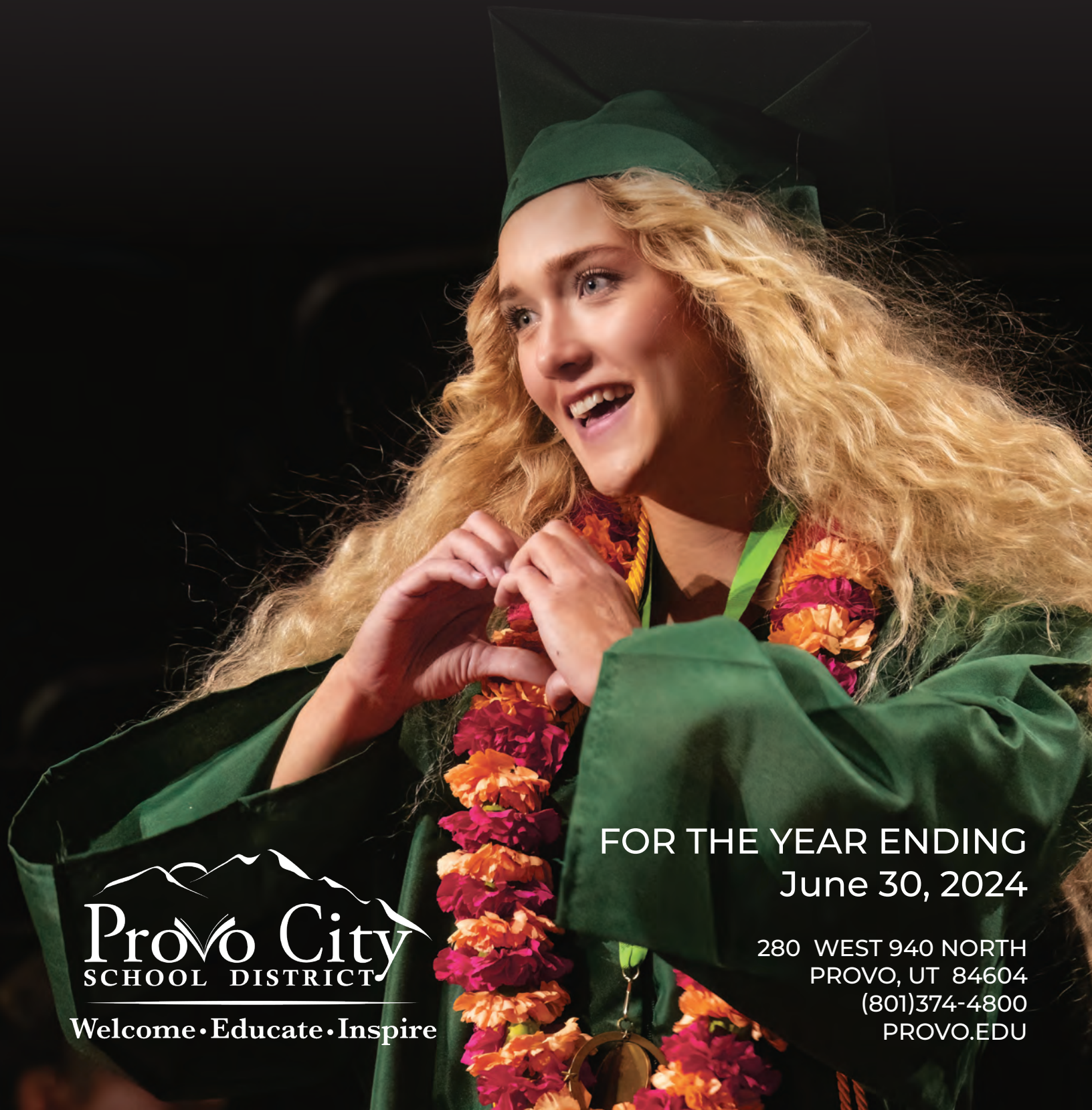


PROVO CITY SCHOOL DISTRICT ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDING
June 30, 2024

280 WEST 940 NORTH
PROVO, UT 84604
(801)374-4800
PROVO.EDU

**Provo City**
SCHOOL DISTRICT

Welcome • Educate • Inspire

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Provo City School District
280 W 940 N
Provo, UT 84604
801-374-4800
www.provo.edu

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Wendy Dau
Superintendent

Devyn Dayley
Business Administrator

Prepared By:
Devyn Dayley/Steven Reese, CPA

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Introductory Section



Wendy Dau
Superintendent
Devyn Dayley
Business Administrator

October 22, 2024

President Nielsen, Members of the Board of Education and Citizens of Provo City:

We are pleased to present the Annual Comprehensive Financial Report of Provo City School District for the fiscal year ended June 30, 2024. This Annual Comprehensive Financial Report includes financial and non-financial information to meet the needs of a broad spectrum of readers.

The report follows the guidelines so that it is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which apply to governmental entities throughout the United States. The Governmental Accounting Standards Board (GASB) establishes local government accounting principles. This report conforms to all current, relevant pronouncements of the GASB, which, taken as a whole, are referred to as generally accepted accounting principles.

Management assumes full responsibility for all of the information presented in this report. The District believes the presentation of this report is accurate in all material respects, and the financial position and results of operations are presented fairly. All disclosures necessary to enable the reader the ability to gain an understanding of the District's financial activities have been included. Because the cost of internal control typically should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The District's internal control framework has been designed to provide reasonable internal controls with limited resources in Business Services, but not absolute, assurances regarding:

- (1) the safeguarding of assets against loss from unauthorized use or disposition, and
- (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

State law requires that school districts publish, within five months of the close of each year, a complete set of financial statements that a licensed, certified public accounting firm has audited. HBME, LLC, a licensed, certified public accountant firm, has audited the District's financial statements. 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
- evaluating the overall financial statement presentation

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion for the District's financial statements for the fiscal year ended June 30, 2024; this opinion indicates the financial statements are fairly presented in conformity with U.S. GAAP. The independent auditors' report is presented as the first component of the Financial Section in this report.

**Superintendent's
Message**

The independent audit of the District’s financial statements was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the Office of Management and Budget Uniform Guidance, Audits of States and Local Governments and Non-Profit Organizations, are the authoritative standards governing Single Audit engagements. These standards 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 a special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District’s separately issued Single Audit Report. A copy of the Single Audit Report is available from the District Business Office.

In addition to the Single Audit requirements, the District is required to meet audit requirements according to Utah State Code 51-2 to report on compliance with significant state fiscal laws. Generally accepted accounting principles 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 immediately follows the independent auditors’ report.

DISTRICT PROFILE

Summary

The District was officially organized in 1898. The District is one of 41 public school districts in Utah and serves approximately 13,600 students. The primary purpose of the District is to provide public education to students who reside in Provo City, located in the central portion of Utah County, Utah. Because of Open enrollment laws, some students live outside of Provo city. To accomplish this purpose, the District operates two traditional high schools, an alternative high school, two middle schools, thirteen elementary schools, and an eSchool which services elementary and middle school students. The District continues to positively influence the community by offering traditional and proven non-traditional education to its students.

These non-traditional alternatives include preschool training for disabled students, adult high school completion, the largest selection of online courses in the state, and concurrent enrollment, where students can earn high school and college credits simultaneously. The District offers advanced placement, special education, music, career technology, dual language immersion, multicultural programs, gifted and talented programs, STEM, summer camps, music tracks, and many other enrichment programs in all curriculum areas. The District has strong technical and foreign language programs in traditional and online offerings. It is one of the few districts in the state to offer numerous elementary foreign languages at multiple schools, along with existing secondary language programs.

Reporting Entity

The District is a legally separate entity enjoying all rights and privileges accorded to political subdivisions in Utah. Policymaking legislative authority and oversight are vested in the Board of Education, which consists of seven members. The Board is responsible for, among other things, developing policy, adopting the annual budget, levying property taxes, incurring bonded debt, and appointing the Superintendent and Business Administrator. The Board and District administration recognize that the District’s financial health largely dictates its ability to deliver the most appropriate education for each student.

Governing Structure

The Superintendent and Business Administrator are responsible for carrying out the policies of the Board and oversight of the District’s day-to-day operations. The Board is elected locally on a non-partisan basis. The Provo City School District 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 Foundation’s financial statements are not included in the annual audit.

The Provo City School District Municipal Building Authority (Building Authority) is a blended component unit established to support the District and is reported separately in the financial statements. There are no other units of government that are dependent on the District. See the MD&A for additional information regarding the Building Authority.

The Board represents the citizens of Provo City residing in various precincts that the Provo City Council independently determined. A map of the precinct boundaries is included in the report's Introductory Section.

MAJOR INITIATIVES AND LONG-TERM FINANCIAL PLANNING

District Efforts

One of the priorities of the Board and District administration is to plan for the future of Provo students and facilities progressively. In the past, the District created a Capital Facilities Advisory Committee, comprised of District staff and board members, with the responsibility to plan for current and future needs. Short and long-term recommendations were outlined so the Board could better prepare for the needs of the District and its students. One of the most significant issues addressed was the aging buildings throughout the District by determining which facilities were most critical to replace. This Committee met for a few years to strategize timing for bond issuances and uses for existing capital resources. The District also began planning for future needs by creating a Building Reserve fund to restrict resources for replacing a building or other capital needs.

With the assistance of that Committee, the District has completed four elementary schools and a high school in the last seven years. New general obligation bonds were issued in fiscal year 2021 to replace a portion of Timpview High School, and the Building Authority issued bonds in fiscal year 2022 to replace a middle school and an elementary school. With work still to be done, the District administration has redoubled its efforts in receiving additional input for future capital needs throughout the District. A new work order system is being implemented to track replacement cycles for better essential maintenance and ensure that all projects are completed in a reasonable time. It will provide a better tool for long-term budgeting and forecasting.

Capital improvements are funded through two major sources: capital tax levies and bonds. The District continues a targeted and aggressive capital improvement schedule based on recommendations from the Capital Facilities Advisory Committee. All capital projects and maintenance efforts are part of a progressive 20-year building replacement and major upgrade plan. The oldest buildings, in most need of repair, will be replaced first. The years of original construction of all District buildings range from 1931-2020. The District issued \$71.6 million in general obligation bonds and \$110.0 MBA funds since 2019 to address our critical building needs during fiscal year 2024. Fiscal year 2025 will see the completion of all bond projects throughout the District.

Fund balances decreased from \$203,381,534 on June 30, 2023 to \$152,703,523. This fund balance decrease is due primarily to ongoing construction on three schools in the District. State law allows only a modest committed contingency balance in the General fund, and these monies enable the District to respond to various emerging issues, including the need for funds in the future due to critical conditions, funding cuts, or a possible economic downturn. Healthy fund balances allow the District to secure future financing at favorable interest rates and to explore promising educational reform without reducing resources to current programs.

District administration's priority is to provide as many resources as possible to teachers and students in the classroom. The budget includes aggressive initiatives to provide up-to-date curriculum and cutting-edge technology, along with professional development activities to provide teachers with the tools they need to be effective educators. The District's Board of Education is also committed to increase teacher salaries, along with other critical employee groups.

District Master Plan

The Board and District administration spent a great deal of time defining goals and objectives to guide decisions, both financial and educational, for students, teachers, and employees to create the best environment for education. In 2023, District administration and the Board of Education embarked on a new strategic plan to help guide the District for the next 10 years. District administration, board member, teachers, classified staff and many parents were part of the committee that helped create goals and objectives that are reflective of the District’s desire to be the “destination” district in Utah County. This plan will be adopted in fiscal year 2025.

The District has been able to maintain small class sizes in the elementary schools with assistance from the American Rescue Plan (ARP) Act funding provided by the federal government. This funding has helped to provide additional support to regain learning loss from school closures in previous years. The grant also provided one-to-one technology devices to continue with state-of-the-art instructional opportunities. Professional development for staff was also a priority for District personnel to better navigate the “new normal” in education. This new normal has created an expectation of services provided by the District, but without having the ongoing funding to address these needs. In the year ended June 30, 2024, those grants were spent in their entirety. Future budget cycles will require significant evaluation of financial resources to be able to maintain desired services.

Throughout these significant challenges, the financial position of the District remained relatively stable. Local revenue increased from the previous year, including increased property tax revenue. State revenue increased primarily due to the increase in the WPU, the primary funding source per student in Utah. The District has maintained a solid financial position through ongoing challenges.

Budget Development

With the clear direction and goals of the new strategic plan set, administration can prioritize resources to accomplish many of the goals set forth in the new plan. Any new budget requests will have direct correlation with stated goals with a clear plan to how desired outcomes will be reached and will be supported by ongoing revenue, if necessary.

The District has an established record of being financially transparent and well-run, consistently earning national financial awards. The District is committed to maintaining healthy budgeting practices. District reserves will decline over the next few years while completing construction projects and maintaining staff salaries. The District’s policy on fund balances will guide the minimum acceptable threshold.

Financial resources are focused on the District’s most important asset: its people. Making sure that we hire and retain the best teachers is a high priority for District administration. Significant efforts have been made to evaluate teacher salaries to make sure that the District remains competitive within the state of Utah. Several districts have also recognized that need, which requires conversations to continue to ensure teacher salaries remain a top priority to the Board of Education and District administration.

The District strategically manages its operations with a focused effort to maintain its end-of-year fund balances. The District’s process includes an annual review of all District programs, including a program-level needs assessment analysis. The Board approves the budget in June for the following fiscal year unless a truth-in-taxation hearing is held.

The District is pleased to report that budget decisions made in the last few fiscal years have enabled the District to maintain healthy fund balances. The General Fund unassigned fund balance on June 30, 2023, was \$18.9 million. Total restricted governmental fund balances on June 30, 2024, were \$111.2 million, which accounts for unspent bond proceeds (\$32.5 million), \$3 million in restricted General Fund programs, \$7.9 million for debt service, \$44.8 million for non-bond-related capital projects, \$20.4 million in Building Reserve, and \$2.6 million in Food Services. The remaining fund balances include \$0.3 million in non-spendable fund balances, \$17.8 million in committed fund balances, and \$13.7 million in assigned fund balances.

State Funding

The 2024 state minimum school finance program is designed to provide every Utah school district with a basic amount totaling \$4,280 per weighted pupil unit (WPU) (up from \$4,038 in fiscal year 2024). The Weighted Pupil Unit (WPU), part of the Minimum School Program, measures student enrollment based on a pro-rated amount of days in attendance per student, with grades K-12 considered at full funding and students electing to attend half-day instead of full-day kindergarten at 55%.

LOCAL ECONOMY

**Utah Economic
Position**

The economic outlook of the District is heavily dependent on State aid, which provides 53.9% of General Fund revenues. As noted above, the WPU is based on student enrollment. Enrollment in fiscal year 2023 was approximately 13,400. Projected enrollment for FY24 and FY25 is projected to decrease slightly. The state Uniform School Fund was constitutionally established in 1938 and is used to allocate funding for statewide public education programs equitably. Additionally, a statewide property tax rate is levied to finance the Uniform School Fund and is applied against the taxable value of real and personal property.

Unemployment rates in Utah hit a record low in June 2023 at 2.5%. As of June 2024, unemployment rates are at 3%, which represents a 0.5% increase from the previous June. Provo City is the county seat of Utah County, which has seen explosive growth in recent years. The 2020 U.S. Census reported Utah County with a population of 702,434, representing a nearly 36% increase from the 2010 U.S. Census. The U.S. Census reports the current estimated population of Provo City is 113,523, which is only a small increase in comparison with the 2010 U.S. Census. Provo City has limited capacity for much growth, which is driving the flat enrollment numbers in the District.

Utah has historically seen faster population growth than other states because of a birth rates and immigration. Utah has one of the highest cumulative growth rates in the United States. While fertility rates are falling, net migration is still increasing due to the favorable quality of life offered, low unemployment rate, and other business opportunities. Utah County still had the highest natural increase, net migration, and a favorable climate. Most of the change in Utah County is in cities outside Provo, where more land is available.

**Budgetary
Control**

The District adopts an annual budget for all revenues and expenditures. The adopted budget serves as the financial operating plan for the fiscal year. Revisions may be made during the year authorizing a larger total appropriation of available resources after a public hearing and approval of the board. The level of legal budgetary control is at the overall fund level. According to Utah Code 53A-19-108, the District submits monthly budget reports to the Board for review. All annual appropriations lapse at fiscal year-end, except those indicated as a fund balance reserve. During June of each year, the 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. A final budget for the current year ending June 30. is also included.

Utah Code 53G-7-305 states, “A local school board may not make any appropriation above its estimated expendable revenue, including undistributed reserves.” It has been the policy of the District to estimate appropriations as accurately as possible. The Board legally adopts, by resolution, the next fiscal year’s budget on or before June 22, after obtaining taxpayer input. If the chooses to go through the truth-in-taxation process, revised tax rates are set in August through a public hearing and Board approval. The fiscal year 2024 budget was approved in June 2023 originally and amended in June 2024.

**Capital Budget /
Long-Term Plan-
ning**

The Board of Education approves an annual capital project plan, including any project that is over \$50,000. Monthly reports are submitted to track the progress of each project. While most resources are being used for significant construction projects, there are still some smaller projects that have been identified as essential and are approved by the Board in the budget process. The Board initially appropriated \$62.5 million for planned capital projects and improvements. After the updated draw schedules were provided by contractors, an additional \$36.3 million was added to the budget for construction projects. Expenditures will start to drop as construction projects are more substantially complete. One of the District objectives for fiscal year 2024 was to create a more robust long-term capital plan. A new system to track work orders and life cycle replacements has been implemented to plan better and prepare for capital projects in the future. This project, along with a Capital Facilities Committee, will provide valuable input to plan better for the future of our buildings and, in turn, create a safe environment for students.

Another District objective for fiscal year 2024 was to begin evaluating our health insurance for current employees. District administration wants to ensure that all employees are given access to affordable health plans while spending District resources wisely. In fiscal year 2024, a contract with a new insurance broker was signed to move the District to a self-funded insurance model. This will provide increased options for our employees and save money.

**Other Post-
Employment
Benefits**

The District provides a lifetime Medicare supplemental insurance benefit for retired employees who had completed at least 20 years of service as of January 1, 2005. The plan also includes coverage for spouses of employees who had completed 30 years of service by January 1, 2005. There are approximately 357 retirees (and some spouses) receiving benefit coverage in addition to 40 current employees who have earned vested coverage upon retirement. An actuarial study was completed in 2023, based on data as of July 1, 2023, which projects an estimated beginning OPEB liability of \$13.6 million. This year, \$1.5 million was spent on OPEB benefits. GASB requires districts to report their net OPEB liability and net pension liability on the government-wide statements. More detailed information can be found in Note 7 to the financial statements and in the Required Supplementary Information and subsequent notes.

AWARDS AND ACKNOWLEDGEMENTS

**Government
Finance
Officers
Association**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Provo City School District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the twenty-first consecutive year the District achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The District believes the current annual comprehensive financial report meets the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

The District expresses its appreciation to members of the Board for their interest and support in conducting the financial affairs of the District. The preparation of this report on a timely basis could only be accomplished with the efficient and dedicated services of the entire Business Services Department. The District appreciates the efforts made by Steven Reese his effort assisting in preparing this report and coordinating the annual audit.

Most importantly, the District expresses appreciation to all of the members of the departments and schools who assisted in the appropriate management, timely processing, and closing of the District's financial records. Their diligence and dedication are critical to the proper administration of the District's financial assets and the overall delivery of quality services to District patrons.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Devyn Dayley". The signature is written in a cursive, flowing style with some overlapping loops.

Devyn Dayley, Business Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

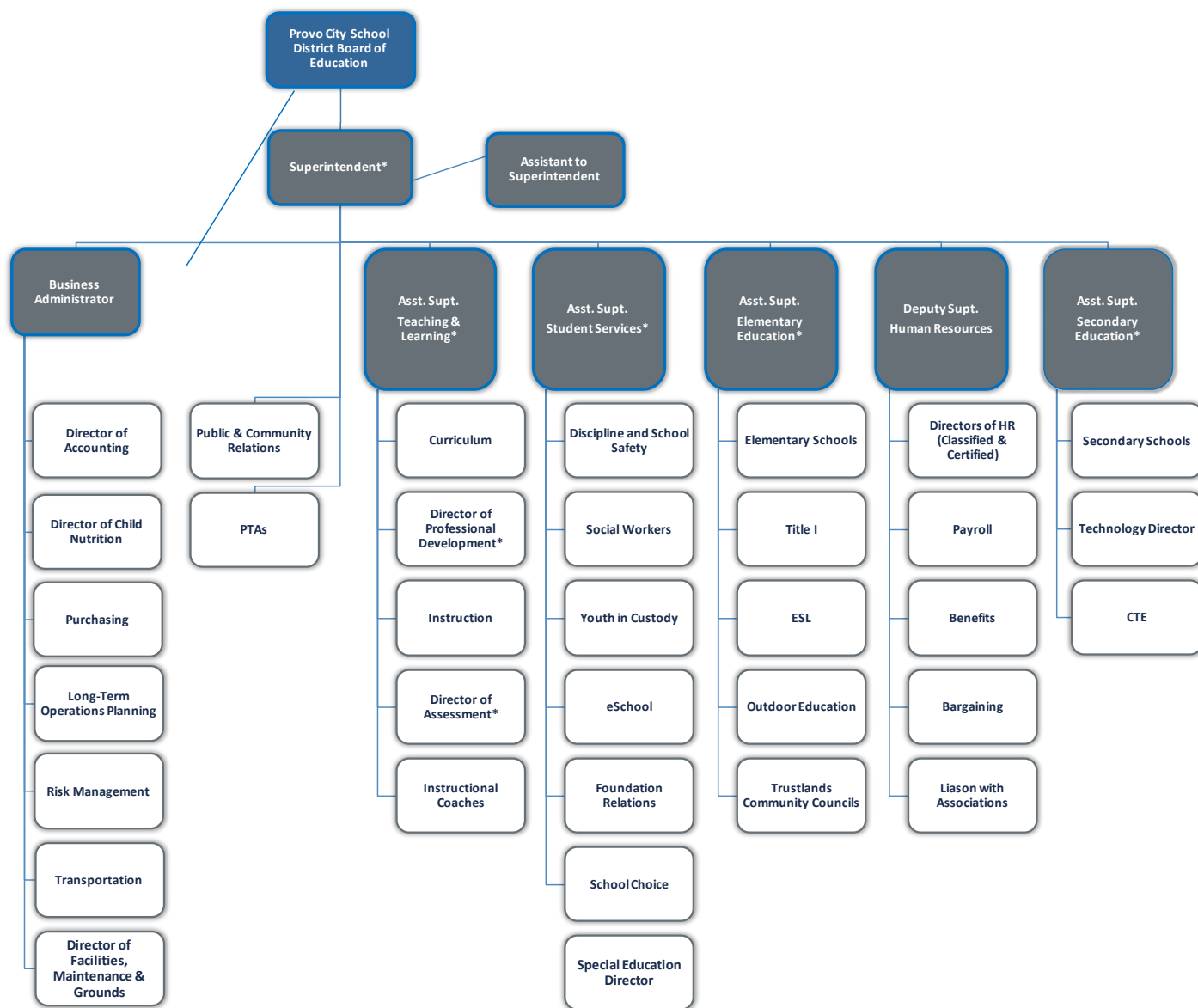
**Provo City School District
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



Board of Education

Lisa Boyce
District 1
Present Term: 2023-2027
Initial Appointment: 2023

Melanie Hall
District 2
Present Term: 2023-2027
Initial Appointment: 2017

Megan Van Wagenen
District 3
Present Term: 2023-2027
Initial Appointment: 2023

Jennifer Partridge (Vice President)
District 4
Present Term: 2023-2027
Initial Appointment: 2019

Teri McCabe
District 5
Present Term: 2021-2025
Initial Appointment: 2021

Rebecca Nielsen (President)
District 6
Present Term: 2021-2025
Initial Appointment: 2017

Gina Hales
District 7
Present Term: 2021-2025
Initial Appointment: 2021

District Executive Administration

Wendy Dau
Superintendent
Initial Appointment: 2023

Devyn Dayley
Business Administrator
Initial Appointment: 2024

Doug Finch
Asst Superintendent, Student Services

Jason Cox
Asst Superintendent, Human Resources

Jarod Sites
Asst Superintendent, Elementary Education

Darrell Jensen
Asst Superintendent, Secondary Education

School Administration

Elementary Schools

Amelia Earhart..... Ryan McCarty
Canyon Crest Sean Edwards
Edgemont..... Harmony Kartchner
Provo Peaks Mark Burge
Franklin Jason Benson
Lakeview Jamie Leite
Provost..... Tricia Biggs
Rock Canyon Seth Hansen
Spring Creek..... Ruth Ann Snow
Sunset View..... Chris Chilcoat
Timpanogos Carrie Rawlins
Wasatch Chris Fuhriman
Westridge..... Kim Hawkins

Middle Schools

Centennial..... Brookanne Taylor
Dixon John Anderson

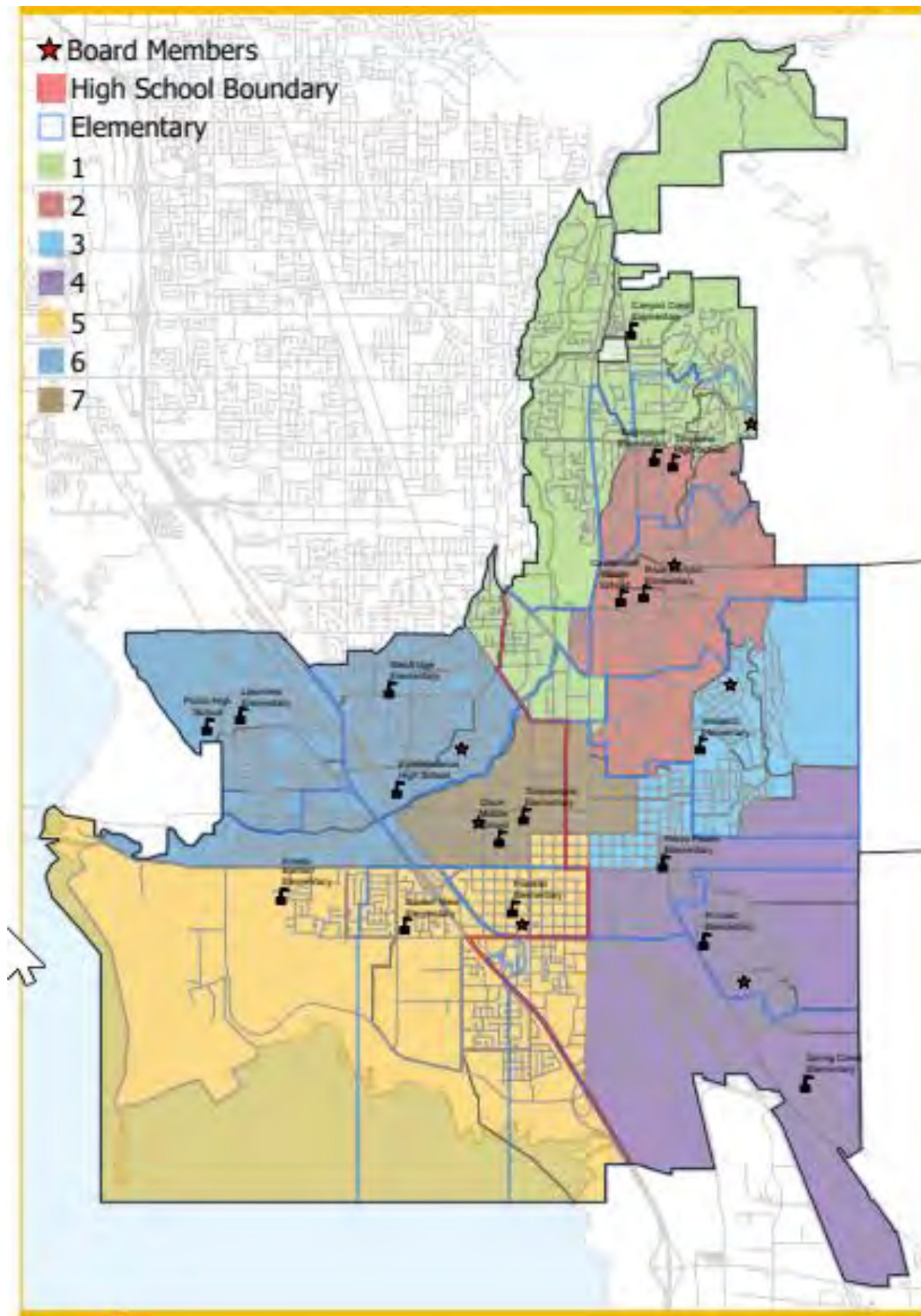
High Schools

Provo High..... Kami Alvarez
Timpview..... Momilani Tu'ua
Independence..... Jacob Griffin



Back (left to right) Lisa Boyce, Board Member; Jennifer Partridge, Board Vice President; Megan Van Wagenen, Board Member; Rebecca Nielsen, Board President

Front (left to right) Gina Hales, Board Member; Melanie Hall, Board Member; Teri McCabe, Board Member



Financial Section

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COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA
JANICE ANDERSON, EA
TROY F. NILSON, CPA

INDEPENDENT AUDITOR’S REPORT

Board of Education
Provo City School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Provo City School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 the District, as of June 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District’s management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-27, pension schedules on pages 64-67, and other post-employment benefits schedules on pages 68-69, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 accompanying introductory section, combining and individual non-major fund financial statements, budgetary comparison schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024 on our consideration of Provo City School 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

HBME, LLC

October 22, 2024

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Management's Discussion and Analysis

This section of Provo City School District's (District) Annual Comprehensive Financial Report presents the Management's Discussion and Analysis (MD&A) of the District's financial performance during the year ended June 30, 2024. The MD&A is intended to provide an analysis of the District's financial position and performance during the past fiscal year. Information about the District can be found in the transmittal letter on pages 1 to 7 and the basic financial statements following the MD&A.

Financial Highlights

The financial position of the District remains stable. The following highlights are considered by the District to be significant factors in measuring the District's financial performance for the fiscal year ended June 30, 2024:

Government-Wide Net Position. The District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$217.6 million at fiscal year end. The overall net position of the District increased by \$32.4 million. The unrestricted net position (deficit) increased by \$14.7 million to \$37.7 million. The unrestricted net position (deficit) includes the effects of the net pension asset or liability, deferred outflows and inflows, as well as the Other Post Employment Benefits (OPEB) liability. Information about the OPEB and Utah Retirement System (URS) pension can be found in Notes 6 and 7 that accompany the basic financial statements and the Required Supplemental Information.

Government-Wide Financial Progress (full-accrual basis of accounting): During the year, expenses were \$32.4 million less than the \$240.3 million generated in taxes and other revenues for governmental activities. Expenses increased by \$26.4 million, due mainly to changes in the new Self Insurance Fund, the OPEB liability and URS pension. Revenues from operating grants and contributions increased by \$16.1 million (reflecting an increase in state funding) and property taxes increased by \$3.3 million. Other types of revenue increased by \$9.1 million, reflecting premiums paid to the Self Insurance Fund.

Governmental Funds Financial Progress (modified-accrual basis of accounting): During the year ended June 30, 2024, combined fund balances decreased by \$50.7 million. Much of the decrease is in relation to building projects in the Capital Projects fund and the Municipal Building Authority fund. The General Fund increased by \$11.8 million, primarily due to a sharp increase in investment earnings. Other funds had minor increases and decreases due to regular operating activity. State revenue increased by \$8.7 million due to an increase in the Weighted Pupil Unit (WPU) and other one-time appropriations. Federal revenue increased by \$9.3 million primarily due to the completion of COVID-related grants.

The Capital Projects fund decreased by \$6.0 million due to the planned construction projects from the 2021 General Obligation bonds. The MBA Fund decreased by \$45.5 million due to the substantial work done on the construction projects funded by the lease revenue bonds. The General fund has \$53.5 million in fund balances, which includes nonspendable, restricted, committed, assigned and unassigned categories. All nonmajor funds have a combined fund balance of \$25.5 million, the majority includes the \$20.3 million in the Building Reserve fund.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

A. 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 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, early retirement obligations, OPEB and pension, and earned but unused compensated absences.)

The government-wide financial statements can be found on pages 30 to 31 of this report.

Component Units. The government-wide financial statements include not only the District (the primary government), but two other legally separate entities: first, a not-for-profit fundraising foundation for which the District is partnering with with to provide resources to District schools. The foundation is descretely presented. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. Second, the Municipal Building Authority (MBA) of the Provo City School District, 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 MBA is reported as blended.

B. Fund financial statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated and/or restricted 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. Except for the newly created self-insurance internal service fund, all of the funds of the District are *governmental 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 eight individual governmental funds, including the Municipal Building Authority fund, which is a blended component unit. The General fund, Debt Service fund, Capital Projects fund, and the Municipal Building Authority fund are considered to be major funds. Data from the other 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* elsewhere in this report. The Passthrough Taxes fund reports on the amount of property tax revenue that the District would receive, but is sent to the Provo Redevelopment Agency for projects throughout the city of Provo and local charter schools through the Charter School Replacement levy.

The District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for the General fund and other major funds to demonstrate compliance with this budget.

The basic governmental fund statements can be found on pages 32 to 36 of this report.

Municipal Building Authority of the Provo City School District (the MBA). The annual debt service requirements of the MBA Fund relate to the Lease Revenue Bonds, The bonds are being funded by the capital projects property tax revenue, paid as lease expense to the MBA Fund. The District has a lease agreement with the MBA with each bond series of the MBA fund, which allows the District exclusive use of the assets constructed with the bond proceeds. The agreements call for a lease payment in the amount of the annual debt service obligations of the MBA, wherein a lease revenue is recorded.

See note 5 for further information and details on the MBA bonds.

Internal Service Funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Provo City School District's various functions. The District maintains one internal service fund, beginning July 1, 2022. In 2022, District administration made the decision to become self-funded for the District's health insurance for qualifying employees. Significant analysis was done based on existing plans and options for transitioning to self-funded for medical insurance.

Other types of insurance are elective and paid by the employees and are recorded in the General fund. The self-insurance plan began in September 2024. A transfer of \$1 million was made from the General fund. Future revenues, in addition to on-going revenues, will be from employee and employer contributions processed each month as part of payroll. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service fund financial statements can be found on pages 37 to 39 of this report.

C. Notes to the basic financial statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 41 to 62 of this report.

D. Required Supplemental Information

Information regarding net OPEB liability and net pension liability can be found on pages 64-69 of this report.

E. Other information

Combining and individual fund statements and schedules are presented immediately following the notes to the financial statements on pages 72-76 of this report. Additional financial and non-financial statistical data and trends are presented in the statistical section of the report.

Government-Wide Financial Analysis (full accrual basis of accounting)

A. Net Position - Governmental Activities

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 \$217.6 million at the close of the most recent fiscal year. When compared to the previous fiscal year, net position of the District's governmental activities increased \$32.4 million. Net position is classified as unrestricted, restricted as to the purposes they can be used for, or are the net investment in capital assets (land, buildings and improvements, equipment, etc.). Consequently, with the implementation of GASB 68 and GASB 75, accounting for the net pension and net OPEB liabilities, unrestricted net position is \$37.7 million at the end of this year. The Utah Retirement System provides actuarially determined amounts for the net pension liability as well as the deferred outflows and inflows associated with pensions. During the year, the actuarial team annually determines adjustments necessary to correctly reflect district's liabilities. Those adjustments affect deferred outflows and inflows and the net pension and OPEB liabilities. . The 2024 numbers following reflect those updated numbers.

The largest portion of the District's net position (\$99.4 million) reflects its investment in capital assets (e.g., sites, buildings, equipment and vehicles net of accumulated depreciation), net of related long term debt used to acquire such assets (general obligation bonds payable and lease revenue bonds payable). Capital assets are used to provide services to students, and are not available for future spending. It should be noted that the resources needed to repay the related 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 (\$80.5 million) represents fund balances that are subject to external restrictions on how they may be used. The majority of restricted net position (\$63.8 million) is for capital projects for the District, including the Capital Projects fund and Building Reserve fund.

Provo City School District's Net Position
June 30, 2024 and 2023 (in millions of dollars)

	Governmental activities		
	2024	2023	Change from 2023
Current and other assets	\$ 280.9	\$ 302.9	\$ (22.0)
Capital assets	348.1	292.6	55.5
Total assets	629.0	595.5	33.5
Total Deferred Outflows of Resources	25.2	25.1	0.1
Other liabilities	38.5	28.2	10.3
Long-term liabilities outstanding	319.1	336.3	(17.2)
Total liabilities	357.6	364.5	(6.9)
Total Deferred Inflows of Resources	79.0	70.8	8.2
Net Position:			
Net investment in capital assets	99.4	102.4	(3.0)
Restricted	80.5	59.8	20.7
Unrestricted (deficit)	37.7	23.0	14.7
Total net position	\$ 217.6	\$ 185.2	\$ 32.4

B. Changes in Net Position – Governmental Activities

The District’s total revenues for the year were \$240.3 million, which represents an increase of \$30.7 million over the prior year. Total revenue from operating grants and contributions (specific to programs and funds) comprise 54.6% of the District’s revenues; property taxes generated 33.13% of the District’s revenues.

As compared to the prior year, the total cost of all programs and services increased by \$26.4 million to \$207.9 million. Central Services and Operation and Maintenance of Facilities increased by \$22.3 million in total, due to the inclusion of Self Insurance claims paid and lease expense reported in the Capital Projects fund. Instruction and support services (including food services) were 50.55% and 44.83%, respectively, of the District’s expenses.

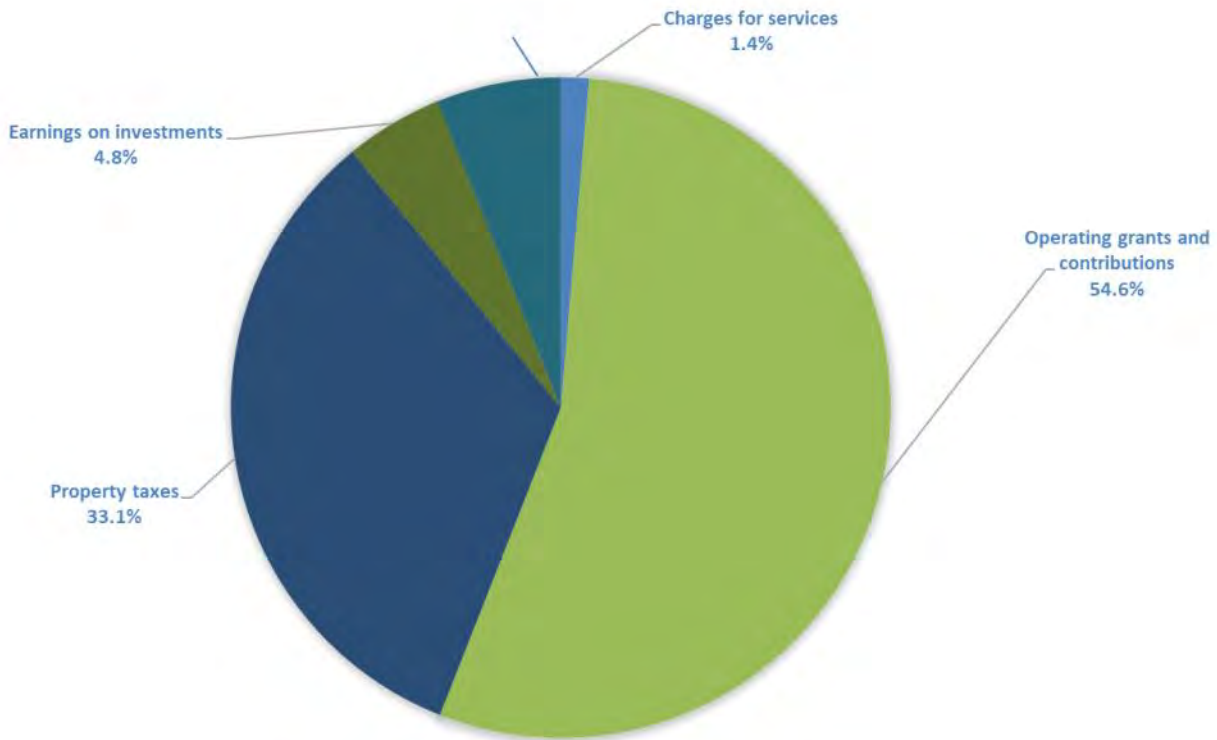
Changes in federal and state aid are a reflection of changes in funding for specific programs and changes in student enrollment. The District’s primary source of funding is based on the WPU (weighted pupil unit) and other state appropriations. The state guarantees that if local taxes do not provide money equal to the guarantee it will make up the difference with state funding.

Provo City School District's Changes in Net Position

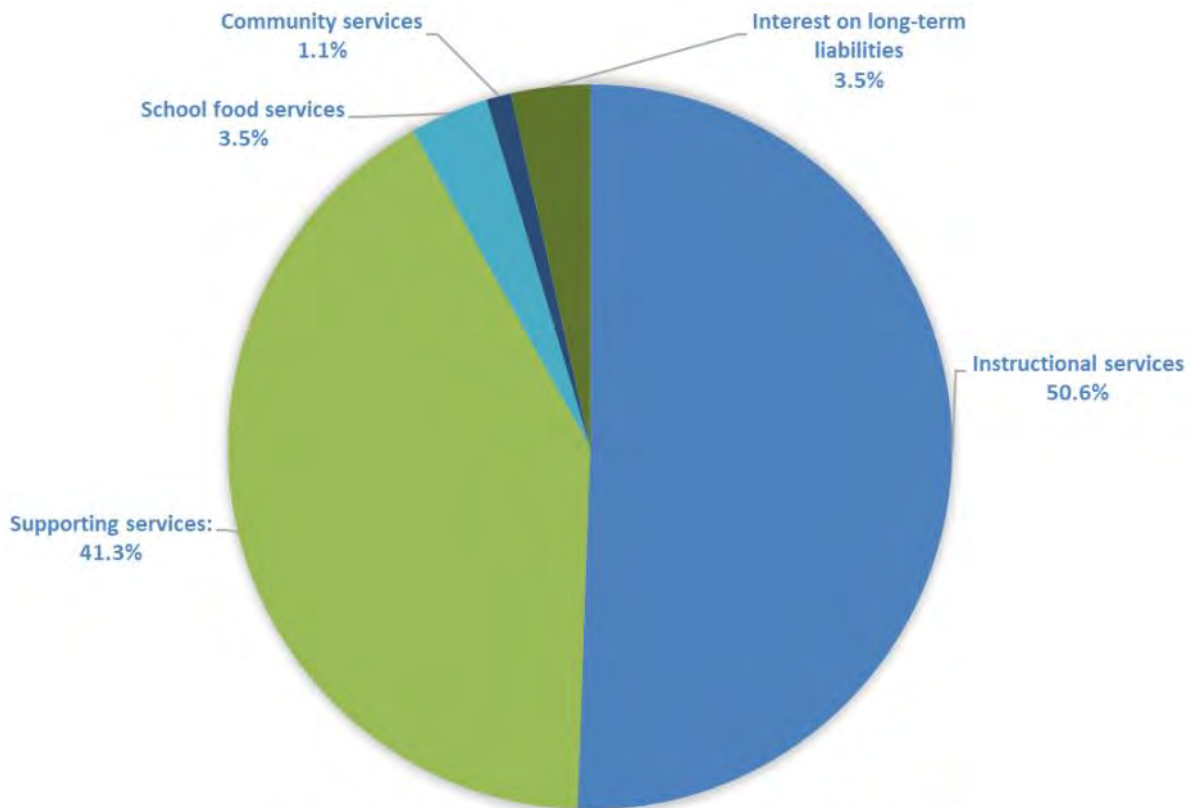
Years Ended June 30, 2024 and 2023

(in millions of dollars)

	Governmental activities		Change from 2023
	2024	2023	
Revenues:			
Program revenues:			
Charges for services	\$ 3.3	\$ 4.0	\$ (0.7)
Operating grants and contributions	131.2	115.1	16.1
General revenues:			
Property taxes	79.6	76.3	3.3
Earnings on investments	11.5	8.6	2.9
Miscellaneous	14.7	5.6	9.1
Total revenues	240.3	209.6	30.7
Expenses:			
Instructional services	105.1	103.7	1.4
Supporting services:			
Students	12.0	10.9	1.1
Instructional staff	14.8	15.4	(0.6)
District administration	1.7	1.6	0.1
School administration	9.9	9.0	0.9
Central Services	18.5	7.0	11.5
Operation and maintenance of facilities	26.4	15.6	10.8
Transportation	2.6	2.3	0.3
School food services	7.3	6.4	0.9
Community services	2.3	1.8	0.5
Interest on long-term liabilities	7.3	7.8	(0.5)
Total expenses	207.9	181.5	26.4
Changes in net position	32.4	28.1	4.3
Net position, beginning	185.2	157.1	28.1
Net position, ending	\$ 217.6	\$ 185.2	\$ 32.4



REVENUES BY SOURCES - GOVERNMENTAL ACTIVITIES
FOR YEAR ENDED JUNE 30, 2024



EXPENSES BY FUNCTION - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Governmental Fund Financial Analysis (modified accrual basis of accounting)

A. Governmental Funds

The focus of the District's *governmental funds* is to provide information regarding near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District is accountable for the following governmental funds:

General Fund - a major fund, used to account for funds associated with K-12 educational activities as well as those funds that do not meet the criteria for reporting in other governmental funds.

Student Activities Fund (special revenue fund) - used to account for activities at the school level, including sports, clubs and instruction related programs.

Food Services Fund (special revenue fund) - used to account for local, state, and federal funds restricted to providing breakfast, lunch, and other food services to students.

Debt Service Fund - a major fund, used to account for funds accumulated and restricted for payments of general long-term obligation debt.

Capital Projects Fund - a major fund, used to account for funds generated through property taxes restricted for capital projects, certain building maintenance costs, and capital lease obligations.

Building Reserve Fund - used to account for funds designated by the Board of Education for new buildings or remodels.

Municipal Building Authority Fund (special revenue fund) - a blended component unit, a major fund, used to account for funds received from lease revenue bonds under the direction of the Municipal Building Authority.

Passthrough Taxes Fund (special revenue fund) - used to account for property tax revenue that would be received by Provo City School District, but is collected by Utah County and remitted to the Provo City Redevelopment Agency to assist in major projects within Provo City limits and to local charter schools as part of the Charter School Replacement levy.

As the District completed the year, its governmental funds reported a combined fund balance of \$203.4 million, which is a \$45.8 million decrease from the previous year. The primary reason for the decrease in fund balance is the construction of Timpview High School, Shoreline Middle School and Wasatch Elementary School. In addition, the following changes should be noted:

- The District's *General* fund balance increased by \$11.8 million. The Restricted fund balance decreased by approximately \$157k. The Assigned fund balance increased by \$10.1 million. The Assigned fund balance accounts for items that are encumbered, administration directed projects, or school balances that carry forward from unrestricted funds.
- The *Capital Projects* fund balance decreased by \$6.0 million. The primary reason for this change in fund balance is the progress in the building of Timpview High School.
- The *Debt Service* fund balance increased by \$1.1 million. The primary reason for this increase is the prior year collections from property taxes.
- District-wide expenditures totaled \$269.1 million, an increase of \$16.1 million compared to the previous fiscal year. The increase is primarily due to construction costs and medical claims.
- Interest income increased significantly this year due to favorable interest rates that are directly related to federal reactions to nation-wide inflation.
- Expenditures in the *General* fund in purchased services and supplies decreased by \$1.0 million due to a decrease in COVID-related purchased services.
- With the ongoing maintenance of the *self-insurance fund*, a transfer was done from the General fund in the amount of \$1,000,000.

Governmental funds report the differences between their assets and liabilities and deferred outflows of resources and deferred inflows of resources as fund balance, which is divided into nonspendable, restricted, committed, assigned and unassigned portions. *Nonspendable* includes inventories and any prepaid expenditures (items not expected to be converted to cash). *Restricted* includes net fund balances that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or

creditors. Restrictions include tax revenues levied for specific purposes. *Committed* balances reflect the District’s self imposed limitation on the use of otherwise available funds. *Assigned* balances are intended for a specific use and do not require board action. *Assigned* includes unrestricted programs, encumbrances, amounts in excess of nonspendable, restricted, and committed fund balances in governmental funds. *Unassigned* balances in the General fund are all other undesignated funds, and any residual deficits from other funds.

Changes in local revenues are due to the following elements:

- *Property taxes*: Property taxes increased slightly due to growth in high-density housing in Provo and adjusted debt service levies required for annual debt service payments.
- *Student Fees/Tuitions*: Student fees/tuitions stayed relatively flat between years.
- *Earnings on investments*: Interest increased again due to favorable interest rates in investments.
- *Other revenue from local sources*: This classification represents collections for services rendered to other independent entities, fees for local services rendered, medical premiums, indirect charges and other miscellaneous income sources (i.e. lease revenue).
- *Transportation fees and food services*: Food Service and Transportation revenue increased slightly due to increased participation in both meals served and field trips.

PROVO CITY SCHOOL DISTRICT Local Revenues
(all governmental funds combined)

	2024	2023
Property taxes	\$ 80,576,952	\$ 76,786,890
Student Activities	3,323,363	3,368,700
Transportation fees	402,886	353,936
Earnings on investments	11,452,217	8,580,234
Food Services	1,227,566	1,003,161
Other revenues from local sources	13,255,105	12,931,330
Total	\$ 110,238,089	\$ 103,024,251

B. Proprietary Funds

Provo City School District uses an internal service fund to accumulate and allocate costs internally among the District’s various functions to account for the management of its health insurance for employees and their dependents. Because this service benefits governmental functions, revenue and expenditures related to insurance costs have been included within governmental activities in the government-wide financial statements.

Budgetary Highlights

During 2024, the Board revised the District’s budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget in the General fund was an increase of \$1.9 million in total General fund expenses and \$8.5 million in revenue. The most significant budget changes may be summarized as follows:

- *State Revenue* increased by \$1.3 million due to additional grant awards from the state.
- *Federal revenue* increased by \$2.7 million from the original and amended budget due to an increase in planned expenditures from federal emergency funding to assist in mitigating the effects of COVID-19.
- *Other local revenue* budget increased by \$4.4 million to account for adjustments in indirect costs and other revenue that was planned to be received.
- The biggest changes in *General* fund expenses from the original budget were supplies and property (an increase of \$1.9 million). This accounts for increased costs in technology devices used in schools and funding provided by the state for security measures in the schools.

Capital Assets & Debt Administration

A. Capital Assets

Many capital assets (buildings and equipment) are purchased out of the Capital Projects fund. The Capital Projects fund is also used to account for major costs incurred in maintaining and remodeling District facilities. Other funds are also used to account for maintenance of District facilities and to purchase equipment for the functions within each fund.

Capital assets at June 30, 2024 and 2023 are outlined below:

PROVO CITY SCHOOL DISTRICT Capital Assets (net of accumulated depreciation in millions of dollars)				
	2024	2023	Total Change	
School sites (land)	\$ 11.5	\$ 11.5	\$ -	
Works of art	0.2	0.2	-	
Construction in progress	168.3	104.1	64.2	
Buildings	160.4	167.6	(7.2)	
Furniture, equipment and vehicles	7.6	9.1	(1.5)	
Total	<u>\$ 348.1</u>	<u>\$ 292.6</u>	<u>\$ 55.5</u>	

Major capital asset events during the current fiscal year included the following:

- No major building projects other than projects funded by previously issued bonds. Timpview High School, Shoreline Middle School and Wasatch Elementary School are currently being built which accounts for the large increase in Construction in progress.
- Most activity in Buildings and Furniture is current depreciation and removal of obsolete assets.

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

B. Debt Administration

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, 2024 is \$640.7 million. General obligation debt at June 30, 2024 is \$144.4 million, resulting in a legal debt margin of \$496.3 million.

Outstanding General Obligation Debt			
	2024	2023	Total Change
Outstanding G.O. Debt	<u>\$ 144.4</u>	<u>\$ 153.2</u>	<u>\$ (8.8)</u>

Additional information regarding the District's debt can be found in Note 5 to the basic financial statements.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. 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, Provo City School District, 280 West 940 North, Provo, UT, 84604.

Basic Financial Statements

Financial Section

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PROVO CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Primary Government	Component Unit Provo School District Foundation
	Governmental Activities	
Assets:		
Cash and investments	\$ 59,630,395	\$ 1,320,634
Restricted cash and investments	124,882,237	-
Receivables:		
Property taxes	78,541,341	-
Other local	11,749,821	-
State	1,192,728	-
Federal	4,649,491	-
Inventories	274,703	-
Capital Assets not being depreciated	180,039,443	-
Capital assets, net of accumulated depreciation/amortization	168,068,642	-
Total assets	629,028,801	1,320,634
Deferred Outflows of Resources:		
Pension related	25,154,497	-
Liabilities:		
Accounts payable	22,205,277	4,279
Accrued interest payable	1,321,631	-
Payroll and related payables	14,936,438	-
Unearned revenue:		
Other local	5,100	-
Noncurrent liabilities:		
Due within one year: bonds, notes, leases, compensated absences	15,217,134	-
Due in more than one year:		
Bonds, notes, leases, compensated absences	255,342,636	-
Net OPEB liability	12,535,511	-
Net pension liability	35,962,326	-
Total liabilities	357,526,053	4,279
Deferred Inflows of Resources:		
Property tax related	78,125,247	-
Pension related	910,732	-
Total deferred inflows of resources	79,035,979	-
Net Position:		
Net investment in capital assets	99,407,415	-
Restricted for:		
Debt service	7,914,696	-
Capital projects	43,463,843	-
Building reserve	20,372,240	-
Self Insurance	2,890,938	-
School food services	2,890,384	-
State/Federal restricted programs	3,010,094	-
Unrestricted	37,671,656	1,316,355
Total net position	\$ 217,621,266	\$ 1,316,355

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

PROVO CITY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2024

Functions	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in net position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government Total	Provo School District Foundation
					Governmental Activities	
Provo City School District						
Governmental activities:						
Instructional services	\$ 105,064,996	\$ 2,095,797	\$ 90,462,851	\$ -	\$ (12,506,348)	\$ -
Supporting services:						
Students	12,039,440	-	8,554,641	-	(3,484,799)	-
Instructional staff	14,828,971	-	12,979,962	-	(1,849,009)	-
District administration	1,756,352	-	1,281	-	(1,755,071)	-
School administration	9,889,271	-	1,266,056	-	(8,623,215)	-
Central services	18,516,360	-	-	-	(18,516,360)	-
Operation and maintenance of facilities	26,414,691	10,498,325	319,971	-	(15,596,395)	-
Transportation	2,559,924	-	1,515,226	-	(1,044,698)	-
School food services	7,322,183	1,227,566	5,555,406	-	(539,211)	-
Community services	2,266,075	-	-	-	(2,266,075)	-
Interest	7,276,006	-	-	-	(7,276,006)	-
Total Provo City School District	<u>207,934,269</u>	<u>13,821,688</u>	<u>120,655,394</u>	<u>-</u>	<u>(73,457,187)</u>	<u>-</u>
Component unit:						
Provo School District Foundation	\$ 116,929	\$ -	279,154	-	\$ -	\$ 162,225
General Revenues:						
Property taxes levied for:						
Basic state supported program for regular K-12 instruction					19,083,627	-
Voted leeway for regular K-12 instruction					10,464,958	-
Board leeway and Board local leeway					19,927,190	-
Debt service of general obligation bonds					15,502,463	-
Capital outlay for buildings and other capital needs					14,603,192	-
Unrestricted investment earnings					11,520,206	43,314
Lease Revenue					7,487,329	-
Miscellaneous					7,229,894	-
Total general revenues					<u>105,818,859</u>	<u>43,314</u>
Changes in net position					32,361,672	205,539
Net position - beginning					<u>185,259,594</u>	<u>1,110,816</u>
Net position - ending					<u>\$ 217,621,266</u>	<u>\$ 1,316,355</u>

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

PROVO CITY SCHOOL DISTRICT
Balance Sheet—Governmental Funds
June 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Municipal Bldg Authority	Total Nonmajor Funds	Total Governmental Funds
Assets:						
Cash and investments	\$ 54,438,709	\$ -	\$ -	\$ -	\$ 2,238,063	\$ 56,676,772
Restricted cash and investments	3,010,094	2,057,865	50,917,871	45,846,254	23,050,153	124,882,237
Receivables:						
Property tax	49,518,667	15,158,247	13,109,427	-	-	77,786,341
Other local	11,534,786	-	-	-	215,035	11,749,821
State	1,018,647	-	-	-	174,081	1,192,728
Federal	4,588,806	-	-	-	60,685	4,649,491
Inventories	-	-	-	-	274,703	274,703
Total assets	\$ 124,109,709	\$ 17,216,112	\$ 64,027,298	\$ 45,846,254	\$ 26,012,720	\$ 277,212,093
Liabilities:						
Construction/Accounts Payable	\$ 7,150,408	\$ 3,000	\$ 2,694,050	\$ 11,359,553	\$ 180,581	\$ 21,387,592
Payroll and related payables	14,639,440	-	-	-	296,998	14,936,438
Unearned revenue:						
Other local	5,100	-	-	-	-	5,100
Total liabilities	21,794,948	3,000	2,694,050	11,359,553	477,579	36,329,130
Deferred Inflows of Resources:						
Deferred property tax revenue	48,854,504	14,943,203	12,929,516	-	-	76,727,223
Fund Balances:						
Nonspendable:						
Inventories and prepaid items	-	-	-	-	274,703	274,703
Restricted For:						
Building reserve	-	-	-	-	20,372,240	20,372,240
School food services	-	-	-	-	2,615,681	2,615,681
Capital projects	-	-	48,403,732	28,841,914	-	77,245,646
Debt service	-	2,269,909	-	5,644,787	-	7,914,696
State/Federal restricted programs	3,010,094	-	-	-	-	3,010,094
Committed To:						
OPEB	13,448,244	-	-	-	-	13,448,244
Board voted economic stabilization	4,344,402	-	-	-	-	4,344,402
Assigned To:						
District/Administrative Programs	13,708,000	-	-	-	-	13,708,000
Schools	-	-	-	-	2,272,517	2,272,517
Unassigned	18,949,517	-	-	-	-	18,949,517
Total fund balances	53,460,257	2,269,909	48,403,732	34,486,701	25,535,141	164,155,740
Total liabilities, deferred inflows of resources, and fund balances	\$ 124,109,709	\$ 17,216,112	\$ 64,027,298	\$ 45,846,254	\$ 26,012,720	\$ 277,212,093

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

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

Total fund balances for governmental funds \$ 164,155,740

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

Land	\$ 11,538,174	
Construction in progress	168,267,019	
Works of art	234,250	
Buildings and improvements	268,136,955	
Right to Use Asset - Modular Units	126,233	
Furniture and equipment	31,537,497	
Accumulated depreciation for:		
Buildings and improvements	(107,742,126)	
Machinery and Equipment - Right to Use	(126,233)	
Furniture and equipment	<u>(23,863,684)</u>	348,108,085

An internal service fund is used by management to charge the cost of self-insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position 2,890,938

GASB 68 requires state and local governments to disclose in their government-wide statement of net position, their net pension liability and/or the net pension asset and the deferred inflows and outflows of resources relating to pensions and pension expense. GASB 75 requires state and local governments to disclose their total OPEB liability and the deferred inflows of resources and the deferred outflows of resources relating to OPEB and OPEB expenses.

Deferred outflows relating to pensions	25,154,497	
Net OPEB liability	(12,535,511)	
Deferred inflows relating to pensions	<u>(910,732)</u>	(24,254,072)

Some of the District's property taxes 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 revenue in the funds. (1,398,024)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (1,321,631)

Long-term liabilities that pertain to governmental funds, including bonds payable, 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	(144,355,000)	
Deferred amounts for issuance premium/discount	(23,607,271)	
MBA Lease revenue bonds	(100,517,000)	
Notes payable	(13,202)	
Compensated Absences Payable	<u>(2,067,297)</u>	(270,559,770)

Total net position of governmental activities \$ 217,621,266

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

PROVO CITY SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds
Year Ended June 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Municipal Bldg Authority	Total Nonmajor Funds	Total Governmental Funds
Revenues:						
Local sources:						
Property taxes	\$ 49,096,894	\$ 15,894,362	\$ 13,306,293	\$ -	\$ 2,279,403	\$ 80,576,952
Food service sales	-	-	-	-	1,227,566	1,227,566
Other local	5,457,701	-	155,667	7,487,329	3,880,657	16,981,354
State	95,009,658	-	-	-	1,461,229	96,470,887
Federal	19,989,985	-	-	-	4,094,177	24,084,162
Investment Earnings	7,097,506	43,125	943,502	3,321,858	46,226	11,452,217
Total revenues	176,651,744	15,937,487	14,405,462	10,809,187	12,989,258	230,793,138
Expenditures:						
Current:						
Instructional services	94,131,845	-	-	-	3,929,568	98,061,413
Supporting services:						
Students	12,140,634	-	-	-	81,402	12,222,036
Instructional staff	15,021,585	-	-	-	56,621	15,078,206
District administration	1,805,670	-	-	-	-	1,805,670
School administration	10,035,195	-	-	-	69,991	10,105,186
Central services	7,089,136	-	-	-	-	7,089,136
Operations and maintenance of facilities	12,566,765	-	13,131,577	-	-	25,698,342
Transportation	2,491,962	-	-	-	-	2,491,962
School food services	-	-	-	-	7,236,898	7,236,898
Community services	-	-	-	-	2,279,403	2,279,403
Capital outlay						
Capital Outlay (Buildings & Construction)	-	-	15,193,583	48,998,613	-	64,192,196
Instructional Services	94,209	-	-	-	-	94,209
Instructional Staff	29,900	-	-	-	-	29,900
Other Support Services	216,378	-	-	-	-	216,378
Operation and maintenance of facilities	388,093	-	257,544	-	-	645,637
Transportation	-	-	423,993	-	-	423,993
School Food Services	-	-	-	-	128,322	128,322
Debt service:						
Principal retirement	-	8,840,000	72,122	3,300,000	-	12,212,122
Interest and fiscal charges	-	5,040,060	1,049	4,003,183	-	9,044,292
Total expenditures	156,011,372	13,880,060	29,079,868	56,301,796	13,782,205	269,055,301
Excess (deficiency) of revenues over (under) expenditures	20,640,372	2,057,427	(14,674,406)	(45,492,609)	(792,947)	(38,262,163)
Other financing sources (uses):						
Proceeds from sale of capital assets	35,664	-	-	-	705	36,369
Transfers in	-	-	8,723,000	-	200,000	8,923,000
Transfers out	(8,923,000)	(1,000,000)	-	-	-	(9,923,000)
Total other financing sources (uses)	(8,887,336)	(1,000,000)	8,723,000	-	200,705	(963,631)
Net change in fund balances	11,753,036	1,057,427	(5,951,406)	(45,492,609)	(592,242)	(39,225,794)
Fund balances - beginning	41,707,221	1,212,482	54,355,138	79,979,310	26,127,383	203,381,534
Fund balances - ending	\$ 53,460,257	\$ 2,269,909	\$ 48,403,732	\$ 34,486,701	\$ 25,535,141	\$ 164,155,740

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

PROVO 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, 2024

Total net change in fund balances reported for governmental activities in the statement of activities is different because:

Net change in fund balances - total governmental funds \$ (39,225,794)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial cost of \$5,000 or basket purchase cost of more than \$20,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. Proceeds from any related sale of capital assets, as well as any gain or loss and notes receivable are also reported in the statement of activities.

Capital outlay	\$ 65,730,635	
Sale of capital assets	(53,013)	
Depreciation expense - capital assets	<u>(10,151,008)</u>	55,526,614

Governmental funds report Other Post Employment Benefits (OPEB) contributions as expenditures. However in the Statement of Activities, the cost of OPEB benefits is reported as OPEB expense. 1,111,055

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. 2,220,902

Property tax revenues in the statement of activities that do not provide current financial resources are not reported in the fund statements. (995,522)

The governmental funds report bond proceeds as an other 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	12,140,000	
Bond interest expense	34,304	
Amortization of deferred amounts, net	<u>1,733,982</u>	13,908,286

Capital assets acquired through capital leases are shown as an expenditure and other financing sources in the governmental funds. The other financing source must be removed from the statement of activities. Repayment of principal is reported as an expenditure in the governmental funds for both capital leases and lease revenue bond obligations, but repayment of principal is applied to the liability in the statement of net position and reduces the District's obligations. Interest expense is recognized as it accrues.

Principal payments on note/lease payable		72,122
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The internal service fund is used by management to charge the costs of the self-insurance fund to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities (11,536)

In the statement of activities, obligations for compensated absences (vacations) and voluntary termination benefits (early retirement) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Compensated Absences Payable (Vacation payable)		<u>(244,455)</u>
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Change in net position of governmental activities \$ 32,361,672

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

PROVO CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—*General Fund*
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Property taxes	\$ 46,822,975	\$ 46,822,975	\$ 49,096,894	\$ 2,273,919
Other local	3,708,395	8,143,964	5,457,701	(2,686,263)
State	93,810,326	95,105,067	95,009,658	(95,409)
Federal	15,698,430	18,431,837	19,989,985	1,558,148
Investment Earnings	3,000,000	4,000,000	7,097,506	3,097,506
Total revenues	<u>160,040,126</u>	<u>168,503,843</u>	<u>176,651,744</u>	<u>1,050,395</u>
Expenditures:				
Current:				
Instructional services	98,875,137	99,736,910	94,131,845	5,605,065
Supporting services:				
Students	10,783,497	11,319,107	12,140,634	(821,527)
Instructional staff	15,289,107	15,078,126	15,021,585	56,541
District administration	1,980,863	1,881,307	1,805,670	75,637
School administration	10,109,453	10,049,295	10,035,195	14,100
Central services	7,342,914	7,292,246	7,089,136	203,110
Operations and maintenance of facilities	8,347,205	8,779,043	12,566,765	(3,787,722)
Transportation	2,371,752	2,371,752	2,491,962	(120,210)
Capital Outlay	27,000	555,000	728,580	(173,580)
Total expenditures	<u>155,126,928</u>	<u>157,062,786</u>	<u>156,011,372</u>	<u>1,051,414</u>
Excess (deficiency) of revenues over expenditures	<u>4,913,198</u>	<u>11,441,057</u>	<u>20,640,372</u>	<u>2,101,809</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	10,000	10,000	35,664	25,664
Transfer Out	<u>(7,923,000)</u>	<u>(8,923,000)</u>	<u>(8,923,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,913,000)</u>	<u>(8,913,000)</u>	<u>(8,887,336)</u>	<u>25,664</u>
Net change in fund balance	<u>(2,999,802)</u>	<u>2,528,057</u>	<u>11,753,036</u>	<u>2,127,473</u>
Fund balance - beginning	<u>41,707,221</u>	<u>41,707,221</u>	<u>41,707,221</u>	
Fund balance - ending	<u>\$ 38,707,419</u>	<u>\$ 44,235,278</u>	<u>\$ 53,460,257</u>	<u>\$ 2,127,473</u>

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

	<u>Governmental Activities Self-Insurance Fund</u>
Assets:	
Cash and investments, restricted	\$ <u>2,953,623</u>
Local Receivable	<u>755,000</u>
Total assets	<u>3,708,623</u>
Liabilities and Net Position:	
Accounts Payable	<u>817,685</u>
Net Position:	
Restricted For:	
Self Insurance	<u>2,890,938</u>
Total net position	<u><u>\$ 2,890,938</u></u>

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

PROVO CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Fund
Year Ended June 30, 2024

	<u>Governmental Activities Self-Insurance Fund</u>
Operating Revenues	
Insurance premiums	\$ 10,430,336
Operating Expenses	
Brokerage fees	<u>11,509,861</u>
Operating loss	<u>(1,079,525)</u>
Nonoperating Income	
Investment Earnings	67,989
Transfer in	<u>1,000,000</u>
Total Nonoperating Income	<u>1,067,989</u>
Change in Net Position	(11,536)
Net position-beginning	<u>2,902,474</u>
Net position-ending	<u><u>\$ 2,890,938</u></u>

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

	Governmental Activities Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Insurance Premiums	\$ 10,430,336
Payments to Service Providers	(11,509,861)
Net cash provided (used) by operating activities	(1,079,525)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITEIS	
Transfer from general fund	1,000,000
 CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Earnings	67,989
Net decrease in cash and cash equivalents	(11,536)
Cash and Cash Equivalents - beginning	2,902,474
Cash and Cash Equivalents - ending	\$ 2,890,938
 RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (1,079,525)
Net cash used by operating activities	\$ (1,079,525)

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Provo 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 in general and Utah school districts in particular. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting financial reporting principles. The more significant accounting policies of the District are described below.

A. Reporting Entity

The Board of Education (the Board), comprised of seven elected individuals, is the primary governing authority for the District. The Board establishes District policies, approves the budget, appoints a Superintendent with responsibilities for administering all educational activities of the District, and appoints a Business Administrator with responsibilities for fiscal matters. The Board is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government. The District is not a component unit of any other primary government.

These basic financial statements present the activities of the District and its component units. The discrete and blended component units, although legally separate, function exclusively for the benefit of the District and, in substance, are part of the District's operations. The District is not a component unit of any other government.

The *Provo City School District Foundation (the Foundation)*. The Foundation is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible contributions to the District. The Foundation serves the District almost entirely, and the District has a significant influence upon the financial operations of the Foundation and is able to access the economic resources held by the Foundation. The Foundation is considered a discrete component unit.

Provo City School District Municipal Building Authority (Building Authority). Use of the Building Authority was authorized during the fiscal year ended June 30, 2010 for the purpose of issuing lease revenue bonds to construct and furnish various school buildings, which are then leased to the District. The Building Authority has the same board as the District and provides financing services solely to the District. All of the Building Authority's debt outstanding is expected to be repaid with lease revenue payments from the resources of the District. The Building Authority is presented as a blended component unit of the District as its own fund.

B. Government-wide 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 (the Foundation). These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. As a general practice, interfund activity has been eliminated from the government-wide financial statements in order to avoid double counting. Exceptions to this general rule are payments made between functions for internal services provided; elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 is included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in direct expenses of the appropriate functions. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line item. 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.

C. Fund Financial Statements

The fund financial statements provide information about the District's funds and blended component unit. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major governmental

funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- *General Fund* - the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- *Debt Service Fund* - accounts for resources accumulated and payments made for principal and interest of general obligation school building bonds.
- *Capital Projects Fund* - accounts for resources accumulated and payments made for the acquisition, maintenance, improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.
- *Municipal Building Authority Fund* - accounts for resources accumulated and payments made related to the lease revenue bonds, including costs of construction on the bond projects, and bond interest payments. The Building Authority is a blended component unit of the District.

The District reports the following nonmajor Special Revenue funds that receive revenues which are restricted to expenditures for specified purposes:

- *Student Activities Fund* – used to account for curricular, co-curricular and extra-curricular fees collected for classes and programs and for the expenses associated with each activity.
- *Food Services Fund* - to account for preparation and serving of school lunches, breakfasts and healthy snacks.
- *Building Reserve Fund* - to account for funds designated by the Board for new buildings or remodels. This fund is wholly funded by transfers from the General and Capital Projects fund. Expenditures are not recorded in the Building Reserve fund, so transfers back to the Capital fund will be done when buildings are constructed.
- *Passthrough Taxes Fund* - accounts for property tax revenue that is remitted to the Provo City Redevelopment Agency and to local charter schools.

The District reports the following Internal Service fund:

- *Self-Insurance Fund* - to account for premiums collected by governmental fund employees to pay for costs of insurance and medical claims. This fund, created during the year ended June 30, 2023, is not a fiduciary fund, as its purpose is for the benefit of all eligible employees who are currently employed by the District. All resources collected, maintained, and used by the fund are the assets of the District.

D. Measurement Focus, Basis of Accounting & Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. The governmental activities column incorporates data from governmental funds and the district internal service fund.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations are 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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. 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 liabilities, claims and judgments, early retirement and post-employment health care benefits, arbitrage rebates, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of 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. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

E. Budgets and Budgetary Accounting

The District operates within budget requirements for school districts as specified by state law and as interpreted by the State Superintendent of Public Instruction. All governmental funds have legally adopted annual budgets. 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 those indicated as a fund balance commitment. The following procedures are used in establishing the budgetary data reflected in the financial statements:

- During May or June of each year, the District Business Administrator 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 30.
- Copies of the proposed budget are made available for public inspection before the Board hearing in which the Board adopts the proposed budget.
- If the District does not require a truth in taxation hearing, 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 does require truth in taxation, the budget is adopted in August when data is available to set 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, at the fund level, 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, 2024, 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.

F. Deposits and Investments

Substantially all of the cash balances, of 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 funds based on the average balance of each participating fund.

G. Prepaids

Prepaid assets are generally accounted for using the consumption method.

H. Cash and Cash Equivalents

The District considers cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

I. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements, and which are outstanding at year-end, are referred to as either "due to/from other funds".

J. Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as individual assets with an initial cost of \$5,000 or more for land, furniture, equipment, buildings and improvements, and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets or works of art are recorded at acquisition 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 the assets' lives are not capitalized.

All works of art are capitalized at estimated fair value at the time the donation was made. However, some of the works of art were appraised in 1994 as no value was previously determined for financial reporting purposes. Those pieces have been capitalized at the acquisition value of the appraisal. The District's art collection carries a net book value of \$234,250 in the government-wide financial statements; works of art are a non-depreciable item in the government-wide financial statements.

Major outlays for capital assets and improvements are capitalized when the assets are acquired and placed into operation and/or as construction occurs. Interest incurred during construction is not capitalized.

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

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Buildings	50	Grounds & Accessories	15
Building Additions	40	Audio Visual	10
Building Improvements	20	Lab Equipment	10
Physical Education Equipment	20	Music - Instruments & Accessories	10
Standard Furniture & Accessories	20	Licensed Vehicles	8
Stage & Auditorium	20	Business Machines	5
Portable Classrooms	15	Miscellaneous Equipment	5
Machinery & Tools	15	Software	3
Appliances	15		

K. Expenditure Driven Grants - Variances Between Budget and Actual Data

Expenditure driven grants are recognized as revenue when the qualifying expenditures are incurred and all other grant requirements are met; unspent grant amounts are carried forward and included in the succeeding fiscal year's budget. Therefore, actual grant revenues and expenditures can be significantly different than the amounts budgeted.

L. Compensated Absences and Voluntary Termination Benefits

Compensated absences and voluntary termination benefits are typically paid for by resources from the District's General fund. However, it is the District's policy to use resources from other funds, when those other funds directly funded the employees' related positions to pay for these costs. Consequently, minimal costs related to these benefits are periodically funded by funds other than the General fund when it is reasonably practical to do so.

Under terms of association agreements, eligible employees can earn vacation and sick time in amounts varying with tenure and classification. In the event of termination or death, an eligible employee is reimbursed for accumulated vacation days to a maximum of 20 days. All vacation pay is accrued when incurred in the government-wide 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.

In fiscal year 2017, administration put into policy a sick buy-back incentive. The incentive is based on the amount of time an employee has worked for the District. Employees working less than 12 years receive no sick buy-back. Employees working 12-18 years receive one day per 10 days in their sick bank; 19-25 years receive one day per eight days; and 26+ receive one day per six days. The maximum number of days allowed in a sick bank is 85.

See Note 5 for a description of these long-term obligations.

M. Comparative Data

Comparative data for the prior year is presented in certain sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations.

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time of the bond issuance.

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

O. Fund Balance

In the fund financial statements, governmental funds report fund balances based on a hierarchy that shows the level or form of constraints on fund balance resources, and the extent to which the District is bound to honor those constraints. Fund balance classifications are:

Nonspendable - includes fund balance amounts that cannot be spent because they are either a) not in a spendable form, or b) legally or contractually required to be maintained intact. Fund balances related to inventory, long term portions of notes receivable and prepaid expenditures are classified as nonspendable.

Restricted - includes fund balance amounts subject to external constraints that have been placed on the use of the resources imposed by either: a) creditors, grantors, contributors, or laws and regulations of other governments, or b) law through constitutional provisions or enabling legislation. Restricted fund balances include unspent tax revenues for specific purposes (building reserve, capital projects, debt service and other purposes), unspent bond proceeds, remaining child nutrition funds, and donations held in the Provo City School District Foundation. See Note 11 for more information on restricted fund balances.

Committed - includes fund balance amounts that can only be used for specific purposes established by formal action of the Board. Formal action entails a public Board Meeting with a proposed commitment being voted upon by all Board members. Fund balance commitments can only be removed or changed by the same action of the Board. Committed resources also include any contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Utah State law allows for the establishment of a committed reserve. This reserve is for contingencies and/or economic stabilization. The reserve cannot be used in the negotiation or settlement of contract salaries for District employees. The Board Voted Economic Stabilization cannot exceed 5.00% of the current operational budget adopted by the Board. User of the reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and State Auditor.

The following fund balance amounts have been committed by the Board of Education:

- OPEB
- Contractual obligations
- Board Voted Economic Stabilization

Assigned - includes funds that are intended for a specific use but do not require board action; (District administration may establish use of such funds) unrestricted programs, and those amounts in excess of nonspendable, restricted, and remaining positive fund balances in funds *other than* the General fund, such as the School Activities fund.

Unassigned - funds in excess of other categories in the General fund and any residual deficits in any fund.

It is the District's policy to use restricted resources first when both unrestricted and restricted are available. Of the unrestricted resources, the District will first use committed, followed by assigned, and then unassigned.

P. Inventories

Inventories are valued at cost at fair value when received, using the first-in first-out (FIFO) method. Inventory in the special revenue fund consists of expendable supplies held for consumption. The cost is recorded as an asset at the time individual inventory items are purchased, and an expenditure is recorded when the assets are distributed and consumed.

Commodities received from federal sources are consumable inventories intended to support short-term District food service operations. Thus, federal commodities are treated as a current financial resource and are recorded as revenues when received in both the fund statements and government-wide statements.

Inventory amounts reported in governmental funds are offset by nonspendable fund balances of equal amount, indicating they are not expected to be converted to cash.

Q. Indirect Costs

Indirect costs charged to certain programs are routinely recorded in the District's *governmental fund* financial statements.

As a general practice, interfund indirect costs have been eliminated from the *government-wide* financial statements in order to avoid double counting and to provide direct-cost information to financial statement readers.

R. Use Of Estimates

Presenting financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make certain estimates concerning assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

S. Bond Discounts/Premiums and Issuance Costs

In the government-wide statements, bond discounts/premiums are deferred and amortized over the life of the bonds. Bond issuance costs are reported as an expense of the current period. Refundings of debt result in deferred gains or losses and are reported as deferred inflows and outflows of resources.

For governmental fund types in the fund financial statements, the bond discounts/premiums, along with all debt issuance costs, are reported as debt service expenditures.

T. Pensions

For purposes of measuring the net pension liability, 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 Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

U. Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period. The District recognizes deferred inflows in relation to pensions and property tax revenue.

Deferred outflows represent a consumption of net assets that applies to a future period. The District recognizes deferred outflows in relation to pensions.

V. Tax Abatements

Provo City School District participates in five tax increments through the Provo Redevelopment Agency. Local government units may permit, by board vote, property tax increments to support business development within the cities they preside over. At the end of the fiscal year ending June 30, 2024, the District had two existing board-approved projects and three newly approved projects. Two new projects have also been approved but have no specific start date.

2. DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2024, as shown on the financial statements is as follows:

	<u>Primary Government</u>	<u>Component Unit</u>
Carrying amount of deposits	\$ 445,585	\$ 502,539
Carrying amount of investments:		
Public Treasurers' Investment Fund	166,391,805	818,095
Zions Public Finance Investment	11,796,646	-
Sinking Fund (Lease Revenue Bond)	5,644,787	-
Repurchase Agreement	233,809	-
	<u>184,067,047</u>	<u>818,095</u>
Total investments	184,067,047	818,095
	<u>\$ 184,512,632</u>	<u>\$ 1,320,634</u>
Total cash and investments	\$ 184,512,632	\$ 1,320,634

Deposits

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2024, the District's exposure to custodial credit risk for deposits was as follows:

<u>Depository Account</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Amount Insured</u>
Provo City School District	\$ (96,959)	\$ 183,023	\$ 183,023
Student Activities	542,544	613,042	539,663
	<u>\$ 445,585</u>	<u>\$ 796,065</u>	<u>\$ 722,686</u>
Total primary government	\$ 445,585	\$ 796,065	\$ 722,686
Component unit:			
Provo School District Foundation	\$ 502,539	\$ 504,021	\$ 250,000

Investments

The District's investments are managed through participation in the Utah Public Treasurers' Investment Fund and through an escrow account and repurchase agreement arrangements with local banks. In FY2024, the District invested a portion of the MBA bond proceeds with Zions Capital Advisors to capitalize on higher interest rates. The reported value of the Public Treasurer's Pool and Zions investment accounts have a slight difference to the fair market value of the shares. As of June 30, 2024, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities</u>	
		<u><1 Year</u>	<u>1-5 Years</u>
PTIF	\$ 172,854,687	\$ 172,854,687	\$ -
US Obligations	5,637,516	978,122	4,659,394
Corporate Floating	1,254,389	250,163	1,004,226
Government Agency Securities	1,029,787	-	1,029,787
International Bonds	749,974	249,974	500,000
Marketable CD	469,216	230,427	238,790
Corporate Bonds	2,655,764	895,902	1,759,862
Repurchase Agreement	233,809	233,809	-
	<u>\$ 184,885,142</u>	<u>\$ 175,693,083</u>	<u>\$ 9,192,059</u>

Investments - Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, interest rate risk is managed by compliance to the Utah Money Management Act which provides guidance for handling depository and investing transactions in order to minimize interest rate risk.

Investments - Credit Risk - The District follows the requirements of the Utah Money Management Act (Section 51, chapter 7 of the Utah Code) in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers’ Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, bankers’ acceptances, repurchase agreements, corporate bonds, restricted mutual funds, and obligations of governmental entities within the State of Utah. The PTIF is invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the PTIF. The degree of risk of the PTIF depends upon the underlying portfolio. The PTIF is not rated.

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 has no investment policy that would further limit its investment choices.

Investment Type	Fair Value	Rating			
		AAA	AA - A-	BBB+-BB-	Unrated
PTIF	\$ 172,854,687	\$ -	\$ -	\$ -	\$ 172,854,687
US Obligations	5,637,516	5,637,516	-	-	-
Corporate Floating	1,254,389	-	3,886,103	-	-
Government Agency Securities	1,029,787	1,029,787	-	-	-
International Bonds	749,974	-	749,974	-	-
Corporate Bonds	2,655,764	-	2,655,764	-	-
Marketable CD	469,216	-	-	-	469,216
Repurchase Agreement	233,809	233,809	-	-	-
	<u>\$ 184,885,142</u>	<u>\$ 6,901,112</u>	<u>\$ 7,291,841</u>	<u>\$ -</u>	<u>\$ 173,323,903</u>

Investments - Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The entire \$233,809 invested in repurchase agreements consists of underlying securities which are held by the investment’s counter party, not in the name of the District, and are not insured.

The District’s repurchase agreements arrangement primarily invests in obligations of the United States Treasury, agencies or financial instruments of the United States that meet allowable investments of the Utah Money Management Act. The District does not have an investment policy for custodial credit risk.

Investments - Fair Value of Investments - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instruments. The prices are determined using significant unobservable inputs or valuation techniques.

At June 30, 2024, the District had the following recurring fair value measurements.

Debt Securities	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
PTIF	\$ 172,854,687	\$ -	\$ 172,854,687	\$ -
US Obligations	5,637,516	-	5,637,516	-
Corporate Bonds	2,655,764	-	2,655,764	-
Corporate Floating	1,254,389	-	1,254,389	-
Government Agency Securities	1,029,787	-	1,029,787	-
International Bonds	749,974	-	749,974	-
Marketable CD	469,216	-	469,216	-
Repurchase Agreement	233,809	-	233,809	-
	<u>\$ 184,885,142</u>	<u>\$ -</u>	<u>\$ 184,885,142</u>	<u>\$ -</u>

3. PROPERTY TAXES

The budgeting and accounting for property taxes are accounted for on a modified-accrual basis, with appropriate recognition of property taxes receivable at year-end. The District has recorded a corresponding property tax deferral for taxes assessed January 1, but not due and collectible within thirty days of the end of the fiscal year.

The property tax revenue of the District is collected and distributed by the Utah 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 a lien on real property as of January 1 and complete the tax rolls by May 15. The District's Board of Education is required to adopt its initial budget for the next fiscal year by June 22; this initial budget adoption establishes tax levy rates to provide resources to fund District operations for the next fiscal year beginning July 1. If the proposed District budget requires changes to levied tax rates, which are above the tax levy rates certified by the Utah State Tax Commission, the District may be required to meet specific due process requirements as outlined in Utah Truth-in-Taxation laws by August 17. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at rate determined by the County; the interest period is from January 1, until the taxes are paid. If, in May of the fifth year, the taxes remain delinquent, the County advertises and sells the property at a tax sale.

Beginning January 1, 1992, an annual uniform fee based on the value of motor vehicles was levied in lieu of an additional 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. Effective January 1, 1999, legislation required motor vehicles be subject to an "age-based" fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 to \$150 based on the age of the vehicle. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when the County collects it and remits the collections to the District.

As of June 30, 2024, the District had accrued a property tax receivable on the government-wide financial statements of \$77,786,341. This accrual includes calendar year 2023 property taxes of \$76,727,223 levied for the year ended June 30, 2024 due to be collected by November 30, 2024, plus \$1,398,024 of delinquent property taxes receivable for taxes assessed prior to 2023 that remain uncollected.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,538,174	\$ -	\$ -	\$ 11,538,174
Construction in progress	104,074,823	64,192,196	-	168,267,019
Works of art	234,250	-	-	234,250
Total capital assets, not being depreciated	<u>115,847,247</u>	<u>64,192,196</u>	<u>-</u>	<u>180,039,443</u>
Capital assets, being depreciated :				
Buildings and improvements	268,136,955	-	-	268,136,955
Right to Use - Modular Units	126,233	-	(126,233)	-
Furniture, equipment and vehicles	36,756,718	1,538,439	(6,757,660)	31,537,497
Total capital assets, being depreciated	<u>305,019,906</u>	<u>1,538,439</u>	<u>(6,883,893)</u>	<u>299,674,452</u>
Accumulated depreciation for:				
Buildings and improvements	(100,529,711)	(7,212,415)	-	(107,742,126)
Right to Use - Modular Units	(89,758)	(22,719)	112,477	-
Furniture and equipment	(27,666,213)	(2,915,874)	6,718,403	(23,863,684)
Total accumulated depreciation	<u>(128,285,682)</u>	<u>(10,151,008)</u>	<u>6,830,880</u>	<u>(131,605,810)</u>
Total capital assets, being depreciated, net	<u>176,734,224</u>	<u>(8,612,569)</u>	<u>(53,013)</u>	<u>168,068,642</u>
Governmental activity capital assets, net	<u>\$ 292,581,471</u>	<u>\$ 55,579,627</u>	<u>\$ (53,013)</u>	<u>\$ 348,108,085</u>

For the year ended June 30, 2024, depreciation expense was charged to functions of the District as follows:

Governmental activities:	Buildings and improvements	Furniture and equipment	Total
Instructional services	\$ 6,274,801	\$ 2,536,810	\$ 8,811,611
Supporting services:			
Students	36,062	14,579	50,641
Instructional Staff	36,062	14,579	50,641
District administration	36,062	14,579	50,641
School administration	36,062	14,579	50,641
Business	36,062	14,579	50,641
Operation and maintenance of facilities	576,993	233,270	810,263
Transportation	72,124	29,159	101,283
School food services	130,905	43,738	174,643
Total depreciation expense, governmental activities	<u>\$ 7,235,136</u>	<u>\$ 2,915,872</u>	<u>\$ 10,151,008</u>

5. LONG TERM LIABILITIES

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024, is as follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 153,195,000	\$ -	\$ (8,840,000)	\$ 144,355,000	\$ 9,775,000
MBA Lease Revenue Bonds	103,817,000	-	(3,300,000)	100,517,000	3,465,000
Deferred amounts for issuance premium/discount	25,341,253	-	(1,733,982)	23,607,271	-
Total bonds payable, net	<u>282,353,253</u>	<u>-</u>	<u>(13,873,982)</u>	<u>268,479,271</u>	<u>13,240,000</u>
Other long-term liabilities:					
Notes payable	38,974	-	(25,772)	13,202	13,202
Net pension liability	38,426,671	-	(2,464,345)	35,962,326	-
Net OPEB liability	13,646,566	-	(1,111,055)	12,535,511	-
Compensated Absences	<u>1,805,371</u>	<u>1,253,494</u>	<u>(1,009,039)</u>	<u>2,049,826</u>	<u>929,539</u>
Total governmental activity long-term liabilities	<u>\$ 336,270,835</u>	<u>\$ 1,253,494</u>	<u>\$ (18,484,193)</u>	<u>\$ 319,040,136</u>	<u>\$ 14,182,741</u>

Payments on compensated absences are typically charged to the fund in which the employee worked. Funds that include payroll are the General fund, Capital Projects fund and Food Services fund. Annual OPEB payments are budgeted and expended from the General fund. Payments to URS for future pension liabilities are made in the fund where employees' payroll is expended. Amounts due in one year for pensions and OPEB are not included due to the variable nature of the payments. All payments for the pension liability are made through the Utah Retirement System and not provided to the district.

B. General Obligation Bonds Payable

Bonds payable at June 30, 2024, are comprised of the following general obligation issues and are serviced by property tax revenues received by the Debt Service fund:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
2015 Series G.O. Bonds	School Building	\$ 50,615,000	2.25% to 5.00%	June 15, 2035	\$ 32,350,000
2016 Series G.O. Bonds	School Building	50,650,000	2.00% to 5.00%	June 15, 2036	36,300,000
2021 Series G.O. Bonds	School Building	73,670,000	1.75% to 5.00%	June 15, 2041	69,820,000
2021B Series G.O. Bonds	Bond Refunding	11,650,000	5.00%	June 15, 2027	<u>5,885,000</u>
Total General Obligation Bonds Payable as of June 30, 2024					<u>\$ 144,355,000</u>

Debt service requirements to maturity, including interest for the general obligation bonds payable, are as follows:

General Obligation Bonds				
	Year Ending June 30,	Principal	Interest	Debt Service Fund
	2025	\$ 9,775,000	\$ 4,654,810	\$ 14,429,810
	2026	10,650,000	4,222,535	14,872,535
	2027	10,280,000	3,741,635	14,021,635
	2028	8,955,000	3,362,485	12,317,485
	2029	9,270,000	3,039,010	12,309,010
	2030-2034	52,050,000	9,569,300	61,619,300
	2035-2039	33,525,000	2,807,503	36,332,503
	2040-2041	9,850,000	296,500	10,146,500
		<u>\$ 144,355,000</u>	<u>\$ 31,693,778</u>	<u>\$ 176,048,778</u>

C. MBA Lease Revenue Bonds Payable

During fiscal year 2010, the District was awarded \$6,462,000 in Building Authority Lease Revenue Bonds, Series 2010, referred to as Qualified School Construction Bonds (QSCB). These bonds were part of the 2009 federal stimulus bill. The bonds were issued via the Building Authority to rebuild an elementary school (Provo Peaks Elementary). The bonds carry an interest rate of 1.2% and mature in 2026.

The District transfers \$460,000 annually into a sinking fund. At June 30, 2023, the sinking fund has a balance of \$5,644,787. Payments into the sinking fund come from the Building Authority via a transfer from the Capital Projects Fund.

In 2022, the Building Authority issued new bonds in the amount of \$100,355,000. These bonds will be used to rebuild Wasatch Elementary School on the same site and Shoreline Middle School (formerly Dixon Middle School) on a new site. Lease payments will be made to the Building Authority from the Capital Projects fund to meet debt service obligations.

The debt service requirements to maturity, including interest for all bonds held in the Building Authority are as follows:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
2010 MBA Lease Revenue Bonds	School Building	\$6,462,000	1.23%	June 15, 2026	\$ 6,462,000
2022 MBA Lease Revenue Bonds	School Building	100,355,000	3.00% to 5.00%	March 15, 2042	94,055,000
Total MBA Lease Revenue Bonds Payable as of June 30, 2024					<u>\$ 100,517,000</u>

Lease Revenue Bonds

Year Ending June 30,	Principal	Interest	Total
2025	\$ 3,465,000	\$ 3,832,683	\$ 7,297,683
2026	10,097,000	3,659,433	13,756,433
2027	3,820,000	3,398,200	7,218,200
2028	4,010,000	3,207,200	7,217,200
2029	4,210,000	3,006,700	7,216,700
2030-2034	24,425,000	11,657,750	36,082,750
2035-2039	30,080,000	6,002,450	36,082,450
2040-2043	20,410,000	1,236,600	21,646,600
	<u>\$ 100,517,000</u>	<u>\$ 36,001,016</u>	<u>\$ 136,518,015</u>

D. Note Payable

Utah State Office of Energy Development - In fiscal year 2013, the District entered into a note payable agreement in the amount of \$320,720, with an imputed interest rate of 3.3% including interest, until maturity in January 2025. The purpose of this note was to replace a chiller at Timpview High School. Annual payments are typically financed through the District's General fund, and payments at June 30, 2024 are as follows:

Note Payable

Year Ending June 30,	Principal	Interest	Capital Fund
2025	\$ 13,202	\$ 161	\$ 13,363
	<u>\$ 13,202</u>	<u>\$ 161</u>	<u>\$ 13,363</u>

E. Combined Maturities on Long-Term Borrowings

The combined aggregate amounts of maturities on all long-term borrowings (general obligation bonds, lease revenue bonds, and note payable) are as follows:

All Long-term Borrowings

Year Ending June 30,	Principal	Interest	Total
2025	\$ 13,253,202	\$ 8,487,760	\$ 21,740,962
2026	20,747,000	7,881,968	28,628,968
2027	14,100,000	7,139,835	21,239,835
2028	12,965,000	6,569,685	19,534,685
2029	13,480,000	6,045,710	19,525,710
2030-2034	76,475,000	21,227,050	97,702,050
2035-2039	63,605,000	8,809,953	72,414,953
2040-2043	<u>30,260,000</u>	<u>1,533,100</u>	<u>31,793,100</u>
	244,885,202	<u>\$ 67,695,060</u>	<u>\$ 312,580,262</u>
Add: Deferred amounts, net:	<u>23,607,271</u>		
	<u>\$ 268,492,473</u>		

6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLAN

General Information about the Pension Plan

Plan Description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) and Public Employees Contributory Retirement System (Contributory System), are multiple employer, cost sharing, retirement systems.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System), is a multiple employer, cost sharing, public employees retirement system.

The Tier 2 Public Employees System 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 Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Benefits Provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:'

Summary of Benefits by System

<u>System</u>	<u>Final Average Salary</u>	<u>Years of service required and/or age eligible for benefit</u>	<u>Benefit percent per year of service</u>	<u>COLA**</u>
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975 2.00% per year July 1975 to present	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* Actuarial reductions are applied

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increased not met may be carried forward to subsequent years.

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS 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. Contribution rates as of June 30, 2024 are as follows:

<u>Utah Retirement Systems</u>	<u>Employee Paid</u>	<u>Employer Contribution Rates</u>	<u>Employer Rate for 401(k) Plan</u>
Contributory System			
State and School Tier 1	6.00%	17.70%	N/A
State and School Tier 2	N/A	19.84%	0.18%
Noncontributory System			
State and School Tier1	N/A	22.19%	1.50%
Tier 2 DC Only			
State and School	N/A	10.02%	10.00%

***Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2024, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 9,165,029	\$ -
Contributory System	15,773	5,347
Tier 2 Public Employees System	6,542,207	-
Tier 2 DC Only System	781,343	-
Total Contributions	\$ 16,504,352	\$ 5,347

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a net pension liability of \$35,962,326 and no net pension asset.

	Measurement Date: December 31, 2023		December 31, 2022		Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	
Noncontributory System	\$ -	\$ 33,514,041	1.6356401%	1.7079299%	-0.0722898%
Contributory System	-	149,965	1.6148456%	1.2193744%	0.3954712%
Tier 2 Public Employees System	-	2,298,320	1.1808170%	1.2750631%	-0.0942461%
Total Net Pension Asset/Liability	\$ -	\$ 35,962,326			

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the System during the plan year over the total of all employer contributions to the system during the plan year.

For the year ended June 30, 2024, the District recognized a pension expense of \$14,234,428.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,260,472	\$ 37,638
Changes in assumptions	4,528,685	1,817
Net difference between projected and actual earnings on pension plan investments	4,594,799	-
Changes in proportion and differences between contributions and proportionate share of contributions	458,715	871,277
Contributions subsequent to the measurement date	8,311,826	-
Total	\$ 25,154,497	\$ 910,732

\$8,311,826 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 3,243,920
2025	4,080,093
2026	8,986,581
2027	(1,673,471)
2028	235,875
Thereafter	1,058,941

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the District recognized a pension expense of \$11,265,193.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,524,336	\$ -
Changes in assumptions	3,213,138	-
Net difference between projected and actual earnings on pension plan investments	4,260,669	-
Changes in proportion and differences between contributions and proportionate share of contributions	124,959	804,096
Contributions subsequent to the measurement date	4,601,546	-
Total	<u>\$ 18,724,648</u>	<u>\$ 804,096</u>

\$4,601,546 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 3,131,296
2025	3,760,838
2026	8,230,063
2027	(1,803,192)
2028	-
Thereafter	-

Contributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognized pension expense of (\$37,247).

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	74,597	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	8,018	-
Total	<u>\$ 82,615</u>	<u>\$ -</u>

\$8,018 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ (108,931)
2025	6,162
2026	222,905
2027	(45,539)
2028	-
Thereafter	-

Tier 2 Public Employees System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the District recognized pension expense of \$3,006,482.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 736,136	\$ 37,638
Changes in assumptions	1,315,547	1,817
Net difference between projected and actual earnings on pension plan investments	259,533	-
Changes in proportion and differences between contributions and proportionate share of contributions	333,756	67,181
Contributions subsequent to the measurement date	3,702,262	-
Total	<u>\$ 6,347,234</u>	<u>\$ 106,636</u>

\$3,702,262 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 221,554
2025	313,094
2026	533,613
2027	175,260
2028	235,875
Thereafter	1,058,941

Actuarial Assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	3.5-9.5 percent, average, including inflation
Investment Rate of Return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

The long-term expected rate of return on 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 asset allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	35.00%	6.87%	2.40%
Debt securities	20.00%	1.54%	0.31%
Real assets	18.00%	5.43%	0.98%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	3.86%	0.58%
Cash and cash equivalents	0.00%	0.24%	0.00%
Totals	100%		5.45%
		Inflation	2.50%
		Expected arithmetic nominal return	7.95%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85%. 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 from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS 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 does not use the Municipal Bond Index Rate.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 88,825,768	\$ 33,514,041	\$ (12,850,036)
Contributory System	1,024,811	149,964	(606,676)
Tier 2 Public Employees System	7,896,699	2,298,320	(2,043,222)
Total Pension Liability	\$ 97,747,278	\$ 35,962,326	\$ (15,499,934)

Pension plan fiduciary net position: Detailed information about the pension plans fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Provo School District participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30 were as follows:

	2024	2023	2022
401(k) Plan			
Employer Contributions	\$ 1,818,568	\$ 1,743,835	\$ 1,675,284
Employee Contributions	1,298,149	1,238,277	1,116,162
457 Plan			
Employer Contributions	-	-	-
Employee Contributions	193,348	186,804	127,278
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	324,166	276,174	260,809
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	2,860	6,725	15,000
Total Contributions	\$ 3,637,091	\$ 2,870,649	\$ 3,194,533

7. EARLY RETIREMENT INCENTIVE AND POST EMPLOYMENT HEALTH CARE BENEFIT OBLIGATION

Plan Description: The District self-administers single-employer retirement plans described below. The District is the only employer participating and contributing to the plans, and they do not issue a publicly available report.

The District provides a voluntary early retirement incentive program. Eligibility is restricted to those employees hired prior to September 1, 2005, and who have a minimum of 12 years of service in the District who retire under provisions of the Utah State Employee’s Retirement Act. Those qualifying under this program, who choose to retire early, may receive a salary benefit for up to five years and a health and accident benefit up to eight years. Benefits vary based upon years of service, position on salary schedule, and employee classification as follows:

- For those with 20 years of service, the Board will pay 5 years of stipend benefits of 54% of final salary above lane 5 step 1 - \$27,680.
- For those with 12-19 years of service, the Board will pay a single lump sum payment of the present value of 5 years of stipend of 20% of final salary. The lump sum will be prorated on service as follows:
 - 18-19 years 70%
 - 16-17 years 60%
 - 14-15 years 50%
 - 12-13 years 40%

The District also provides a life-time Medicare supplemental insurance benefit for retired employees who have completed at least 20 years of service as of January 1, 2005; the plan also provides coverage for spouses of employees who have completed 30 years of service by January 1, 2005.

There are approximately 287 retirees receiving benefit coverage, 70 spouses of retirees and 40 present employees who have earned vested coverage upon retirement. The 40 present employees will receive a prorated benefit. There are no inactive employees who are entitled to benefits.

No other District-sponsored OPEB plans are currently available for current or future employees.

Funding Policy The District contributes the full cost of the current year benefits for eligible retirees. The contribution is pay-as-you-go, no plan assets are accumulated. District expenditures for OPEB for the 2024, 2023, and 2022 were \$1,394,211, \$1,901,612, and \$2,147,470, respectively.

Actuarial Methods and Assumptions Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The District, as required, has a full actuarial valuation every other year. On the off years, the District is provided with interim numbers to provide timely OPEB liability projections for financial statements.

Each of the assumptions used was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations and the professional judgment of the actuary.

Actuarial Assumptions and Methods	
July 1, 2023	
Rate of investment return (net of administrative expenses)	4.10%
Inflation rate	2.50%
Health care cost increase (65 and under)	6.50%
Salary increases	The salary scale used to value GASB 75 liabilities is similar to the table used to value pension liabilities for Utah school district employees. The rates are based on the Utah Retirement System actuarial experience study performed as of January 1, 2020.
Actuarial Cost Method	Entry Age Normal based on level percentage of salary
Plan participation percentage	100% of all employees and eligible dependents will participate in medical plan
Mortality rates	The most recent valuation updated to the mortality assumption from the SOA-RP-2014 Adjusted to 2006 Total Dataset Mortality with the MP-2018 projection scale to the Pri-2012 White Clar Dataset Retiree Amount-Weighted Mortality with Scale MP-2020.
Future Dependent Coverage	55% of current active members are assumed to elect dependent coverage at retirement. All female spouses are assumed to be three years younger than males.

Change in Total OPEB Liability

Net OPEB Liability	
Total OPEB Liability at June 30, 2023	<u>\$ 13,646,566</u>
Activity during the year	
Service Cost	24,367
Interest Cost	504,602
Assumption Changes	(161,017)
Effect of economic/demographic gains or losses	-
Differences between Expected and Actual Experience	-
Benefit Payments	<u>(1,479,007)</u>
Net change in total OPEB liability	<u>(1,111,055)</u>
Total OPEB Liability at June 30, 2024	<u>\$ 12,535,511</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability for the District, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate of one-percentage-point higher (4.90%) and one-percentage-point lower (2.90%) than the current discount rate:

	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Net OPEB Liability	\$ 13,386,906	\$ 12,535,511	\$ 11,781,482

The following presents the net OPEB liability for the District, as well as what the District’s net OPEB liability would be if it were calculated using health care cost trend rates of one-percentage-point higher and one-percentage-point lower than the current health care cost trend rate:

	1% Decrease	Current Trend Rate	1% Increase
Healthcare Cost Trends	\$ 11,746,418	\$ 12,535,511	\$ 13,413,381

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the District reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

General Fund Balance Designations

At June 30, 2024, the District has committed \$12,535,511 of the general fund balance for future funding of the OPEB liability.

8. GRANTS - CONTINGENT LIABILITY

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are 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. As of October 7, 2024, the District had not received any notification from any grant providing agency or government identifying any noncompliance liabilities associated with past District grant awards.

9. LITIGATION AND LEGAL COMPLIANCE

The District is involved in claims arising in the normal course of business. It is not possible to state the ultimate liability, if any, in these matters. These claims are generally insured through the District’s risk management insurance and are investigated by the District’s insurance representatives and defended by the State Attorney General’s office. In the opinion of management, such litigation will have no material effect upon the financial operations of the District.

10. TRANSFERS BETWEEN FUNDS

Three transfers from the General Fund occurred in FY24. One transfer in the amount of \$1,000,000 was done from the General Fund to the Self Insurance Fund, a new internal service fund for the school district, allowing transparency for medical costs for employees and their families. Another transfer was done from the General Fund to the Student Activities Fund in the amount of \$200,000 to provide support for revenue lost through fees waived for students in economic need. Another transfer was done from the General Fund to the Capital Projects Fund in the amount of \$7,723,000 for the lease payment to the Municipal Building Authority. Another transfer was done from the Debt Service Fund to the Capital Projects Fund to pay for technology needs for the District.

11. LEASE OBLIGATIONS

GASB Statement No. 87 *Leases* is a comprehensive change the Government Accounting Standards Board for lease arrangements. Prior guidance did not allow for separate accounting for operating leases in the Statement of Net Position. GASB 87 requires government entities to disclose and monetize current and future lease arrangements that the District enters into. The District generally does not often enter into new lease arrangements, unless circumstances require different types of financing. In FY24, all lease obligations were liquidated. One modular unit was purchased and one was returned.

12. RESTRICTED FUND BALANCE

Restricted fund balance includes fund balance amounts subject to external constraints that have been placed on the use of the resources imposed by either: a) creditors, grantors, contributors, or laws and regulations of other governments, or b) law through constitutional provisions or enabling legislation. Restricted fund balances include unspent tax revenues for specific purposes (building reserve, capital projects, debt service and other purposes), and remaining child nutrition funds.

The following table shows the detail of the restricted fund balances in all funds in the governmental financial statements.

	Fund					
	General	Debt Service	Capital Projects	Municipal Building Authority	Building Reserve	Food Services
Debt Service	\$ -	\$ 2,269,909	\$ -	\$ -	\$ -	\$ -
Capital Levy	-	-	48,403,732	-	-	-
Municipal Building Authority	-	-	-	34,486,701	-	-
Food Services	-	-	-	-	-	2,615,681
Building Reserve	-	-	-	-	20,372,240	-
Special Education	93,566	-	-	-	-	-
Adult Education	201,206	-	-	-	-	-
CTE	1,074,211	-	-	-	-	-
Programs						
Advanced Placement	148,381	-	-	-	-	-
Youth in Custody	402,268	-	-	-	-	-
Concurrent Enrollment	59,534	-	-	-	-	-
Drivers Education	116,011	-	-	-	-	-
STEM Action Center	83,173	-	-	-	-	-
Professional Development/Other State	11,398	-	-	-	-	-
Critical Languages	124,543	-	-	-	-	-
School Land Trust	238,758	-	-	-	-	-
TSSA	344,397	-	-	-	-	-
Elementary Counseling	32,244	-	-	-	-	-
Financial Literacy	5,255	-	-	-	-	-
Tobacco Prevention	73,929	-	-	-	-	-
Teacher Materials/Supplies	1,220	-	-	-	-	-
Total	\$ 3,010,094	\$ 2,269,909	\$ 48,403,732	\$ 34,486,701	\$ 20,372,240	\$ 2,615,681
Total Restricted Fund Balances	<u>\$ 111,158,357</u>					

13. RISK MANAGEMENT

A. Property and Liability Insurance Coverage

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability through policies administered by Utah State Risk Management (Fund). The District also insures its buildings and contents against all insurable risks of direct physical loss or damage with the fund. The Fund is a public entity risk pool operated by the State for the benefit of the state and local governments within Utah. This is a pooled arrangement where the participants’ pay experienced 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 re-insures sizeable losses to preserve the capital base. During fiscal year ended June 30, 2024, there were no significant reductions in coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Worker’s Compensation & Long-Term Disability Insurance Coverage

The District participates in the Utah School Boards Risk Management Mutual Insurance Association which is a risk pool for workers’ compensation. The District has purchased commercial insurance for other risks of loss including employee health and accident insurance. Unemployment compensation is handled on a cost of benefits reimbursement basis with the state of Utah. During the fiscal year ended June 30, 2024, there were no significant reductions in coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

C. Self-Insured Short-Term Disability Coverage

The District is self-insured for certain short-term disability benefits. Employees that are on short-term disability are paid by the district until the date long-term disability takes effect (short-term disability payments begin after 15 days sick time has been used). There were no cases that occurred prior to June 30, 2024, which have not been resolved.

Required Supplemental Information

PROVO CITY SCHOOL DISTRICT
 Required Supplemental Information
Schedule of the Proportionate Share of the Net Pension Liability
 Last Ten Fiscal Years
 June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Noncontributory Retirement System			
Proportion of Net Pension Liability	1.6356401%	1.7079299%	1.7582934%
Proportionate share of the net pension liability (asset)	\$ 33,514,041	\$ 36,878,905	\$ (12,013,439)
Covered payroll	\$ 41,434,185	\$ 41,384,687	\$ 42,053,691
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	80.89%	89.11%	-28.57%
Plan fiduciary net position as percentage of covered payroll	92.49%	91.6%	102.7%
Contributory Retirement System			
Proportion of Net Pension Liability	1.6148456%	1.2193744%	1.4686382%
Proportionate share of the net pension liability (asset)	\$ 149,964	\$ 159,357	\$ (1,322,510)
Covered payroll	\$ 83,846	\$ 80,064	\$ 124,310
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	178.86%	199.04%	-1063.9%
Plan fiduciary net position as percentage of covered payroll	98.51%	97.9%	114.1%
Tier 2 Public Employees System			
Proportion of Net Pension Liability	1.1808170%	1.2750631%	1.3680775%
Proportionate share of the net pension liability (asset)	\$ 2,298,320	\$ 1,388,408	\$ (579,021)
Covered payroll	\$ 30,528,179	\$ 28,028,846	\$ 25,518,281
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	7.53%	4.95%	-2.27%
Plan fiduciary net position as percentage of covered payroll	89.6%	92.3%	103.8%

This information was provided by Utah Retirement Systems and represents amounts for the District.

PROVO CITY SCHOOL DISTRICT
 Required Supplemental Information
Schedule of the Proportionate Share of the Net Pension Liability
 Last Ten Fiscal Years
 June 30, 2024

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1.6766854%	1.7091602%	1.5711423%	1.6334430%	1.5742888%	1.5900394%	1.6109284%
\$ 22,352,259	\$ 37,972,444	\$ 58,454,619	\$ 39,943,588	\$ 51,021,392	\$ 49,947,691	\$ 40,475,038
\$ 39,739,238	\$ 40,232,417	\$ 39,620,195	\$ 41,361,914	\$ 40,485,774	\$ 40,944,924	\$ 42,956,230
56.25%	94.38%	147.50%	96.57%	126.0%	122.0%	94.2%
94.3%	90.1%	84.1%	89.2%	84.9%	84.5%	87.2%
1.4515114%	1.2771143%	0.9173062%	1.1657030%	1.4158416%	1.4845473%	1.4374656%
\$ (345,226)	\$ 88,170	\$ 551,291	\$ 76,708	\$ 775,821	\$ 930,295	\$ 157,616
\$ 139,987	\$ 142,480	\$ 178,026	\$ 265,231	\$ 379,541	\$ 470,271	\$ 528,776
-246.6%	61.9%	365.8%	28.9%	204.4%	197.8%	29.8%
103.7%	98.9%	91.4%	99.2%	93.4%	92.4%	98.7%
1.3255556%	1.3982956%	1.4593175%	1.5173020%	1.5164092%	1.6688829%	1.8017097%
\$ 190,652	\$ 314,487	\$ 624,994	\$ 133,776	\$ 169,154	\$ (3,643)	\$ (54,600)
\$ 21,242,671	\$ 19,477,405	\$ 17,171,718	\$ 14,901,285	\$ 12,435,747	\$ 10,775,651	\$ 8,814,157
0.90%	1.61%	3.64%	0.90%	1.4%	0.0%	-0.6%
98.3%	96.5%	90.8%	97.4%	95.1%	100.2%	103.5%

PROVO CITY SCHOOL DISTRICT
 Required Supplemental Information
Schedule of Employer Contributions
 Last Ten Fiscal Years
 June 30, 2024

	2024	2023	2022	2021
Noncontributory System				
Actuarial determined contributions	\$ 9,165,029	\$ 9,017,515	\$ 9,112,129	\$ 8,981,723
Contributions in relation to				
contractually required contribution	9,165,029	9,017,515	9,112,129	8,981,723
Covered payroll	42,015,334	41,270,109	41,648,029	40,885,528
Contributions as a percentage of covered payroll	21.81%	21.85%	21.88%	21.97%
Contributory System				
Actuarial determined contributions	\$ 15,773	\$ 14,421	\$ 16,145	\$ 25,694
Contributions in relation to				
contractually required contribution	15,773	14,421	16,145	25,694
Covered payroll	89,113	81,472	92,923	145,162
Contributions as a percentage of covered payroll	17.70%	17.70%	17.37%	17.70%
Tier 2 Public Employees System*				
Actuarial determined contributions	\$ 6,542,207	\$ 5,750,982	\$ 5,229,390	\$ 4,589,910
Contributions in relation to				
contractually required contribution	6,542,207	5,750,982	5,229,390	4,589,910
Covered payroll	32,979,289	29,185,555	27,070,486	24,410,979
Contributions as a percentage of covered payroll	19.84%	19.70%	19.32%	18.80%
Tier 2 Public Employees DC Only System*				
Actuarial determined contributions	\$ 781,343	\$ 701,714	\$ 580,805	\$ 425,491
Contributions in relation to				
contractually required contribution	781,343	701,714	580,805	425,491
Covered payroll	7,788,133	6,890,930	5,778,398	4,263,345
Contributions as a percentage of covered payroll	10.03%	10.18%	10.05%	9.98%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

	2020	2019	2018	2017	2016	2015
\$	8,843,583	\$ 8,735,716	\$ 8,934,339	\$ 8,896,189	\$ 8,903,564	\$ 9,137,526
	8,843,583	8,735,716	8,934,339	8,896,189	8,903,564	9,137,526
	40,250,731	39,861,680	40,764,845	40,561,200	40,564,154	42,407,414
	21.97%	21.92%	21.92%	21.93%	21.95%	21.55%
\$	24,779	\$ 25,466	\$ 37,357	\$ 60,401	\$ 82,894	\$ 81,264
	24,779	25,466	37,357	60,401	82,894	81,264
	139,993	143,878	211,056	339,769	480,171	466,690
	17.70%	17.70%	17.70%	17.78%	17.26%	17.41%
\$	3,831,829	\$ 3,524,919	\$ 2,988,873	\$ 2,464,611	\$ 2,189,852	\$ 1,628,003
	3,831,829	3,425,919	2,988,873	2,464,611	2,189,852	1,628,003
	20,247,336	18,736,479	16,206,393	13,512,648	11,950,243	9,005,387
	18.93%	18.81%	18.44%	18.24%	18.32%	18.08%
\$	404,212	\$ 318,684	\$ 280,148	\$ 240,413	\$ 139,472	\$ 94,707
	404,212	318,684	280,148	240,413	139,472	94,707
	3,877,370	3,059,541	2,723,643	2,143,782	1,363,576	897,234
	10.42%	10.42%	10.29%	11.21%	10.23%	10.56%

PROVO CITY SCHOOL DISTRICT

Required Supplemental Information

Schedule of Changes in Net OPEB Liability and Related Ratios and Notes to the Required Supplemental Information

Last Seven Fiscal Years

June 30, 2024

	2024	2023	2022
Total OPEB Liability			
Service Cost	\$ 24,367	\$ 24,559	\$ 113,020
Interest	504,602	628,996	443,895
Effect of economic/demographic gains or losses	-	-	-
Differences between expected and actual experience	-	(3,854,940)	-
Changes of assumptions	(161,017)	63,339	(1,740,879)
Benefit payments	(1,479,007)	(1,901,612)	(1,128,937)
Net change in total OPEB Liability	(1,111,055)	(5,039,658)	(2,312,901)
Total OPEB Liability--beginning	13,646,566	18,686,224	20,999,125
Total OPEB Liability--ending	<u>\$ 12,535,511</u>	<u>\$ 13,646,566</u>	<u>\$ 18,686,224</u>
Covered employee payroll	\$ 3,728,837	\$ 3,620,230	\$ 4,562,601
Net OPEB liability as a percentage of covered employee payroll	336%	377%	410%

The 10-year schedule will need to be built prospectively. Full actuarial valuations are done every year, and the latest valuation was done as of July 1, 2023. Changes to the OPEB liability reported in the notes to the financial statements and the required supplementary information will be reported as actual benefit payments are made and the actuarial valuations provide information.

USI Consulting Group completed the District's actuarial valuation for the year beginning July 1, 2024. They completed the valuation in accordance with GASB Statement 75. Each of the assumptions used in this valuation, with the exception of those set by law, was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and USI's professional judgment regarding future plan experience. Entry age normal cost is required to be used, rather than other methods acceptable under GASB 45. As the District's OPEB is not prefunded, a 20-year AA-rated municipal bond yield is used to determine discount rates. Enhanced disclosures of contributions and current OPEB liabilities will be shown as more data is available.

None of the existing OPEB plans for District employees changed with the valuation. The District does have a committed fund balance of \$13,448,244 that was set aside over a period of a few years to assist in covering the total OPEB liability for retired employees and covered dependents. District personnel made the decision to manage it on the balance sheet, rather than creating a trust with a third-party. The District has, as part of the annual budget, budgeted the OPEB expenses for a pay-as-you-go method.

The District has no assets accumulated in a trust that meets the criteria of the Government Accounting Standards Board applicable to either pensions or OPEB.

PROVO CITY SCHOOL DISTRICT
Required Supplemental Information

Schedule of Changes in Net OPEB Liability and Related Ratios and Notes to the Required Supplemental Information

Last Seven Fiscal Years
June 30, 2024

	2021	2020	2019	2018	2017
\$	92,294	\$ 133,969	\$ 133,762	\$ -	\$ 225,142
	612,314	949,483	1,037,186	-	1,346,728
	(4,601,624)	-	157,805	-	-
	-	-	-	-	(7,200,082)
	(1,476,100)	2,533,737	33,524	-	4,138,650
	(2,470,480)	(3,331,060)	(3,252,580)	(3,722,215)	(3,462,281)
	(7,843,596)	286,129	(1,890,303)	(3,722,215)	(4,951,843)
	28,842,721	28,559,592	30,449,895	34,172,110	39,123,953
\$	<u>20,999,125</u>	<u>\$ 28,845,721</u>	<u>\$ 28,559,592</u>	<u>\$ 30,449,895</u>	<u>\$ 34,172,110</u>
\$	4,418,984	\$ 9,349,091	\$ 9,054,810	\$ 11,726,291	\$ 11,440,284
	475%	309%	315%	260%	299%

Actuarial Assumptions and Methods

July 1, 2024

Rate of investment return (net of administrative expenses)	4.10%
Inflation rate	2.50%
Health care cost increase (65 and under)	6.50%
Salary increases	The salary scale used to value GASB 75 liabilities is similar to the table used to value pension liabilities for Utah school district employees. The rates are based on the Utah Retirement System actuarial experience study performed as of January 1, 2020.
Actuarial Cost Method	Entry Age Normal based on level percentage of salary
Plan participation percentage	100% of all employees and eligible dependents will participate in medical plan
Mortality rates	The most recent valuation updated to the mortality assumption from the SOA-RP-2014 Adjusted to 2006 Total Dataset Mortality with the MP-2018 projection scale to the Pri-2012 White Collar Dataset Retiree Amount-Weighted Mortality with Scale MP-2020.
Future Dependent Coverage	55% of current active members are assumed to elect dependent coverage at retirement. All female spouses are assumed to be three years younger than males.

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

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PROVO CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Student Activities	Food Services	Building Reserve	Tax Increment	
Assets:					
Cash and investments	\$ 2,238,063	\$ -	\$ -	\$ -	\$ 2,238,063
Restricted cash and investments	-	2,677,913	20,372,240	-	23,050,153
Receivables:					
Other local	215,035	-	-	-	215,035
State	-	174,081	-	-	174,081
Federal	-	60,685	-	-	60,685
Inventories	-	274,703	-	-	274,703
Total assets	<u>\$ 2,453,098</u>	<u>\$ 3,187,382</u>	<u>\$ 20,372,240</u>	<u>\$ -</u>	<u>\$ 26,012,720</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ 180,581	\$ -	\$ -	\$ -	\$ 180,581
Payroll and related payables	-	296,998	-	-	296,998
Total liabilities	<u>180,581</u>	<u>296,998</u>	<u>-</u>	<u>-</u>	<u>477,579</u>
Fund Balance:					
Nonspendable:					
Inventories	-	274,703	-	-	274,703
Restricted	-	2,615,681	20,372,240	-	22,987,921
Assigned to:					
Schools	2,272,517	-	-	-	2,272,517
Total fund balance	<u>2,272,517</u>	<u>2,890,384</u>	<u>20,372,240</u>	<u>-</u>	<u>25,535,141</u>
Total liabilities and fund balance	<u>\$ 2,453,098</u>	<u>\$ 3,187,382</u>	<u>\$ 20,372,240</u>	<u>\$ -</u>	<u>\$ 26,012,720</u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Student Activities	Food Services	Building Reserve	Tax Increment	
Revenues:					
Local sources:					
Property taxes	\$ -	\$ -	\$ -	\$ 2,279,403	\$ 2,279,403
Food service sales	-	1,227,566	-	-	1,227,566
Other local	3,546,962	333,695	-	-	3,880,657
State	-	1,461,229	-	-	1,461,229
Federal	-	4,094,177	-	-	4,094,177
Investment earnings	46,226	-	-	-	46,226
Total revenues	3,593,188	7,116,667	-	2,279,403	12,943,032
Expenditures:					
Current:					
Instructional services	3,929,568	-	-	-	3,929,568
Student Support	81,402	-	-	-	81,402
Instructional staff	56,621	-	-	-	56,621
School food services	-	7,236,898	-	-	7,236,898
Admin	69,991	-	-	-	69,991
Community services	-	-	-	2,279,403	2,279,403
Capital Outlay	-	128,322	-	-	128,322
Total expenditures	4,137,582	7,365,220	-	2,279,403	13,782,205
Excess of revenues over expenditures	(544,394)	(248,553)	-	-	(839,173)
Other financing sources:					
Transfers In	200,000	-	-	-	200,000
Proceeds from sale of capital assets	-	705	-	-	705
Total other financing sources	200,000	705	-	-	200,705
Net change in fund balance	(344,394)	(247,848)	-	-	(638,468)
Fund balances, beginning	2,616,911	3,138,232	20,372,240	-	26,127,383
Fund balances, ending	<u>\$ 2,272,517</u>	<u>\$ 2,890,384</u>	<u>\$ 20,372,240</u>	<u>\$ -</u>	<u>\$ 25,488,915</u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—*Debt Service Fund*
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Property taxes	\$ 13,875,560	\$ 14,875,560	\$ 15,894,362	\$ 1,018,802
Investment Earnings	-	-	43,125	43,125
Total revenues	<u>13,875,560</u>	<u>14,875,560</u>	<u>15,937,487</u>	<u>1,061,927</u>
Expenditures:				
Debt service:				
Principal retirement	8,840,000	8,840,000	8,840,000	-
Interest and fiscal charges	<u>5,042,560</u>	<u>5,042,560</u>	<u>5,040,060</u>	<u>2,500</u>
Total expenditures	<u>13,882,560</u>	<u>13,882,560</u>	<u>13,880,060</u>	<u>2,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,000)</u>	<u>993,000</u>	<u>2,057,427</u>	<u>1,064,427</u>
Other financing sources (uses):				
Transfer to Capital Fund (Technology)	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Net change in fund balance	(7,000)	(7,000)	1,057,427	1,064,427
Fund balance - beginning	<u>1,212,482</u>	<u>1,212,482</u>	<u>1,212,482</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,205,482</u>	<u>\$ 1,205,482</u>	<u>\$ 2,269,909</u>	<u>\$ 1,064,427</u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—*Capital Projects Fund*
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Property taxes	\$ 11,246,325	\$ 13,550,330	\$ 13,306,293	\$ (244,037)
Other local	-	-	155,667	155,667
State	-	-	-	-
Investment Earnings	500,286	711,964	943,502	231,538
Total revenues	11,746,611	14,262,294	14,405,462	143,168
Expenditures:				
Salaries	1,432,924	1,506,274	-	1,506,274
Employee benefits	719,709	719,709	-	719,709
Purchased services	12,529,268	32,435,404	18,643,229	13,792,175
Supplies	90,000	2,359,000	1,144,267	1,214,733
Property	10,009,100	11,503,665	9,219,201	2,284,464
Other	26,727	26,727	-	26,727
Debt service:				
Principal retirement	-	-	72,122	(72,122)
Interest and fiscal charges	955	955	1,049	(94)
Total expenditures	24,808,683	48,551,734	29,079,868	19,471,866
Excess (deficiency) of revenues over (under) expenditures	(13,062,072)	(34,289,440)	(14,674,406)	19,615,034
Other financing sources (uses):				
Transfers in (out)	(8,723,200)	-	8,723,000	8,723,000
Total other financing sources (uses)	(8,723,200)	-	8,723,000	8,723,000
Net change in fund balance	(21,785,272)	(34,289,440)	(5,951,406)	28,338,034
Fund balance - beginning	54,355,138	54,355,138	54,355,138	-
Fund balance - ending	\$ 32,569,866	\$ 20,065,698	\$ 48,403,732	\$ 28,338,034

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—*Municipal Building Authority*
Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest/Other Local	\$ 1,500,000	\$ 9,652,962	10,809,187	\$ 1,156,225
Total revenues	<u>1,500,000</u>	<u>9,652,962</u>	<u>10,809,187</u>	<u>1,156,225</u>
Expenditures:				
Purchased services	50,000,000	53,906,082	48,998,613	4,907,469
Debt service:				
Principal retirement	-	3,300,000	3,300,000	-
Interest and fiscal charges	<u>7,297,683</u>	<u>4,003,183</u>	<u>4,003,183</u>	<u>-</u>
Total expenditures	<u>57,297,683</u>	<u>61,209,265</u>	<u>56,301,796</u>	<u>4,907,469</u>
Excess (deficiency) of revenues over (under) expenditures	(55,797,683)	(51,556,303)	(45,492,609)	6,063,694
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Issuance of debt (premium)	-	-	-	-
Transfers from other funds	<u>6,800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(48,997,683)</u>	<u>(51,556,303)</u>	<u>(45,492,609)</u>	<u>6,063,694</u>
Fund balance - beginning	<u>79,979,310</u>	<u>79,979,310</u>	<u>79,979,310</u>	<u>-</u>
Fund balance - ending	<u>\$ 30,981,627</u>	<u>\$ 28,423,007</u>	<u>\$ 34,486,701</u>	<u>\$ 6,063,694</u>

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Statistical Information

This part of Provo City School District's Annual Comprehensive Financial report presents detailed unaudited information as a context for better understanding the information in the financial statements, note disclosures, and required supplementary information. The statistical section is divided into five main categories as follows:

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.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant revenue sources.

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.

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.

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.

<u>Year Ended June 30,</u>	<u>Net investment in capital assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total Net Position</u>
2024	\$ 99,407,415	\$ 80,542,195	\$ 37,671,656	\$ 217,621,266
2023	111,605,150	50,618,927	23,035,517	185,259,594
2022	97,458,082	63,374,486	(3,762,595)	157,069,973
2021	107,909,657	57,220,887	(28,909,513)	136,221,031
2020	99,594,734	41,230,951	(37,899,891)	102,925,794
2019	97,993,796	36,311,721	(33,673,795)	100,631,722
2018	83,854,481	42,594,091	(36,393,538)	90,055,034
2017	60,551,276	56,017,341	(43,931,757)	72,636,860
2016	67,791,542	21,422,081	1,785,888	90,999,511
2015	61,464,177	12,098,626	1,535,966	75,098,769

Source: District data

PROVO CITY SCHOOL DISTRICT
Comparative Statements of Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2024	2023	2022	2021
Assets:				
Cash and temporary cash investments	\$ 184,512,632	\$ 216,898,855	\$ 256,731,448	\$ 172,783,318
Accounts, taxes, and grants receivables:				
Local	90,291,162	76,675,795	56,140,238	54,051,809
State	1,192,728	1,006,269	1,243,287	866,834
Federal	4,649,491	7,906,843	12,741,285	7,096,695
Note receivable	-	-	-	-
Prepaid expenditures	-	28,529	170,723	57,439
Inventory	274,703	359,327	268,107	133,525
Net Pension Asset	-	-	13,914,970	345,226
Net other post employment benefits	-	-	-	-
Total capital assets, net accumulated depreciation	<u>348,108,085</u>	<u>292,581,471</u>	<u>240,919,866</u>	<u>217,397,003</u>
Total assets	<u>629,028,801</u>	<u>595,457,089</u>	<u>582,129,924</u>	<u>452,731,849</u>
Deferred Outflows of Resources:				
Deferred outflows relating to pensions	25,154,497	25,093,479	21,804,799	12,570,093
Deferred outflows relating to OPEB	-	-	-	-
Deferred loss on refundings	-	-	-	108,086
Total deferred outflows of resources	<u>25,154,497</u>	<u>25,093,479</u>	<u>21,804,799</u>	<u>12,678,179</u>
Liabilities:				
Accounts payable	22,205,277	13,122,408	9,063,139	3,260,616
Accrued interest payable	1,321,631	1,355,935	1,499,241	244,789
Payroll and related payables	14,936,438	13,697,832	15,214,309	15,186,504
Unearned Revenue				
Federal	-	-	594,491	-
Other deferred revenues	5,100	9,600	273,000	120,600
Noncurrent liabilities:				
Due within one year: bonds, notes, leases, compensated absences	15,217,134	13,107,333	11,924,983	7,905,507
Due in more than one year:				
Net OPEB Liability	12,535,511	13,646,566	18,686,224	20,999,125
Net Pension Liability	35,962,326	38,426,671	-	22,542,911
Bonds, notes, leases, compensated absences	<u>255,342,636</u>	<u>271,154,086</u>	<u>285,071,407</u>	<u>184,603,972</u>
Total liabilities	<u>357,526,053</u>	<u>364,520,431</u>	<u>342,326,794</u>	<u>254,864,024</u>
Deferred Inflows of Resources:				
Deferred inflows relating to pensions	910,732	606,271	51,595,408	24,777,959
Deferred inflows relating to OPEB	-	-	-	-
Deferred property tax revenue	<u>78,125,247</u>	<u>70,164,272</u>	<u>52,942,548</u>	<u>49,547,014</u>
Total Deferred inflows of resources	<u>79,035,979</u>	<u>70,770,543</u>	<u>104,537,956</u>	<u>74,324,973</u>
Net Position:				
Net investment in capital assets	99,407,415	102,467,999	97,458,082	107,909,657
Restricted for:				
Debt service	7,914,696	6,370,160	4,827,246	1,775,205
Capital projects	43,463,843	26,708,771	24,216,927	22,519,963
Building Reserve	20,372,240	20,372,240	20,372,240	18,372,240
Student Activities	-	-	2,219,256	2,043,907
Self Insurance Fund	2,890,938	-	-	-
School food services	2,890,384	3,138,232	3,281,437	1,904,379
Other restricted programs	3,010,094	3,166,675	8,457,380	10,605,193
Unrestricted	<u>37,671,656</u>	<u>23,035,517</u>	<u>(3,762,595)</u>	<u>(28,909,513)</u>
Total net position	<u>\$ 217,621,266</u>	<u>\$ 185,259,594</u>	<u>\$ 157,069,973</u>	<u>\$ 136,221,031</u>

Source: District Data

PROVO CITY SCHOOL DISTRICT
Comparative Statements of Net Position - Continued
Last Ten Fiscal Years
(accrual basis of accounting)

	2020	2019	2018	2017	2016	2015
\$	82,689,528	\$ 75,954,070	\$ 85,454,172	\$ 122,227,835	\$ 140,573,367	\$ 101,681,552
	48,114,202	47,314,812	42,585,573	40,623,503	37,607,056	31,524,701
	614,489	1,330,518	1,566,912	1,866,318	1,295,937	780,388
	2,949,214	4,772,842	3,509,438	3,200,651	2,532,608	3,122,256
	-	-	-	45,065	71,072	91,028
	357,175	22,313	708,947	428,657	430,940	438,103
	118,333	146,798	140,423	124,915	138,511	153,905
	-	-	-	-	3,643	54,600
	-	-	-	-	10,427,705	8,701,705
	<u>215,216,179</u>	<u>219,974,268</u>	<u>211,899,507</u>	<u>170,174,684</u>	<u>127,624,677</u>	<u>101,577,050</u>
	<u>350,059,120</u>	<u>349,515,621</u>	<u>345,864,972</u>	<u>338,691,628</u>	<u>320,705,516</u>	<u>248,125,288</u>
	10,134,807	23,713,695	24,147,714	21,507,634	19,285,859	6,252,334
	-	-	2,167,865	2,167,865	-	-
	<u>172,420</u>	<u>455,692</u>	<u>738,964</u>	<u>1,022,236</u>	<u>1,305,508</u>	<u>1,588,780</u>
	<u>10,307,227</u>	<u>24,169,387</u>	<u>27,054,543</u>	<u>24,697,735</u>	<u>20,591,367</u>	<u>7,841,114</u>
	2,550,767	2,991,031	5,808,890	8,354,379	6,413,102	4,151,620
	170,153	153,341	218,620	228,764	174,074	592,055
	11,969,653	11,553,718	12,221,730	10,260,788	9,862,485	11,657,418
	-	-	-	-	-	-
	-	161,209	125,105	397,589	600,035	618,515
	7,313,688	6,950,202	6,505,067	5,699,736	5,888,581	7,514,299
	28,842,721	28,559,592	30,449,895	34,172,110	-	-
	38,375,101	59,730,904	40,154,073	51,966,368	50,877,986	40,632,654
	<u>109,935,834</u>	<u>116,907,495</u>	<u>123,709,102</u>	<u>130,526,638</u>	<u>135,994,988</u>	<u>82,763,845</u>
	<u>199,157,917</u>	<u>227,007,492</u>	<u>219,192,482</u>	<u>241,606,372</u>	<u>209,811,251</u>	<u>147,930,406</u>
	13,462,576	2,368,754	20,474,819	7,152,188	5,506,188	3,856,245
	-	-	3,625,689	3,771,471	-	-
	<u>44,820,060</u>	<u>43,677,039</u>	<u>39,614,261</u>	<u>38,222,472</u>	<u>34,979,933</u>	<u>29,080,982</u>
	<u>58,282,636</u>	<u>46,045,793</u>	<u>63,714,769</u>	<u>49,146,131</u>	<u>40,486,121</u>	<u>32,937,227</u>
	99,594,734	97,993,796	83,854,481	60,551,276	67,791,542	61,464,177
	1,637,708	2,051,858	1,827,540	1,758,706	1,721,779	876,789
	13,952,631	17,040,015	24,658,658	38,989,571	7,774,982	2,599,405
	18,372,240	8,372,240	6,872,240	4,872,240	4,872,240	3,372,240
	2,076,272	2,143,292	2,146,124	2,087,804	1,732,942	1,554,242
	-	-	-	-	-	-
	2,104,952	1,816,119	1,879,374	2,285,570	2,214,535	1,679,420
	3,087,148	4,843,448	5,210,155	6,023,450	3,105,603	2,016,530
	<u>(37,899,891)</u>	<u>(33,629,046)</u>	<u>(36,393,538)</u>	<u>(43,931,757)</u>	<u>1,785,888</u>	<u>1,535,966</u>
\$	<u>102,925,794</u>	<u>\$ 100,631,722</u>	<u>\$ 90,055,034</u>	<u>\$ 72,636,860</u>	<u>\$ 90,999,511</u>	<u>\$ 75,098,769</u>

PROVO CITY SCHOOL DISTRICT

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2024	2023	2022	2021
Expenses:				
Instruction	\$ 105,064,996	\$ 103,672,236	\$ 84,798,122	\$ 82,609,361
Supporting services:				
Student	12,039,440	10,913,835	8,950,150	8,465,017
Instructional staff	14,828,971	15,419,363	10,359,929	10,612,930
District administration	1,756,352	1,571,842	2,184,594	2,133,421
School administration	9,889,271	8,986,264	7,004,581	7,058,696
Business	18,516,360	7,009,256	5,234,774	5,194,675
Operation and maintenance of facilities	26,414,691	15,628,975	13,675,292	14,191,446
Student transportation	2,559,924	2,260,554	2,104,720	1,955,939
School food services	7,322,183	6,426,315	5,683,857	5,522,618
Community services	2,266,075	1,773,070	1,624,249	1,957,885
Interest on long-term liabilities	7,276,006	7,790,608	7,591,577	3,133,033
Total school district	<u>207,934,269</u>	<u>181,452,318</u>	<u>149,211,845</u>	<u>142,835,021</u>
Program Revenues:				
Instructional services	92,558,648	93,185,157	84,722,154	92,373,446
Supporting services:				
Student	8,554,641	6,622,122	6,422,451	5,854,046
Instructional staff	12,979,962	7,551,849	4,881,116	4,669,816
General administration	1,281	97,082	968,929	770,249
School administration	1,266,056	873,098	848,176	862,142
Business	-	25,727	106,076	37,311
Operation and maintenance of facilities	10,818,296	2,331,505	316,190	761,010
Transportation	1,515,226	2,153,732	2,120,009	1,785,388
Other	-	-	-	-
School food services	6,782,972	6,282,835	7,244,120	5,420,177
Community services	-	-	-	-
Interest on long-term liabilities	-	-	-	-
Total program revenues	<u>134,477,082</u>	<u>119,123,107</u>	<u>107,629,221</u>	<u>112,533,585</u>
Net (expense) revenue	<u>(73,457,187)</u>	<u>(62,329,211)</u>	<u>(41,582,624)</u>	<u>(30,301,436)</u>
General revenues:				
Property taxes levied for:				
General purposes	49,475,775	47,460,888	34,283,453	36,554,657
Debt service	15,502,463	14,871,130	10,742,186	11,187,721
Capital outlay	14,603,192	14,008,482	10,119,051	11,033,686
Ten percent of basic for construction, textbooks and supplies	-	-	-	-
Federal and state aid not restricted to specific purposes	-	-	-	-
Earnings on investments	11,520,206	8,580,234	290,546	587,864
Gain on sale of assets	-	-	-	15,375
Miscellaneous	14,717,223	5,598,098	7,005,983	4,217,370
Total general revenues	<u>105,818,859</u>	<u>90,518,832</u>	<u>62,441,219</u>	<u>63,596,673</u>
Change in net position	32,361,672	28,189,621	20,858,595	33,295,237
Net position - beginning	185,259,594	157,069,973	136,221,031	102,925,794
Prior period adjustments	-	-	(9,653)	-
Net position - ending	<u>\$ 217,621,266</u>	<u>\$ 185,259,594</u>	<u>\$ 157,069,973</u>	<u>\$ 136,221,031</u>

Source: District data

PROVO CITY SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

2020	2019	2018	2017	2016	2015
\$ 94,909,706	\$ 89,330,430	\$ 83,343,381	\$ 85,107,082	\$ 81,704,867	\$ 79,335,822
8,777,403	8,050,659	7,925,025	7,007,455	4,506,235	4,136,695
10,945,083	9,896,451	8,343,232	4,867,301	1,385,368	1,230,402
3,014,386	2,968,609	1,398,299	2,733,059	2,726,120	2,217,104
8,093,390	7,135,542	6,905,709	6,384,894	6,069,529	5,495,155
5,377,033	5,192,276	4,844,251	6,276,657	6,786,963	5,700,965
14,423,966	12,679,298	13,659,049	10,792,684	8,006,633	6,421,600
2,196,094	2,211,707	2,030,154	2,459,535	2,405,649	1,983,217
6,138,971	5,726,784	5,301,448	5,691,721	5,744,991	5,554,392
1,836,848	1,783,862	1,591,801	2,570,966	3,944,727	3,570,276
3,532,523	3,685,963	3,957,233	4,071,417	2,753,362	1,973,634
159,245,403	148,661,581	139,299,582	137,962,771	126,034,444	117,619,262
84,522,439	81,823,335	84,740,299	84,377,168	85,135,704	74,173,782
4,563,224	4,189,798	4,222,799	4,259,217	2,338,180	4,028,684
4,056,111	4,054,228	2,947,347	1,508,225	350,447	1,570,259
825,393	1,242,044	1,536,143	1,345,595	757,370	606,471
862,703	713,532	630,249	474,717	416,914	155,889
2,087	36,084	232,633	319,478	314,039	-
330,217	244,489	99,969	124	-	474,297
1,630,269	1,905,603	1,680,543	1,411,968	1,370,907	1,293,995
-	-	-	-	-	-
6,181,406	5,548,469	5,240,959	5,594,088	5,653,530	5,718,773
653	64,211	50,405	1,910,589	2,323,484	3,038,102
-	-	-	-	-	-
102,974,502	99,821,793	101,381,346	101,201,169	98,660,575	91,060,252
(56,270,901)	(48,839,788)	(37,918,236)	(36,761,602)	(27,373,869)	(26,559,010)
32,649,667	32,124,664	29,012,440	28,120,500	25,578,966	21,439,190
9,992,580	9,831,901	8,879,390	8,606,408	7,828,560	6,561,563
9,855,001	9,696,534	8,757,138	8,487,914	7,720,775	6,471,222
-	-	-	-	-	-
-	-	-	-	-	2,309,132
1,745,463	2,451,659	1,982,001	1,684,216	569,045	328,576
4,263	90,281	-	14,637,846	(992,929)	37,086
4,317,999	5,221,437	6,705,441	6,413,725	2,570,194	478,360
58,564,973	59,416,476	55,336,410	67,950,609	43,274,611	37,625,129
2,294,072	10,576,688	17,418,174	31,189,007	15,900,742	11,066,119
100,631,722	90,055,034	72,636,860	90,999,511	75,098,769	105,370,189
-	-	-	(49,551,658)	-	(41,337,539)
\$ 102,925,794	\$ 100,631,722	\$ 90,055,034	\$ 72,636,860	\$ 90,999,511	\$ 75,098,769

PROVO CITY SCHOOL DISTRICT
 Governmental Funds—Aggregate Fund Balances
 Last Ten Fiscal Years

Year Ending June 30,	General Fund					
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2024	\$ -	\$ 3,010,094	\$ 17,792,646	\$ 13,708,000	\$ 18,949,517	\$ 53,460,257
2023	28,529	3,166,675	17,792,646	3,589,000	17,130,371	41,707,221
2022	170,723	4,039,026	17,792,646	4,418,354	16,230,407	42,651,156
2021	57,439	3,116,148	18,542,646	7,489,045	14,505,594	43,710,872
2020	11,157	1,520,930	18,542,646	1,566,218	12,374,282	34,015,233
2019	22,313	1,129,146	19,542,646	3,714,302	12,743,617	37,152,024
2018	493,947	1,686,996	19,542,646	3,523,159	11,129,459	36,376,207
2017	473,722	2,913,152	19,542,646	3,110,298	9,000,366	35,040,184
2016	499,507	3,105,603	19,542,646	-	7,337,273	30,485,029
2015	533,351	2,016,530	19,542,646	-	5,712,495	27,805,022

Fiscal Year Ended June 30,	All Other Governmental Funds					
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2024	\$ 274,703	\$ 108,148,263	\$ -	\$ 2,272,517	\$ -	\$ 110,695,483
2023	359,327	158,698,075	-	2,616,911	-	161,674,313
2022	133,525	117,418,652	-	2,043,907	-	119,596,084
2021	464,351	35,949,198	-	2,076,272	-	38,489,821
2020	146,798	29,133,434	-	2,143,292	-	31,423,524
2019	355,423	35,097,389	-	2,146,124	-	37,598,936
2018	124,915	72,106,701	-	2,087,804	-	74,319,420
2017	141,216	96,466,004	-	1,732,942	-	98,340,162
2016	146,980	60,783,429	-	1,554,242	-	62,484,651
2015	91,355	9,274,868	-	1,397,081	(506,002)	10,257,302

Source: District data

PROVO CITY SCHOOL DISTRICT
 Governmental Funds—Net Changes in Aggregate Fund Balances
 Last Ten Fiscal Years

Year Ending June 30,	General Fund	Debt Service	Capital Projects	Non K-12 Instruction	Student Activities	Food Services	Building Reserve	Municipal Building Authority	Total Governmental Funds
2024	\$11,753,036	\$ 1,057,427	\$ (5,951,406)	\$ -	\$(344,394)	\$(247,848)	\$ -	\$ (45,492,609)	\$(39,225,794)
2023	(943,935)	995,680	(13,495,465)	-	397,655	(143,205)	-	(32,592,909)	(45,782,179)
2022	(1,059,716)	(1,558,403)	(23,502,849)	-	175,349	1,377,058	2,000,000	108,425,318	90,801,902
2021	9,695,639	137,497	81,201,704	-	(32,365)	(200,573)	-	-	3,929,506
2020	(3,136,791)	(414,150)	(2,741,366)	-	(67,020)	288,833	10,000,000	-	(5,399,595)
2019	775,817	224,318	(7,833,643)	-	(2,832)	(63,255)	1,500,000	-	(35,384,461)
2018	1,336,023	68,834	(38,441,442)	-	58,320	(406,196)	2,000,000	-	(19,465,587)
2017	4,555,155	36,927	(24,483,566)	-	354,862	71,035	-	-	37,153,416
2016	2,680,007	844,990	31,414,604	-	178,700	535,115	1,500,000	-	53,648,136
2015	1,420,787	342,954	53,113,179	232,145	157,161	381,910	(2,000,000)	-	(646,623)

Source: District data

PROVO CITY SCHOOL DISTRICT
Governmental Funds—Fund Balances
Last Ten Fiscal Years

	2024	2023	2022	2021
General Fund				
Nonspendable	\$ -	\$ 28,529	\$ 170,723	\$ 57,439
Restricted	3,010,094	3,166,675	4,039,026	3,116,148
Committed	17,792,646	17,792,646	17,792,646	18,542,646
Assigned	13,708,000	3,589,000	4,418,354	7,489,045
Unassigned	18,949,517	17,130,371	16,230,407	14,505,594
	<u>53,460,257</u>	<u>41,707,221</u>	<u>42,651,156</u>	<u>43,710,872</u>
Debt Service Fund				
Restricted	2,269,909	1,212,482	216,802	1,775,205
	<u>2,269,909</u>	<u>1,212,482</u>	<u>216,802</u>	<u>1,775,205</u>
Capital Projects Fund				
Nonspendable	-	-	-	-
Restricted	48,403,732	54,355,138	67,850,603	95,500,353
	<u>48,403,732</u>	<u>54,355,138</u>	<u>67,850,603</u>	<u>95,500,353</u>
Non K-12 Instruction Fund				
Restricted	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Student Activities Fund				
Assigned	2,272,517	2,616,911	2,219,256	2,043,907
	<u>2,272,517</u>	<u>2,616,911</u>	<u>2,219,256</u>	<u>2,043,907</u>
Food Services Fund				
Nonspendable	274,703	359,327	268,107	133,525
Restricted	2,615,681	2,778,905	3,013,330	1,770,854
	<u>2,890,384</u>	<u>3,138,232</u>	<u>3,281,437</u>	<u>1,904,379</u>
Building Reserve Fund				
Restricted	20,372,240	20,372,240	20,372,240	18,372,240
	<u>20,372,240</u>	<u>20,372,240</u>	<u>20,372,240</u>	<u>18,372,240</u>
Municipal Building Authority				
Committed	-	-	-	-
Restricted	34,486,701	79,979,310	112,572,219	-
	<u>34,486,701</u>	<u>79,979,310</u>	<u>112,572,219</u>	<u>-</u>
Total All Governmental Funds				
Nonspendable	274,703	387,856	438,830	190,964
Committed	17,792,646	17,792,646	17,792,646	18,542,646
Restricted	111,158,357	161,864,750	208,064,220	120,534,800
Assigned	15,980,517	6,205,911	6,637,610	9,532,952
Unassigned	18,949,517	17,130,371	16,230,407	14,505,594
	<u>\$ 164,155,740</u>	<u>\$ 203,381,534</u>	<u>\$ 249,163,713</u>	<u>\$ 163,306,956</u>

Source: District data

2020	2019	2018	2017	2016	2015
\$ 11,157	\$ 22,313	\$ 493,947	\$ 473,722	\$ 499,507	\$ 533,351
1,520,930	1,177,585	1,686,996	2,913,152	3,105,603	2,016,530
18,542,646	19,542,646	19,542,646	19,542,646	19,542,646	19,542,646
1,566,218	3,714,302	3,523,159	3,110,298	-	-
12,374,282	12,695,178	11,129,459	9,000,366	7,337,273	5,712,495
<u>34,015,233</u>	<u>37,152,024</u>	<u>36,376,207</u>	<u>35,040,184</u>	<u>30,485,029</u>	<u>27,805,022</u>
1,637,708	2,051,858	1,827,540	1,758,706	1,721,779	876,789
<u>1,637,708</u>	<u>2,051,858</u>	<u>1,827,540</u>	<u>1,758,706</u>	<u>1,721,779</u>	<u>876,789</u>
346,018	-	215,000	-	2,705	-
13,952,631	17,040,015	24,658,658	63,315,100	87,795,961	55,001,960
<u>14,298,649</u>	<u>17,040,015</u>	<u>24,873,658</u>	<u>63,315,100</u>	<u>87,798,666</u>	<u>55,001,960</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,076,272	2,143,292	2,146,124	2,087,804	1,732,942	1,554,242
<u>2,076,272</u>	<u>2,143,292</u>	<u>2,146,124</u>	<u>2,087,804</u>	<u>1,732,942</u>	<u>1,554,242</u>
118,333	146,798	140,423	124,915	138,511	146,980
1,986,619	1,669,321	1,738,951	2,160,655	2,076,024	1,532,440
<u>2,104,952</u>	<u>1,816,119</u>	<u>1,879,374</u>	<u>2,285,570</u>	<u>2,214,535</u>	<u>1,679,420</u>
18,372,240	8,372,240	6,872,240	4,872,240	4,872,240	3,372,240
<u>18,372,240</u>	<u>8,372,240</u>	<u>6,872,240</u>	<u>4,872,240</u>	<u>4,872,240</u>	<u>3,372,240</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
475,508	169,111	849,370	598,637	640,723	680,331
18,542,646	19,542,646	19,542,646	19,542,646	19,542,646	19,542,646
37,470,128	30,311,019	36,784,385	75,019,853	99,571,607	62,799,959
3,642,490	5,857,594	5,669,283	5,198,102	1,732,942	1,554,242
12,374,282	12,695,178	11,129,459	9,000,366	7,337,273	5,712,495
<u>\$ 72,505,054</u>	<u>\$ 68,575,548</u>	<u>\$ 73,975,143</u>	<u>\$ 109,359,604</u>	<u>\$ 128,825,191</u>	<u>\$ 90,289,673</u>

PROVO CITY SCHOOL DISTRICT
 Total Governmental Funds—Change in Fund Balances
 Last Ten Fiscal Years

	2024	2023	2022	2021
Revenues:				
Property taxes	\$ 80,576,952	\$ 76,786,890	\$ 58,668,732	\$ 58,205,541
Other local sources	29,661,137	26,237,361	10,189,462	6,920,196
State of Utah	96,470,887	87,784,664	78,939,363	91,376,286
Federal government	24,084,162	19,279,414	25,796,923	19,042,337
Total revenues	<u>230,793,138</u>	<u>210,088,329</u>	<u>173,594,480</u>	<u>175,544,360</u>
Expenditures:				
Instruction	98,061,413	89,750,917	88,879,025	82,536,613
Supporting services:				
Students	12,222,036	11,352,034	10,358,912	9,472,770
Instructional staff	15,078,206	15,997,079	12,185,547	11,923,502
District administration	1,805,670	1,731,009	2,759,644	2,535,537
School administration	10,105,186	9,494,223	8,621,772	8,217,857
Business	7,089,136	7,140,654	6,018,253	5,748,200
Operation and maintenance of facilities	25,698,342	15,116,278	13,661,660	13,963,297
Transportation	2,491,962	2,230,094	2,212,681	2,003,125
Other	-	-	-	-
School food services	7,236,898	6,415,505	5,950,011	5,669,101
Community Services	2,279,403	1,800,973	1,707,621	2,018,448
Capital outlay	65,730,635	71,194,781	33,569,783	12,603,144
Debt Service:				
Principal retirement	12,212,122	11,018,460	20,005,863	6,443,387
Interest and fiscal charges	9,044,292	9,667,896	7,374,993	3,438,719
Total expenditures	<u>269,055,301</u>	<u>252,909,903</u>	<u>213,305,765</u>	<u>166,573,700</u>
Excess (deficiency) of revenues over (under) expenditures	(38,262,163)	(42,821,574)	(39,711,285)	8,970,660
Other financing sources (uses):				
Capital lease	-	-	-	-
Transfers to other funds	(1,000,000)	(3,000,000)	-	-
Proceeds from sale of capital assets	36,369	39,395	38,461	15,375
Proceeds from debt issuance	-	-	112,005,000	73,670,000
Proceeds from debt issuance (premium)	-	-	13,524,581	8,145,867
Refunding bonds issued	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(963,631)</u>	<u>(2,960,605)</u>	<u>125,568,042</u>	<u>81,831,242</u>
Net change in fund balances	<u>\$ (39,225,794)</u>	<u>\$ (45,782,179)</u>	<u>\$ 85,856,757</u>	<u>\$ 90,801,902</u>
Debt service as a percentage of noncapital expenditures	10.5%	11.4%	15.2%	6.4%

Source: District data

PROVO CITY SCHOOL DISTRICT
Total Governmental Funds—Change in Fund Balances - Continued
Last Ten Fiscal Years

2020	2019	2018	2017	2016	2015
\$ 52,082,647	\$ 51,290,626	\$ 46,350,744	\$ 45,261,455	\$ 41,153,281	\$ 34,716,507
9,159,781	11,336,047	11,461,923	11,156,491	9,481,640	8,147,091
86,692,546	83,519,693	86,540,920	84,634,483	78,150,999	71,360,702
13,185,638	12,639,150	12,065,945	13,508,136	14,167,175	14,668,527
<u>161,120,612</u>	<u>158,785,516</u>	<u>156,419,532</u>	<u>154,560,565</u>	<u>142,953,095</u>	<u>128,892,827</u>
83,637,213	80,966,915	79,908,799	81,693,787	80,002,630	77,992,377
8,473,557	8,055,457	8,088,360	6,866,314	4,351,628	4,103,008
10,569,236	9,864,643	8,379,815	4,910,014	1,401,766	1,277,995
2,854,541	2,942,204	1,453,592	2,743,761	2,677,541	2,220,421
7,753,544	7,178,006	7,199,465	6,530,722	6,074,372	5,650,292
5,181,189	5,194,789	4,999,674	6,344,098	6,817,715	5,814,250
13,450,470	11,883,835	11,172,612	10,402,522	7,677,616	6,251,578
2,056,407	2,131,430	2,045,629	2,341,818	2,358,055	1,986,869
-	-	-	-	-	-
5,911,440	5,612,524	5,345,973	5,527,221	5,387,139	5,336,863
1,822,447	1,836,912	1,775,494	2,504,604	3,836,172	3,565,614
5,610,588	18,702,786	51,894,378	59,671,944	32,464,306	7,506,058
6,197,642	5,945,941	5,699,757	5,743,793	6,932,626	5,667,993
3,677,095	3,912,626	4,128,761	4,178,111	3,009,273	1,354,260
<u>157,195,369</u>	<u>164,228,068</u>	<u>192,092,309</u>	<u>199,458,709</u>	<u>162,990,839</u>	<u>128,727,578</u>
3,925,243	(5,442,552)	(35,672,777)	(44,898,144)	(20,037,744)	165,249
-	-	-	-	-	-
-	-	-	-	-	22,789,999
4,263	42,957	288,316	25,432,557	30,044	415,807
-	-	-	-	50,501,596	50,615,000
-	-	-	-	6,659,520	2,382,005
-	-	-	-	-	22,789,999
-	-	-	-	-	(22,719,924)
<u>4,263</u>	<u>42,957</u>	<u>288,316</u>	<u>25,432,557</u>	<u>57,191,160</u>	<u>53,482,887</u>
<u>\$ 3,929,506</u>	<u>\$ (5,399,595)</u>	<u>\$ (35,384,461)</u>	<u>\$ (19,465,587)</u>	<u>\$ 37,153,416</u>	<u>\$ 53,648,136</u>
6.5%	6.8%	7.0%	7.2%	7.6%	5.8%

PROVO CITY SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Tax Years, as of December 31, 2023

<u>Tax Year</u>	<u>Mill Levy or Tax Rate</u>	<u>Real Property/Centrally Assessed Taxable Value</u>	<u>Personal Property Taxes Charged</u>	<u>Total Taxable Value</u>	<u>Total Tax Levied</u>
2023	0.007333	\$ 9,861,981,377	\$ 548,527,004	\$10,410,508,381	\$ 76,334,773
2022	0.007323	9,581,773,544	424,418,304	10,006,191,848	73,896,657
2021	0.007017	7,494,701,092	382,057,152	7,876,758,244	55,393,471
2020	0.007337	7,035,898,303	423,595,277	7,459,493,580	54,642,197
2019	0.007129	6,556,126,226	383,049,409	6,939,175,635	49,640,606
2018	0.007576	5,979,918,769	313,159,380	6,293,078,149	47,598,383
2017	0.007327	5,547,618,256	356,967,730	5,904,585,986	43,461,376
2016	0.007883	5,083,605,595	340,696,637	5,424,302,232	42,652,455
2015	0.007568	4,784,980,364	347,852,851	5,132,833,215	38,521,083
2014	0.006636	4,463,972,529	326,866,640	4,790,839,169	31,941,714

Source: taxrates.utah.gov

Tax Year	Collected within the Calendar Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
	Current	Percentage of Levy	Fee-in-Lieu & Other Collections		Amount	Percentage of Levy
2023	\$ 72,509,872	94.99%	\$ 2,148,871	\$ 4,123,676	\$ 78,530,255	97.47%
2022	68,519,534	92.72%	3,492,694	4,030,943	75,791,008	97.11%
2021	51,869,428	93.62%	3,213,424	3,360,005	58,190,694	98.98%
2020	51,153,078	93.60%	2,773,319	3,835,290	57,761,687	98.69%
2019	46,643,199	93.96%	3,041,146	3,322,644	53,006,989	100.09%
2018	44,709,303	93.93%	3,300,501	2,897,396	50,907,200	100.86%
2017	40,473,376	93.12%	3,055,999	3,141,665	46,671,040	100.16%
2016	38,280,360	89.75%	2,903,511	2,317,766	43,501,637	96.56%
2015	36,202,369	93.98%	2,535,560	2,263,279	41,001,208	100.56%
2014	30,058,947	94.11%	2,388,566	2,178,116	34,625,629	101.58%

PROVO CITY SCHOOL DISTRICT
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years, as of December 31, 2023

Tax Year	Centrally Assessed	Residential	Industrial & Commercial	Agriculture	Personal	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Taxable Value as a Percentage of Actual Value
2023	\$ 128,991,878	\$ 6,751,713,723	\$ 2,979,272,376	\$ 2,003,400	\$ 548,527,004	\$ 10,410,508,381	0.007333	\$ 15,814,010,050	65.83%
2022	167,048,134	6,563,510,062	2,849,428,348	1,787,000	424,418,304	10,006,191,848	0.007323	15,242,906,265	65.64%
2021	181,091,398	4,937,695,465	2,371,949,181	1,821,700	382,057,152	7,874,614,896	0.007017	11,864,928,556	66.37%
2020	171,167,613	4,502,782,059	2,360,095,831	1,852,800	423,595,277	7,459,493,580	0.007337	11,103,352,058	67.18%
2019	147,413,591	5,032,973,125	1,373,953,310	1,786,200	383,049,409	6,939,175,635	0.007129	10,376,702,550	66.87%
2018	148,504,794	3,836,735,607	1,993,322,668	1,355,700	313,159,380	6,293,078,149	0.007576	9,423,134,014	66.78%
2017	122,235,928	4,280,912,747	1,142,996,081	1,473,500	356,967,730	5,904,585,986	0.007327	8,785,451,744	67.21%
2016	108,238,377	3,221,349,131	1,602,427,048	2,581,881	340,696,637	5,275,293,074	0.007883	7,904,221,043	66.74%
2015	101,032,025	2,984,495,487	1,557,330,708	1,966,767	487,123,189	5,131,948,176	0.007568	7,568,631,079	67.81%
2014	82,937,762	2,772,015,561	1,478,928,761	1,491,220	476,336,473	4,790,839,169	0.006636	7,204,269,301	66.50%

Source: taxrates.utah.gov

PROVO CITY SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Tax Years, as of December 31, 2023
 (rate per \$1 of assessed value)

	Tax Rate Levied by Entity by Tax Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Direct Rates:										
Basic Program	0.001406	0.001652	0.001661	0.001628	0.001661	0.001666	0.001568	0.001675	0.001736	0.001419
Voted Leeway	0.001300	0.000587	0.000911	0.000968	0.001016	0.001094	0.001024	0.001093	0.001151	0.001228
Board Leeway	0.001831	0.001760	0.001734	0.001997	0.001548	0.001682	0.001416	0.001600	0.001293	0.001445
Debt Service	0.001469	0.001381	0.001349	0.001453	0.001550	0.001692	0.001812	0.001995	0.002139	0.001268
Capital Outlay Foundation	0.001229	0.001847	0.001271	0.001198	0.001257	0.001353	0.001424	0.001520	0.001249	0.001276
Charter School	0.000098	0.000096	0.000091	0.000093	0.000097	0.000089	0.000083	0.000000	0.000000	0.000000
Total direct rate	0.007333	0.007323	0.007017	0.007337	0.007129	0.007576	0.007327	0.007883	0.007568	0.006636
Overlapping rates:*										
Provo City	0.001791	0.001710	0.002230	0.002426	0.002560	0.001888	0.002089	0.002239	0.002377	0.002775
Utah County	0.000656	0.000661	0.000853	0.001041	0.000672	0.000732	0.000779	0.000834	0.000870	0.000916
Central UT Water District	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000405	0.000422

Source: taxrates.utah.gov

PROVO CITY SCHOOL DISTRICT
History of the Weighted Pupil Unit (WPU)
Fiscal Years 1976-2024

Fiscal Year	WPU	Dollar Change	Percent Change	Fiscal Year	WPU	Dollar Change	Percent Change
1975-76	\$ 621	\$ -	-	2000-01	\$ 2,006	\$ 105	5.52%
1976-77	683	62	9.98%	2001-02	2,116	110	5.48%
1977-78	732	49	7.17%	2002-03	2,132	16	0.76%
1978-79	795	63	8.61%	2003-04	2,150	18	0.84%
1979-80	852	57	7.17%	2004-05	2,182	32	1.49%
1980-81	946	94	11.03%	2005-06	2,280	98	4.49%
1981-82	1,003	57	6.03%	2006-07	2,417	137	6.01%
1982-83	1,103	100	9.97%	2007-08	2,514	97	4.01%
1983-84	1,103	-	0.00%	2008-09	2,577	63	2.51%
1984-85	1,124	21	1.90%	2009-10	2,577	-	0.00%
1985-86	1,180	56	4.98%	2010-11	2,577	-	0.00%
1986-87	1,204	24	2.03%	2011-12	2,816	239	9.27%
1987-88	1,204	-	0.00%	2012-13	2,842	26	0.92%
1988-89	1,204	-	0.00%	2013-14	2,899	57	2.01%
1989-90	1,240	36	2.99%	2014-15	2,971	72	2.48%
1990-91	1,346	106	8.55%	2015-16	3,092	121	4.07%
1991-92	1,408	62	4.61%	2016-17	3,184	92	2.98%
1992-93	1,490	82	5.82%	2017-18	3,311	127	3.99%
1993-94	1,539	49	3.29%	2018-19	3,395	84	2.54%
1994-95	1,608	69	4.48%	2019-20	3,532	137	4.04%
1995-96	1,672	64	3.98%	2020-21	3,596	64	1.81%
1996-97	1,739	67	4.01%	2021-22	3,809	213	5.92%
1997-98	1,791	52	2.99%	2022-23	4,038	229	6.01%
1998-99	1,854	63	3.52%	2023-24	4,280	242	5.99%
1999-00	1,901	47	2.54%				

Source: District data

PROVO CITY SCHOOL DISTRICT

Changes in Fund Balance & Ratio of Annual Debt Service to General Fund Expenditures

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2024	2023	2022	2021
Revenues:				
Property taxes	\$ 49,096,894	\$ 41,473,053	\$ 35,541,844	\$ 37,861,708
Other local sources	12,555,207	9,349,686	4,799,528	4,306,537
State of Utah	95,009,658	85,206,842	77,841,829	90,307,945
Federal government	19,989,985	14,771,764	19,690,191	14,790,719
Total revenues	<u>176,651,744</u>	<u>150,801,345</u>	<u>137,873,392</u>	<u>147,266,909</u>
Expenditures:				
Instructional services	94,131,845	86,897,477	86,107,486	80,569,988
Supporting services:				
Students	12,140,634	11,290,286	10,309,708	9,338,445
Instructional staff	15,021,585	15,918,194	12,131,958	11,866,384
District administration	1,805,670	1,730,609	2,759,644	2,535,537
School administration	10,035,195	9,401,217	8,472,995	7,918,849
Business	7,089,136	6,960,522	6,018,253	5,748,200
Operations and maintenance	12,566,765	13,794,385	7,903,718	13,956,836
Student transportation	2,491,962	2,230,094	2,212,681	2,003,125
Other	-	-	-	-
School food services	-	-	82,949	111,953
Community services	-	-	133,733	208,730
Capital Outlay	728,580	436,058	699,858	3,328,598
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>156,011,372</u>	<u>148,658,842</u>	<u>136,832,983</u>	<u>137,586,645</u>
Excess (deficiency) of revenues over expenditures	20,640,372	2,142,503	1,040,409	9,680,264
Other financing sources (uses):				
Sale of assets	35,664	39,395	38,461	15,375
Transfers In (Out)	(8,923,000)	(3,125,833)	(2,138,586)	-
Total other financing sources (uses)	<u>(8,887,336)</u>	<u>(3,086,438)</u>	<u>(2,100,125)</u>	<u>15,375</u>
Net change in fund balance	<u>11,753,036</u>	<u>(943,935)</u>	<u>(1,059,716)</u>	<u>9,695,639</u>
Total debt service expenditures (all funds) (general obligations, capital leases, etc.)	21,256,414	20,686,356	27,380,856	9,882,106
Debt service as a percentage of total general fund expenditures	13.6%	13.9%	20.0%	7.2%

Source: District data

PROVO CITY SCHOOL DISTRICT
 Changes in Fund Balance & Ratio of Annual Debt Service to General Fund Expenditures - Continued
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

2020	2019	2018	2017	2016	2015
\$ 33,046,806	\$ 31,310,666	\$ 26,762,574	\$ 26,310,700	\$ 22,720,856	\$ 20,808,558
5,440,387	6,345,904	4,813,702	3,751,585	3,666,797	2,990,279
85,411,264	82,056,244	84,782,657	82,795,715	76,361,890	70,389,904
8,905,035	8,858,715	8,482,019	9,924,840	10,429,429	10,593,904
<u>132,803,492</u>	<u>128,571,529</u>	<u>124,840,952</u>	<u>122,782,840</u>	<u>113,178,972</u>	<u>104,782,645</u>
80,768,604	77,346,369	76,287,006	78,028,370	76,138,778	74,229,205
8,473,557	8,055,457	8,088,360	6,866,314	4,351,628	4,103,008
10,550,190	9,854,662	8,379,815	4,910,014	1,401,766	1,277,995
2,854,541	2,942,204	1,453,592	2,743,761	2,677,541	2,220,421
7,718,485	7,178,006	7,199,465	6,530,722	6,074,372	5,650,292
5,181,189	5,194,789	4,999,674	5,715,810	5,572,004	4,704,250
9,683,180	9,474,167	9,560,307	8,583,757	6,855,656	5,407,883
2,056,407	2,131,430	2,045,629	2,341,818	2,111,779	1,986,869
-	-	-	-	-	-
30,997	-	52,748	-	-	-
381,596	531,780	540,859	2,504,604	3,836,172	3,291,762
2,745,800	3,620,785	3,177,257	28,732	-	-
-	9,020	8,533	-	-	-
-	-	-	-	-	-
<u>130,444,546</u>	<u>126,338,669</u>	<u>121,793,245</u>	<u>118,253,902</u>	<u>109,019,696</u>	<u>102,871,685</u>
2,358,946	2,232,860	3,047,707	4,528,938	4,159,276	1,910,960
4,263	42,957	288,316	26,217	20,731	15,824
(5,500,000)	(1,500,000)	(2,000,000)	-	(1,500,000)	(505,997)
<u>(5,495,737)</u>	<u>(1,457,043)</u>	<u>(1,711,684)</u>	<u>26,217</u>	<u>(1,479,269)</u>	<u>(490,173)</u>
<u>(3,136,791)</u>	<u>775,817</u>	<u>1,336,023</u>	<u>4,555,155</u>	<u>2,680,007</u>	<u>1,420,787</u>
9,874,737	9,746,785	9,828,518	9,921,904	9,834,812	6,455,797
7.6%	7.7%	8.1%	8.4%	9.0%	6.3%

PROVO CITY SCHOOL DISTRICT
Schedule of Long-Term Debt Service
As of June 30, 2024

		2025	2026	2027	2028	2029	2030	2031	2032	2033
General obligation bonds:										
<i>Debt Service Fund</i>										
Series 2021B Refunding	Principal	\$ 2,080,000	\$ 2,185,000	\$ 1,620,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$11,650,000	Interest	294,250	190,250	81,000	-	-	-	-	-	-
Series 2015	Principal	2,510,000	2,580,000	2,655,000	2,735,000	2,830,000	2,930,000	3,035,000	3,125,000	3,220,000
\$50,615,000	Interest	1,006,700	937,675	860,275	780,625	684,900	585,850	483,300	392,250	298,500
Series 2016	Principal	2,475,000	2,600,000	2,725,000	2,775,000	2,825,000	2,950,000	3,075,000	3,150,000	3,275,000
\$50,650,000	Interest	1,260,813	1,137,063	1,007,063	952,563	897,063	784,063	666,063	566,125	463,750
Series 2021	Principal	2,710,000	3,285,000	3,280,000	3,445,000	3,615,000	3,800,000	3,990,000	4,185,000	4,270,000
\$73,670,000	Interest	2,093,048	1,957,548	1,793,298	1,629,298	1,457,048	1,276,298	1,086,298	886,798	803,098
Total Principal - General Obligation Bonds		9,775,000	10,650,000	10,280,000	8,955,000	9,270,000	9,680,000	10,100,000	10,460,000	10,765,000
Total Interest - General Obligation Bonds		4,654,810	4,222,535	3,741,635	3,362,485	3,039,010	2,646,210	2,235,660	1,845,173	1,565,347
Total - General Obligation Bonds		14,429,810	14,872,535	14,021,635	12,317,485	12,309,010	12,326,210	12,335,660	12,305,173	12,330,347
Lease revenue bonds:										
<i>Municipal Building Authority Fund</i>										
2010 Lease Revenue Bonds	Principal	-	6,462,000	-	-	-	-	-	-	-
\$ 6,462,000	Interest	79,483	79,483	-	-	-	-	-	-	-
2022 Lease Revenue Bonds	Principal	3,465,000	3,635,000	3,820,000	4,010,000	4,210,000	4,420,000	4,640,000	4,875,000	5,115,000
\$100,355,000	Interest	3,753,200	3,579,950	3,398,200	3,207,200	3,006,700	2,796,200	2,575,200	2,343,200	2,099,450
Total Principal - Lease Revenue Bonds		3,465,000	10,097,000	3,820,000	4,010,000	4,210,000	4,420,000	4,640,000	4,875,000	5,115,000
Total Interest - Lease Revenue Bonds		3,832,683	3,659,433	3,398,200	3,207,200	3,006,700	2,796,200	2,575,200	2,343,200	2,099,450
Total - Lease Revenue Bonds		7,297,683	13,756,433	7,218,200	7,217,200	7,216,700	7,216,200	7,215,200	7,218,200	7,214,450
Total - Bonds payable		21,727,493	28,628,968	21,239,835	19,534,685	19,525,710	19,542,410	19,550,860	19,523,373	19,544,797
Note payable:										
<i>Capital Projects Fund</i>										
2011 Energy Efficiency Chiller	Principal	13,202	-	-	-	-	-	-	-	-
\$264,697	Interest	161	-	-	-	-	-	-	-	-
Total note payable		13,363	-	-	-	-	-	-	-	-
Total long-term debt obligations:										
Total Principal - All Funds - All Long-Term Debt		13,253,202	20,747,000	14,100,000	12,965,000	13,480,000	14,100,000	14,740,000	15,335,000	15,880,000
Total Interest - All Funds - All Long-Term Debt		8,487,654	7,881,968	7,139,835	6,569,685	6,045,710	5,442,410	4,810,860	4,188,373	3,664,797
Total - All Funds - All Long-Term Debt		\$21,740,856	\$28,628,968	\$21,239,835	\$19,534,685	\$19,525,710	\$19,542,410	\$19,550,860	\$19,523,373	\$19,544,797

Source: District data

PROVO CITY SCHOOL DISTRICT
Schedule of Long-Term Debt Service
As of June 30, 2024

2034	2035	2036	2037	2038	2039	2040	2041	2042	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,885,000
-	-	-	-	-	-	-	-	-	565,500
3,315,000	3,415,000	-	-	-	-	-	-	-	32,350,000
201,900	102,450	-	-	-	-	-	-	-	6,334,425
3,375,000	3,475,000	3,600,000	-	-	-	-	-	-	36,300,000
357,313	247,625	126,000	-	-	-	-	-	-	8,465,504
4,355,000	4,445,000	4,520,000	4,600,000	4,690,000	4,780,000	4,875,000	4,975,000	-	69,820,000
717,698	630,598	552,810	473,710	381,710	292,600	197,000	99,500	-	16,328,347
11,045,000	11,335,000	8,120,000	4,600,000	4,690,000	4,780,000	4,875,000	4,975,000	-	144,355,000
1,276,910	980,673	678,810	473,710	381,710	292,600	197,000	99,500	-	31,693,776
12,321,910	12,315,673	8,798,810	5,073,710	5,071,710	5,072,600	5,072,000	5,074,500	-	176,048,778
-	-	-	-	-	-	-	-	-	6,462,000
-	-	-	-	-	-	-	-	-	158,966
5,375,000	5,590,000	5,810,000	6,045,000	6,225,000	6,410,000	6,605,000	6,800,000	7,005,000	94,055,000
1,843,700	1,628,700	1,405,100	1,172,700	991,350	804,600	612,300	414,150	210,150	35,842,050
5,375,000	5,590,000	5,810,000	6,045,000	6,225,000	6,410,000	6,605,000	6,800,000	7,005,000	100,517,000
1,843,700	1,628,700	1,405,100	1,172,700	991,350	804,600	612,300	414,150	210,150	36,001,015
7,218,700	7,218,700	7,215,100	7,217,700	7,216,350	7,214,600	7,217,300	7,214,150	7,215,150	136,518,015
19,540,610	19,534,373	16,013,910	12,291,410	12,288,060	12,287,200	12,289,300	12,288,650	7,215,150	312,566,793
-	-	-	-	-	-	-	-	-	13,202
-	-	-	-	-	-	-	-	-	161
-	-	-	-	-	-	-	-	-	13,363
16,420,000	16,925,000	13,930,000	10,645,000	10,915,000	11,190,000	11,480,000	11,775,000	7,005,000	244,885,202
3,120,610	2,609,373	2,083,910	1,646,410	1,373,060	1,097,200	809,300	513,650	210,150	67,694,953
\$ 19,540,610	\$ 19,534,373	\$ 16,013,910	\$ 12,291,410	\$ 12,288,060	\$ 12,287,200	\$ 12,289,300	\$ 12,288,650	\$ 7,215,150	\$ 312,580,155

PROVO CITY SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Outstanding General Obligation General Bonds (no discount or premium)	Bond Premium/ Discount	Net General Bonded Debt as Percentage of Taxable Value	Net General Obligation Bonded Debt Per Capita	Net General Obligation Bonded Debt Per Student	Outstanding Capital Lease, Notes Payable, and Lease Revenue Obligations	Total Debt	Total Debt as Percentage of Taxable Value	Total Debt Per Capita	Total Debt Per Student
2024	\$ 144,355,000	\$ 23,607,271	1.59%	\$ 1,425	\$ 12,183	\$ 100,530,202	\$ 268,492,473	2.58%	\$ 2,308	\$ 19,742
2023	153,195,000	25,341,253	1.69%	1,515	12,078	103,902,324	282,438,577	2.71%	2,428	19,353
2022	161,165,000	27,075,235	1.87%	1,608	14,387	106,880,925	295,121,160	2.95%	2,537	22,702
2021	169,475,000	14,696,608	2.34%	1,582	14,150	6,550,081	190,721,689	2.42%	1,640	14,671
2020	102,225,000	6,995,397	1.44%	933	6,481	6,573,468	115,793,865	1.55%	1,004	6,976
2019	108,400,000	7,440,053	1.81%	987	7,068	6,596,110	122,436,163	1.95%	1,062	7,605
2018	114,315,000	7,884,709	2.28%	1,045	7,094	6,627,051	128,826,760	2.44%	1,117	7,586
2017	119,985,000	8,329,365	2.66%	1,105	7,677	6,656,808	134,971,173	2.82%	1,170	8,131
2016	125,700,000	8,774,021	3.24%	1,166	9,522	6,707,093	141,181,114	3.40%	1,224	9,997
2015	84,337,005	2,382,005	2.09%	752	6,140	5,333,227	92,052,237	2.22%	798	6,518

Source: District data

PROVO CITY SCHOOL DISTRICT
Overlapping and Underlying General Obligation Debt
Fiscal Year Ended June 30, 2024

<u>Taxing Entity</u>	<u>2023 Taxable Value</u>	<u>Board's Portion of Taxable Value</u>	<u>Board's Percentage</u>	<u>Entity's General Obligation Debt</u>	<u>Board's Portion of G.O. Debt.</u>
Overlapping:					
State of Utah	\$ 504,084,000,000	\$ 10,410,508,381	2.01%	\$ 1,694,190,000	\$ 33,975,204
CUWCD (1)	81,065,506,779	\$ 10,410,508,381	12.47%	548,316,000	68,375,056
Utah County	81,065,506,779	\$ 10,410,508,381	12.47%	-	-
Total Overlapping					<u>102,350,260</u>
Underlying:					
Provo City (2)	10,108,876,189	10,410,508,381	100.00%	73,130,000	<u>73,130,000</u>
Total Underlying					<u>73,130,000</u>
Total Overlapping and Underlying General Obligation Debt					<u>\$ 175,480,260</u>
Total overlapping general obligation debt (excluding the State) (3)					68,375,056
Total direct general obligation bonded indebtedness					<u>268,492,473</u>
Total direct and overlapping general obligation debt (excluding the State) (3)					<u>\$ 336,867,529</u>
Total underlying general obligation debt					73,130,000
Total direct general obligation bonded indebtedness					<u>268,492,473</u>
Total direct and underlying general obligation debt					<u>\$ 341,622,473</u>
Total overlapping and underlying general obligation debt (excluding the State) (3)					141,505,056
Total direct general obligation bonded indebtedness					<u>268,492,473</u>
Total direct, overlapping, and underlying general obligation debt (excluding the State) (3)					<u>\$ 409,997,529</u>

Taxable Value: Taxable values used in this table for non-district entities were derived from www.taxrates.utah.gov

(1) Central Utah Water Conservancy District (CUWCD) outstanding general obligation bonds are limited ad valorem tax bonds. By law CUWCD may levy a tax rate of up to .000400 to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.

(2) All or portions of these governmental entities outstanding general obligation debt are supported by user fee revenues from water or sewer. The District's portion of overlapping general obligation debt does not include user fee revenue supported general obligation debt.

(3) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

Source: Utah.gov, provo.org, cuwcd.com, taxrates.utah.gov, district data

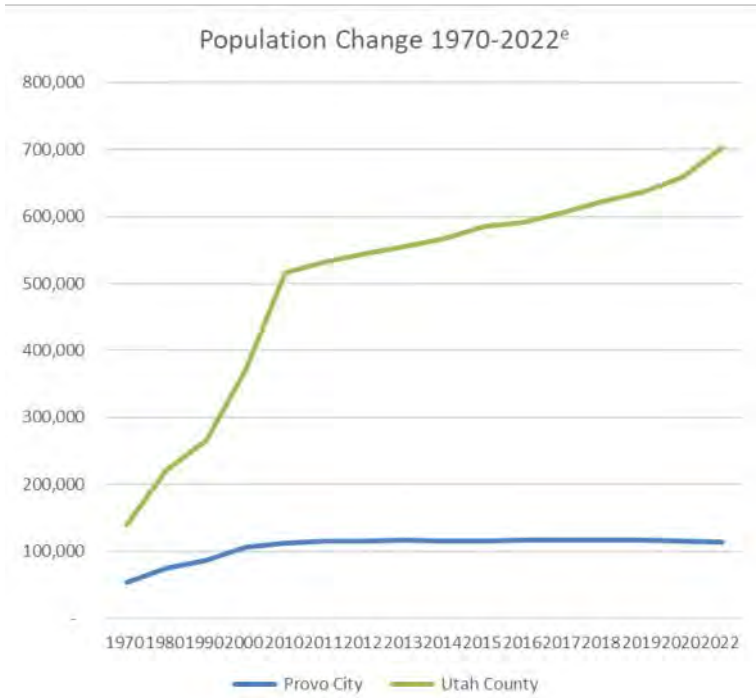
PROVO CITY SCHOOL DISTRICT
 Computation of Legal Debt Margin
 June 30,2015 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Estimated Fair Market Value	\$ 16,016,707,726	\$ 15,242,906,265	\$ 11,864,928,556	\$ 11,103,352,058	\$ 10,376,702,550	\$ 9,423,134,014	\$ 8,785,451,744	\$ 7,904,221,043
"Fair Market Value" X 4% (Debt Limit)	640,668,309	609,716,251	474,597,142	444,134,082	415,068,102	376,925,361	351,418,070	316,168,842
Less: General Obligation Debt	144,355,000	153,195,000	161,165,000	169,475,000	102,225,000	108,400,000	114,315,000	119,985,000
Legal Debt Margin*	<u>\$ 496,313,309</u>	<u>\$ 456,521,251</u>	<u>\$ 274,659,082</u>	<u>\$ 312,843,102</u>	<u>\$ 268,525,361</u>	<u>\$ 237,103,070</u>	<u>\$ 196,183,842</u>	<u>\$ 175,245,243</u>
Ratio Legal Debt Margin to Legal Debt Limit	77.47%	74.87%	61.84%	75.37%	71.24%	67.47%	62.05%	57.89%

*The General Obligation Bonded Debt of the District is limited by Utah law to 4% of the fair market value of the total taxable property in the District. The legal debt limit and additional debt incurring estimated fair market value and the calculated valuation value from uniform fees, and are calculated as shown above.

Source: taxrates.utah.gov and district data

Provo/Utah County Population

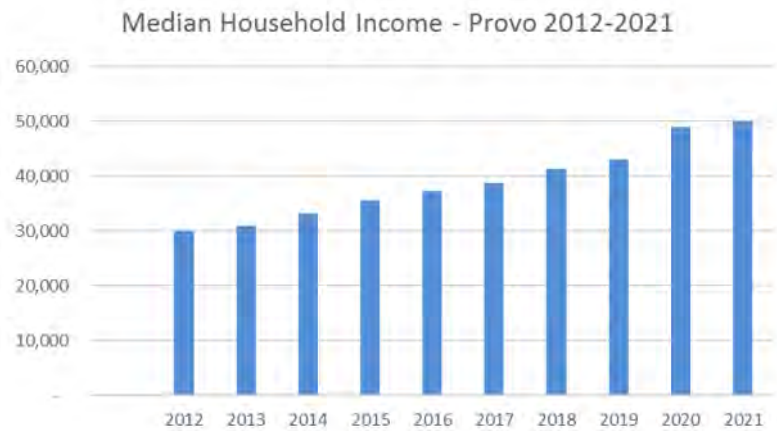


	Provo City	Utah County
1970	53,131	139,300
1980	74,111	220,000
1990	86,835	265,766
2000	105,439	371,894
2010	112,488	516,564
2011	114,684	532,753
2012	115,461	544,892
2013	116,386	554,401
2014	114,868	567,208
2015	115,264	585,694
2016	116,822	590,475
2017	117,335	606,425
2018	116,713	622,213
2019	116,618	636,235
2020	115,162	659,399
2022	113,523	702,434

Source: www.census.gov
 2022 - estimated (e) data

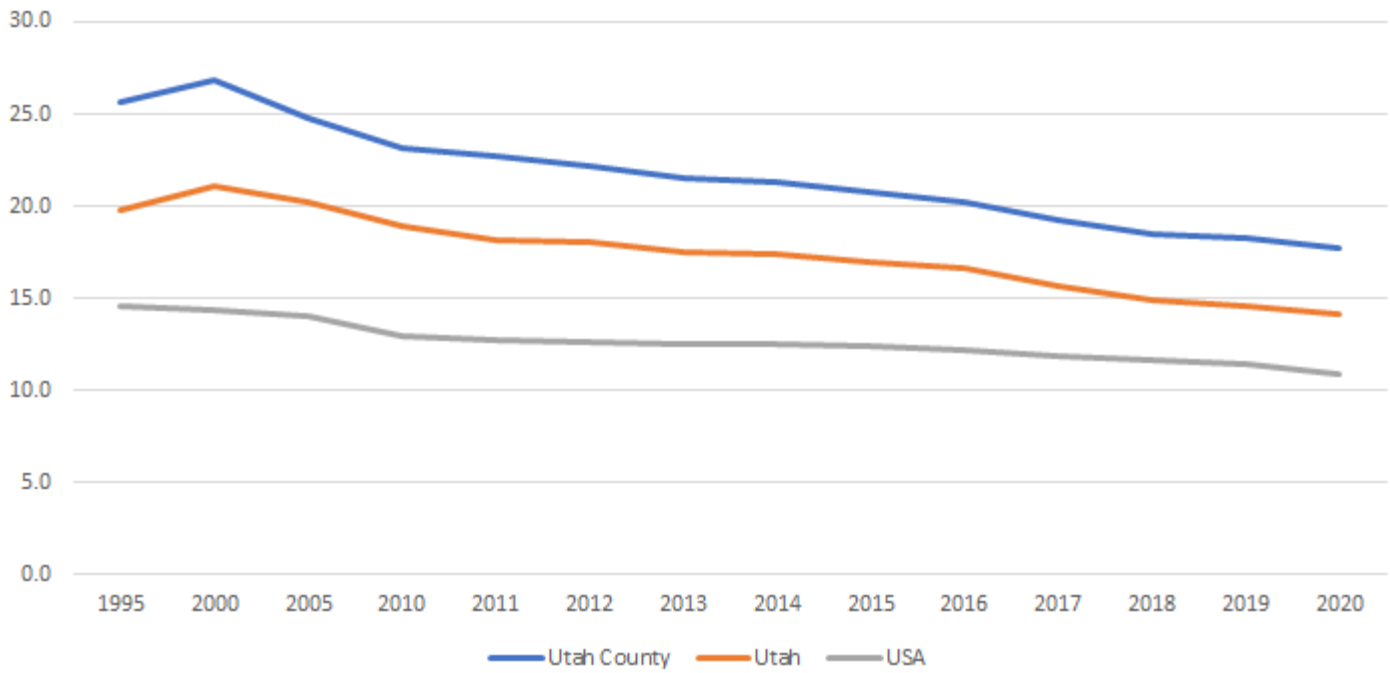
Median Household Income - Provo

2012	\$	29,983
2013	\$	30,926
2014	\$	33,180
2015	\$	35,610
2016	\$	37,289
2017	\$	38,789
2018	\$	41,272
2019	\$	42,923
2020	\$	48,888
2021	\$	50,072



Source: US Census Bureau

Birth Rates

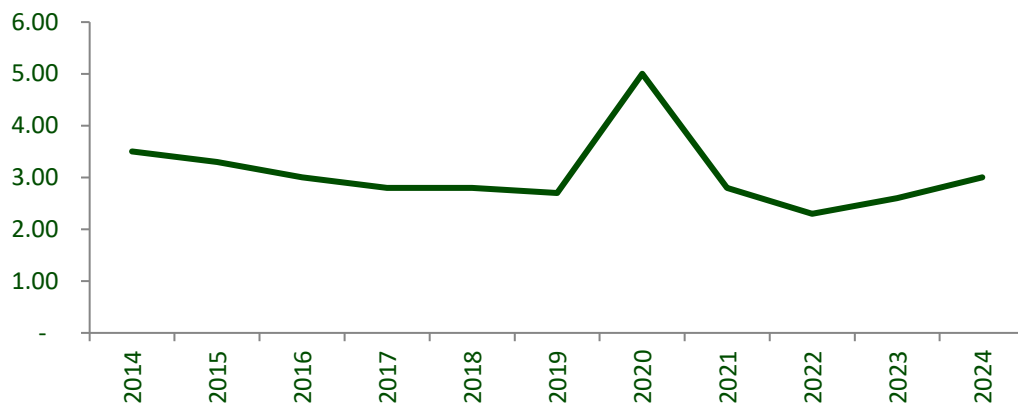


<u>Year</u>	<u>Utah County</u>	<u>Utah</u>	<u>US</u>
1995	25.6	19.8	14.6
2000	26.8	21.1	14.4
2005	24.8	20.2	14.0
2010	23.2	18.9	12.9
2011	22.7	18.2	12.7
2012	22.2	18.0	12.6
2013	21.5	17.5	12.5
2014	21.3	17.4	12.5
2015	20.8	17.0	12.4
2016	20.2	16.6	12.2
2017	19.2	15.7	11.8
2018	18.5	14.9	11.6
2019	18.3	14.6	11.4
2020	17.7	14.1	10.9

Source: Utah’s Public Health Data Resource (IBIS)

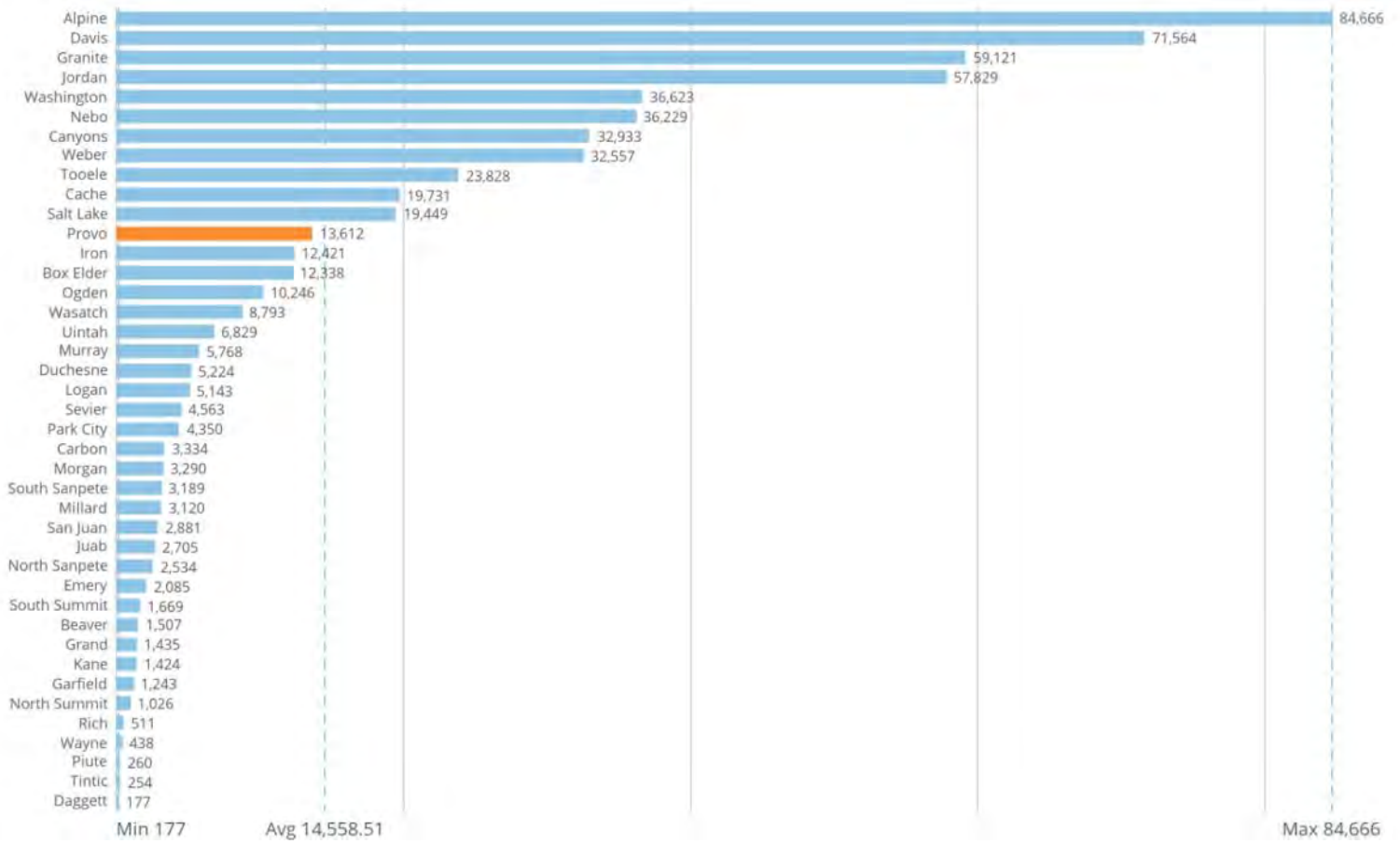
<u>Employer</u>	<u>Rank</u>	<u>December 31,</u>	<u>December 31,</u>	<u>Industry</u>
		<u>2023</u>	<u>2024</u>	
		<u>Approximate</u>	<u>Approximate</u>	
		<u>Number</u>	<u>Number</u>	
		<u>of</u>	<u>of</u>	
		<u>Employees</u>	<u>Employees</u>	
Brigham Young University	1	5,000 - 6,999	1,000 - 4,999	Higher Education
Utah Valley Regional Medical Center	2	3,000 - 3,999	1,000 - 4,999	Health Care
Vivint	3	3,000 - 3,999		Home Security
Provo City School District	4	2,000 - 2,999	1,000 - 1,999	Local Government
Utah County	5	1,000 - 1,999	1,000 - 1,999	Local Government
Provo City	6	1,000 - 1,999	500 - 999	Local Government
Central Utah Medical Clinic	7	1,000 - 1,999	500 - 999	Healthcare
Qualtrics	8	1,000 - 1,999		Management
Chrysalis Utah, Inc.	9	1,000 - 1,999		Healthcare
Nu Skin International	10	500 - 999	1,000 - 4,999	Personal Care

Source: Utah Department of Workforce Services



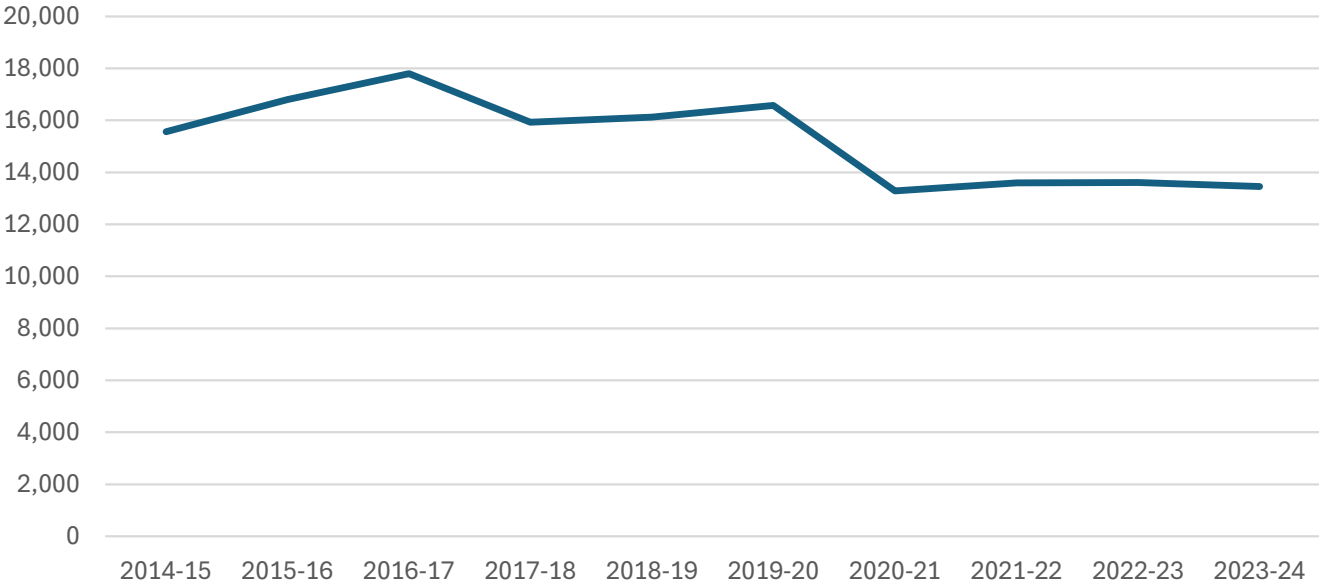
Utah State Unemployment Rates

PROVO CITY SCHOOL DISTRICT
 Enrollment by School District
 Fiscal Year 2022-2023



Source: <https://schools.utah.gov>

Fall Enrollment Count



Note: Through the 2019-2020 school year, the District operated an online school that served a significant number of students in secondary schools using a private vendor which brought in many students from outside district boundaries. The District decided in 2020-21 to focus primarily on providing alternative options for education to students living within District boundaries, allowing a more robust tracking mechanism through graduation and an ability to provide additional services to local students.

Source: District data

PROVO CITY SCHOOL DISTRICT
 Enrollment History by School
 Fiscal Year 2015-2024

School	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24
Amelia Earhart Elementary	547	532	523	504	518	485	422	395	419	388
Canyon Crest Elementary	545	538	547	524	503	476	379	448	474	492
Edgemont Elementary	641	523	626	645	665	631	536	642	631	643
Provo Peaks Elementary	728	592	571	546	504	496	473	498	517	508
Franklin Elementary	463	472	450	407	383	349	332	314	336	354
Lakeview Elementary	776	787	754	813	823	791	667	711	689	692
Provost Elementary	452	464	472	445	465	464	416	472	470	482
Rock Canyon Elementary	642	612	623	591	583	589	515	540	530	487
Spring Creek Elementary	517	486	476	418	411	401	382	412	423	415
Sunset View Elementary	524	473	561	568	546	583	526	551	546	572
Timpanogos Elementary	710	766	763	649	629	629	565	586	622	605
Wasatch Elementary	977	944	892	883	799	744	623	644	609	583
Westridge Elementary	848	785	806	769	730	718	601	614	620	612
Centennial Middle	989	1,056	1,103	1,119	1,191	1,238	1,200	1,133	1,099	1,119
Shoreline Middle	822	847	869	835	882	988	928	922	937	883
Provo High	1,930	1,924	1,901	1,853	1,889	1,915	1,931	1,970	1,971	1,976
Timpview High	2,006	2,058	2,114	2,173	2,162	2,270	2,353	2,390	2,339	2,269
Independence High	241	259	285	190	200	190	184	253	267	278
Special Schools	1,207	2,682	3,457	1,990	2,244	2,610	253	97	112	97
Total enrollment	15,565	16,800	17,793	15,922	16,127	16,567	13,286	13,592	13,611	13,455

Source: District data

PROVO CITY SCHOOL DISTRICT
Full-Time Equivalent (FTE) Employees by Function
Last Nine Fiscal Years

Function	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24
Instruction	1,023	1,021	1,022	1,001	1,036	1,088	1,097	1,050	1,070
Support Services									
Student	68	84	101	103	104	109	117	126	129
Instructional staff	29	42	90	77	91	97	105	120	128
District administration	24	26	17	21	16	21	17	18	7
School administration	71	76	81	84	89	89	89	89	89
Central	47	51	43	50	36	40	41	41	42
Operation and maintenance of facilities	109	114	114	119	120	134	99	105	115
Student transportation	51	39	48	40	48	52	61	47	47
Child nutrition	82	87	76	84	74	84	82	74	82
Community services	62	47	4	4	2	1	-	-	-
Total FTE's	1,566	1,587	1,596	1,583	1,616	1,715	1,708	1,670	1,709

Source: www.schools.utah.gov

PROVO CITY SCHOOL DISTRICT
 Expenditures by Function Per Pupil
 Last Ten Fiscal Years

Function	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction	\$ 7,288	\$ 6,605	\$ 6,535	\$ 6,210	\$ 5,109	\$ 5,517	\$ 5,071	\$ 4,602	\$ 4,711	\$ 4,698
Supporting Services										
Student	908	829	760	711	510	433	517	385	256	247
Instructional Staff	1,121	1,170	895	903	653	514	479	210	83	77
District administration	134	127	203	190	172	217	177	219	158	134
School administration	751	691	633	617	469	433	450	366	358	340
Business	527	538	452	462	362	466	324	364	401	350
Operation and maintenance of facilities	1,910	1,111	1,014	1,218	1,323	886	767	516	452	377
Student transportation	185	164	191	31	153	232	158	131	139	120
Other	-	-	-	-	-	-	-	-	-	-
School food services	538	471	437	441	357	360	358	310	317	322
Community services	169	132	125	145	110	117	111	165	226	215
Facilities and construction	-	-	-	-	-	-	-	-	-	-
Total school district (Not including debt or construction)	<u>\$ 13,531</u>	<u>\$ 11,838</u>	<u>\$ 11,245</u>	<u>\$ 10,928</u>	<u>\$ 9,218</u>	<u>\$ 9,175</u>	<u>\$ 8,412</u>	<u>\$ 7,268</u>	<u>\$ 7,101</u>	<u>\$ 6,880</u>
Student Enrollment	13,455	13,611	13,317	13,317	16,603	16,165	15,991	17,840	16,983	16,600

Source: District data

<u>Location/Site</u>	<u>Year Built/Renovated Substantially</u>	<u>Square Footage</u>
Elementary Schools:		
Amelia Earhart	1999	69,733
Canyon Crest	1982	68,240
Edgemont	2017	70,000
Provo Peaks	2011	80,000
Franklin	1994	75,801
Lakeview	2007	77,480
Provost	2018	63,560
Rock Canyon	2016	71,367
Spring Creek	2002	70,720
Sunset View	2016	71,367
Timpanogos	2008	69,247
Wasatch	1949	45,326
Westridge	1979	73,928
Secondary Schools:		
Centennial Middle School	1996	144,795
Dixon Middle School	1931	124,276
Provo High School	2018	325,842
Timpview High School	1974	409,803
Independence High School	1992	48,121
Other:		
Oakridge	1979	43,992
District Office	1965	28,875
Grandview Learning Center	1949	69,546
Technology Auxiliary Services	2016	10,477
Transportation	2018	12,964

Source: District data