditures	\$ 137,586,645	\$ 136,832,983	\$ 148,658,842

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 increased this year due to increases in salary and medical premiums and other normal operating expenditures.

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.

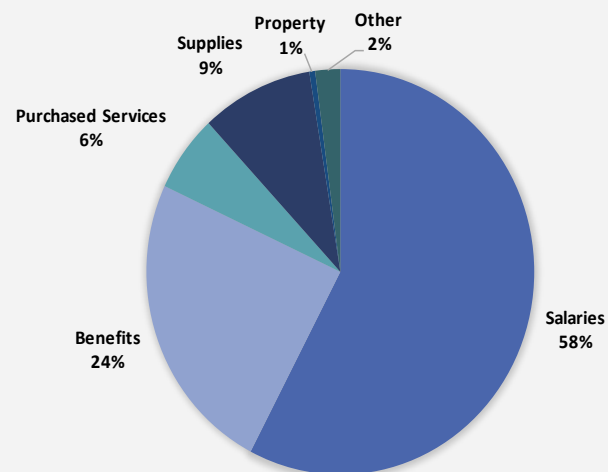
Food Services—this function covers all costs related to feeding students at the District.

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 OBJECT - GENERAL FUND



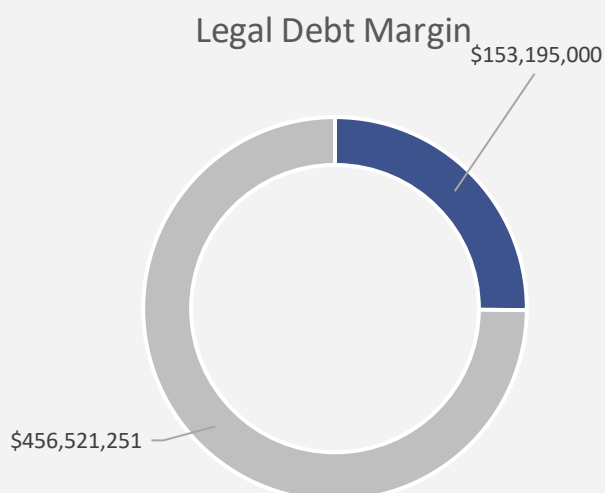
Financial Information—Debt Service

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
Series 2015 GO Bonds	School Building	\$ 50,615,000.00	2.25% to 5.00%	June 15, 2035	\$ 34,800,000
Series 2016 GO Bonds	School Building	\$ 50,650,000.00	2.00% to 5.00%	June 15, 2036	38,650,000
Series 2021A GO Bonds	School Building	\$ 73,670,000.00	1.75% to 5.00%	June 15, 2041	71,860,000
Series 2021B GO Bonds	Refunding	\$ 11,650,000.00	5.00%	June 15, 2027	7,885,000
					<u>\$ 153,195,000</u>

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 nearly completed at the time of the publication of this report. Wasatch Elementary and Shoreline Middle (formerly Dixon Middle) are currently being rebuilt.

	2023	2022	2021
Estimated Fair Market Value	\$ 15,242,906,265	\$ 11,864,928,556	\$ 11,103,352,058
"Fair Market Value" X 4% (Debt Limit)	609,716,251	474,597,142	444,134,082
Outstanding balance General Obligation Debt	\$ 153,195,000	\$ 161,165,000	169,475,000
Debt Margin	\$ 456,521,251	\$ 313,432,142	\$ 274,659,082

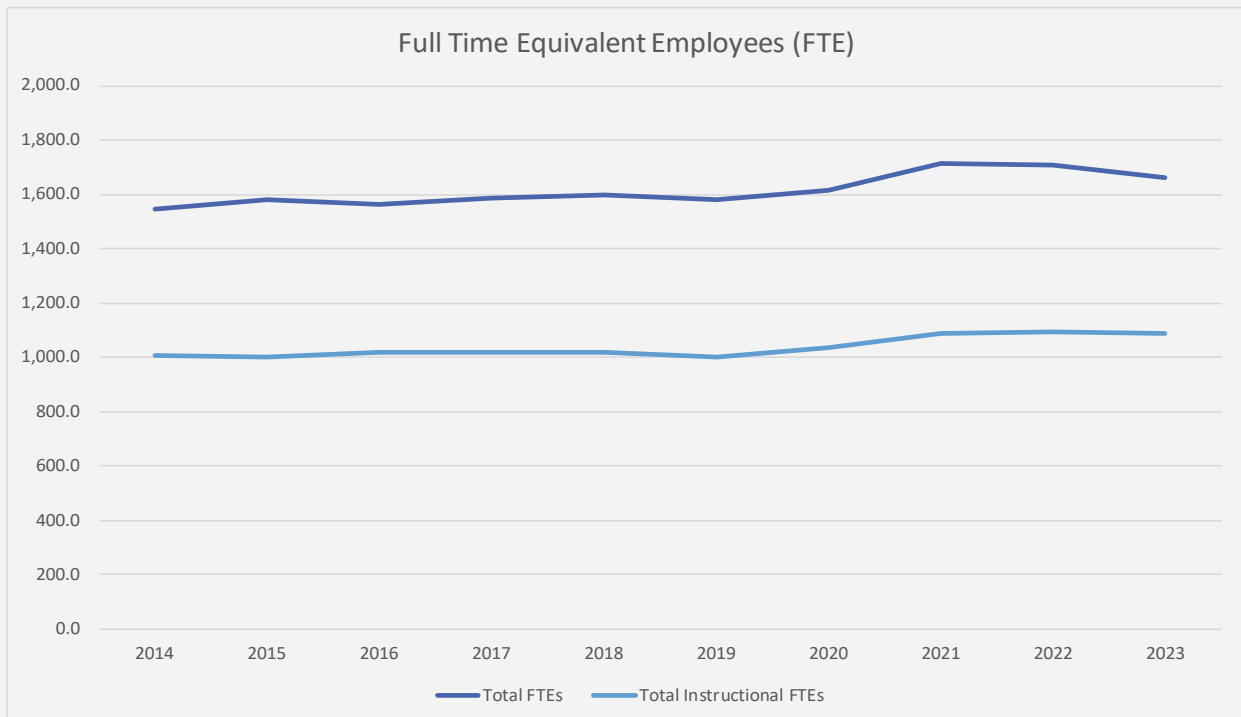
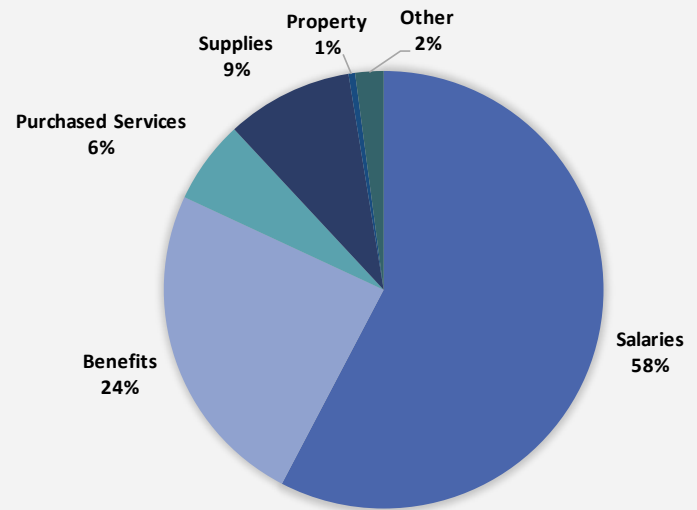


Expenditures by Object (General Fund)	2020-21	2021-22	2022-23
Salaries	\$ 78,778,602	\$ 81,375,084	\$ 85,713,694
Benefits	34,470,630	35,166,818	36,117,028
Purchased Services	10,495,093	5,674,762	9,143,409
Supplies	10,538,004	11,536,579	13,871,601
Property	1,712,470	699,858	719,834
Other	1,591,846	2,379,882	3,093,276
Total Expenditures	\$ 137,586,645	\$ 136,832,983	\$ 148,658,842

Salaries and benefits account for 82.0% 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 throughout the District remained flat or decreased slightly compared to the prior year. Federal COVID 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 pandemic. Fiscal year 2024 is the final year of Federal COVID relief funds. Therefore, the District will return to pre-

EXPENDITURES BY OBJECT - GENERAL FUND

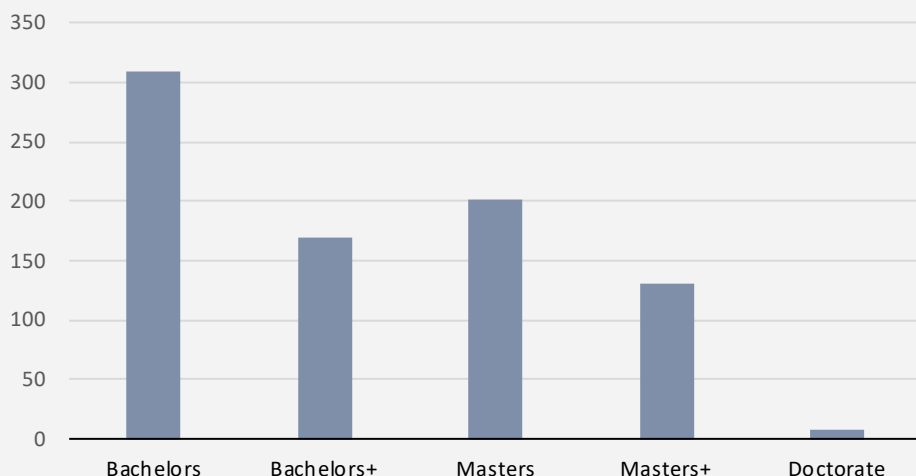


District Information—Staffing Information

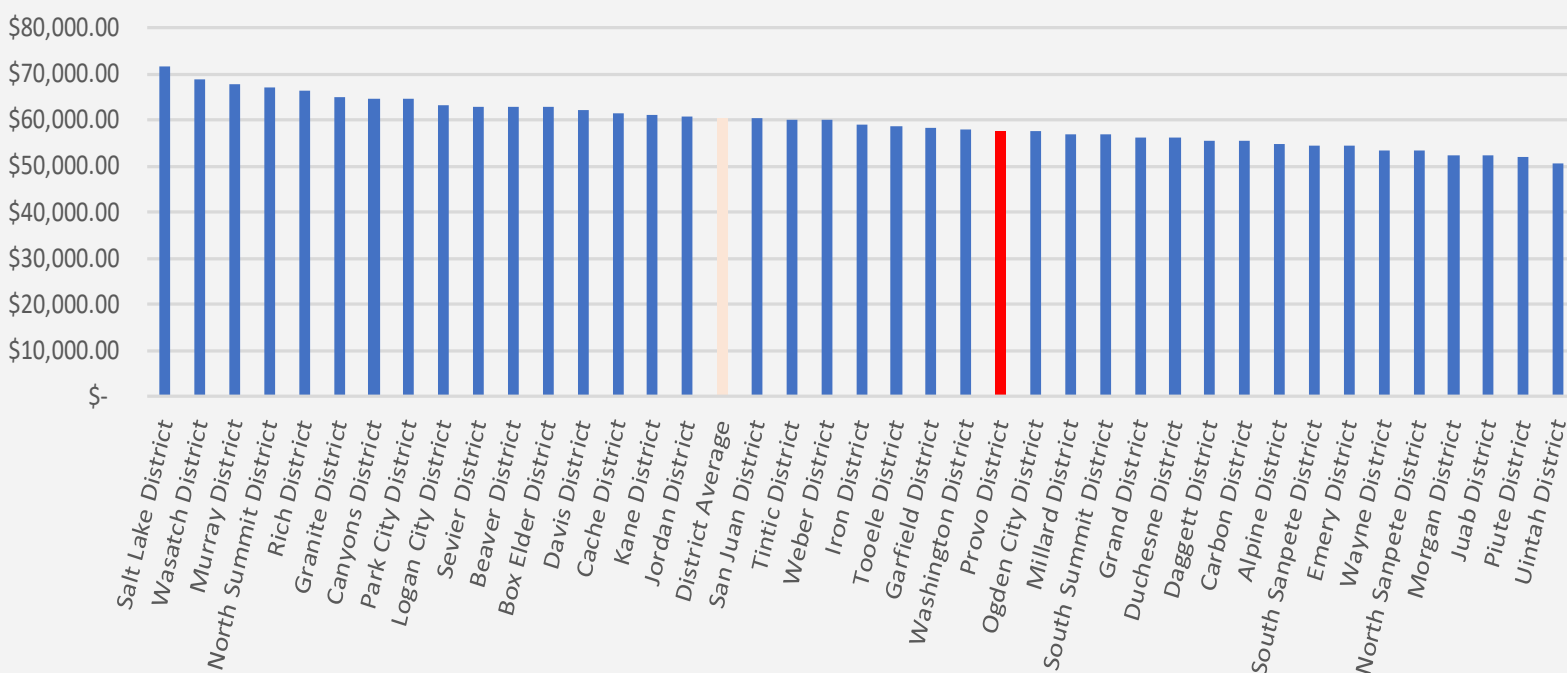
School districts throughout the United States are all dealing with the struggles of attracting and retaining effective teachers. Provo City School District's teachers are well educated and we are seeing more teachers staying longer. More than half of our teachers have been teaching for longer than five 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 because some surrounding school districts are able to offer higher pay because their student demographics are such that they cost less to educate. Whereas, the Provo City School District has a high population of at-risk students which are much more expensive to educate and require more services to successfully graduate.

Teacher Education Levels



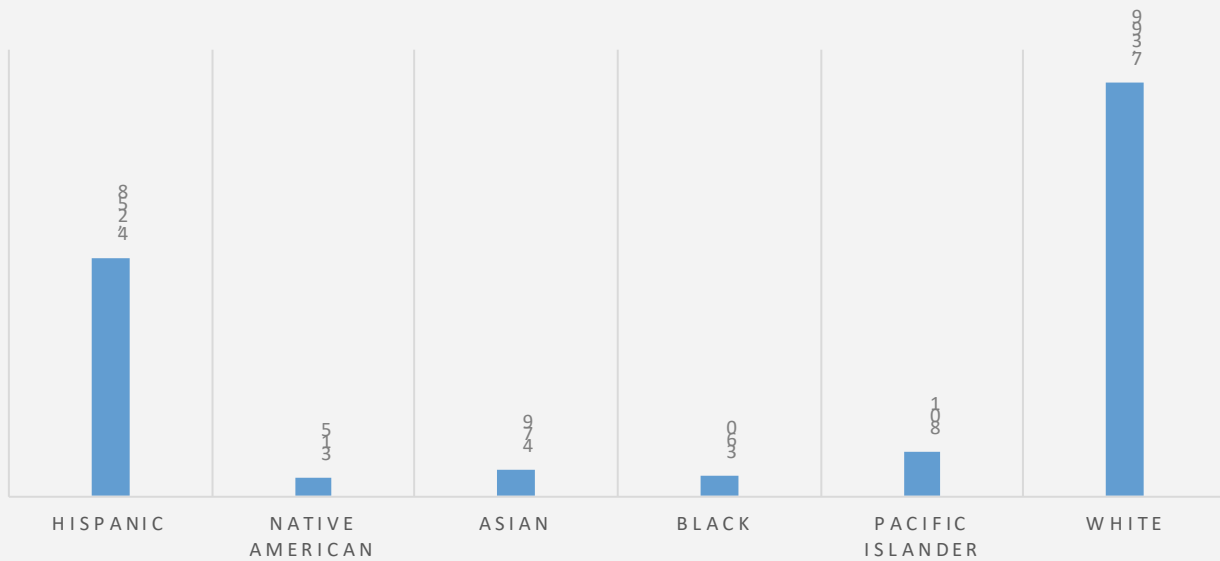
Comparison of Utah School District Teacher Salaries FY21 - Latest Data Available



District Information—Student Information

School	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Amelia Earhart Elementary	532	523	504	518	485	422	395	419
Canyon Crest Elementary	538	547	524	503	476	379	448	474
Edgemont Elementary	623	626	645	665	631	536	642	631
Provo Peaks Elementary	592	571	546	504	496	473	498	517
Franklin Elementary	472	450	407	383	349	332	314	336
Lakeview Elementary	787	754	813	823	791	667	711	689
Provost Elementary	464	472	445	465	464	416	472	470
Rock Canyon Elementary	612	623	591	583	589	515	540	530
Spring Creek Elementary	486	476	418	411	401	382	412	423
Sunset View Elementary	473	561	568	546	583	526	551	546
Timpanogos Elementary	758	668	649	629	629	565	586	622
Wasatch Elementary	944	892	883	799	744	623	644	609
Westridge Elementary	785	806	769	730	718	601	614	620
Centennial Middle	1,056	1,103	1,119	1,191	1,238	1,200	1,133	1,099
Dixon Middle	847	869	835	882	988	928	922	937
Provo High	1,924	1,901	1,853	1,889	1,915	1,931	1,969	1,971
Timpview High	2,058	2,114	2,173	2,162	2,270	2,353	2,390	2,339
Independence High	259	285	190	200	190	184	253	268
Oak Springs	48	42	39	55	60	33	26	46
eSchool	2,660	3,557	2,020	2,227	2,586	251	103	66
Total:	16,918	17,840	15,991	16,165	16,603	13,317	13,623	13,612

STUDENT DEMOGRAPHICS



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.

