

Provo City School District Popular Annual Financial Report

For the Year Ended
June 30, 2024

**Provo City**
SCHOOL DISTRICT

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

Please note that the electronic version of the Popular Annual Financial Report is best viewed with the following options enabled:

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Welcome • Educate • Inspire

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October 30, 2024

To the Citizens of Provo City School District:

We are pleased to present Provo City School District’s (District) Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2024. This report is designed to make the financial operations of the District easier to understand and is a reflection of our desire to keep patrons and stakeholders informed.



The PAFR has been prepared to summarize and highlight important financial information reported in the District’s fiscal year 2023-24 Annual Comprehensive Financial Report (ACFR) by focusing on the District’s four major governmental funds (i.e. the General fund, Capital Projects fund, Municipal Building Authority fund, and Debt Service fund) and not including all segregated proprietary and nonmajor governmental funds and disclosures reported in the ACFR. The ACFR is a more comprehensive and technical document that is prepared in accordance with generally accepted accounting principles (GAAP) of the United States of America. It includes audited financial statements, disclosures, opinions of our independent auditor, and other detailed financial and nonfinancial information. The independent audit of the ACFR was performed by HBME, in accordance with auditing standards generally accepted in the United States of America. While the PAFR is not separately audited, it is prepared using financial information from the ACFR. Copies of the ACFR, PAFR, and Comprehensive Annual Budget Report (CABR) are available at <https://provo.edu/business-and-finance/financial-reports/>.

We would like to take this opportunity to recognize the cooperative spirit of our employees and the contributions they make toward the successful prioritization and implementation of the District’s financial objectives. We would also like to thank the members of the Board of Education for their trust and continued support as we strive to be good stewards of our financial resources.

The District is committed to financial transparency and we are proud to present this report as one of many tools available to help our citizens understand how their tax dollars are being utilized to educate our students. Questions or comments are welcome and may be directed to the Business Services team at 801-374-4800.

Respectfully submitted,

Devyn Dayley
Business Administrator

Steven C. Reese, CPA
Director of Finance

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

Our mission is to develop a culture of meaningful innovation to ensure that all students in the District are future-ready. As such, personnel strives to provide a quality education experience for students by following the District's strategic plan.

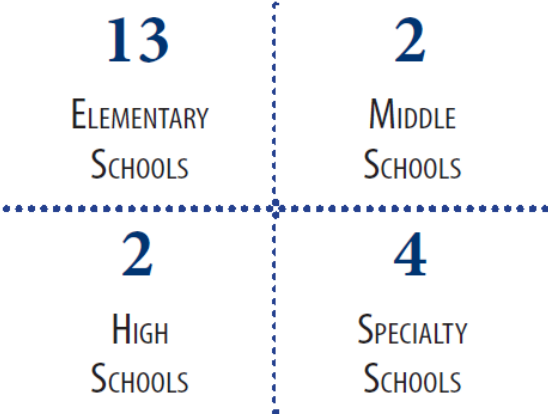
The primary purpose of the District is to provide a comprehensive array of learning opportunities for students who reside in Provo. To accomplish this purpose, the District educated 13,455 students across two traditional high schools, an alternative high school, two middle schools, thirteen elementary schools, and an eSchool during fiscal year 2023-24. The District strives to provide authentic and impactful learning experiences in which students can explore their interests and become college-and-career-ready. In addition to core classes such as mathematics, science, and english, the District offers a wide variety of electives in engineering, business, technology, art, animation, and animal science - to name a few. Students are encouraged to challenge themselves in a growing number of Advanced Placement courses and explore dual-credit opportunities within the Concurrent Enrollment program.

The District's strategic plan guides the actions of administrators, teachers, and support staff in making decisions to create a successful learning environment for all students, whether in-person or online. These goals create a starting point for budget creation, classroom planning, and student achievement. Giving teachers the support needed to provide excellent classroom instruction is one of the main goals, including ensuring their compensation is competitive with surrounding school districts.

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

Key financial information, as well as other key data points will be addressed throughout this document. Additional information about the District and its operations, including the Comprehensive Annual Budget Report and Annual Comprehensive Financial Report are available at provo.edu.

SCHOOLS

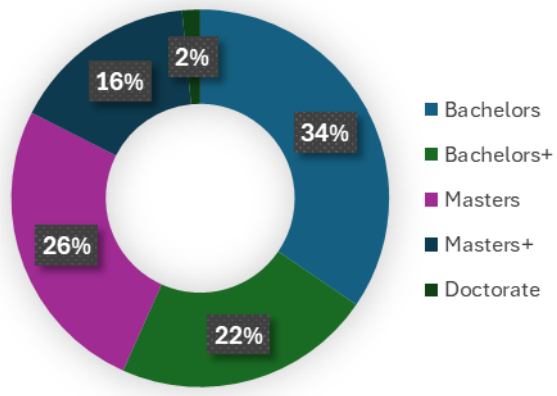


Students at the District come from diverse socio-economic backgrounds and cultures. The District has a Diversity and Equity Committee that regularly meets to identify needs and services for students.

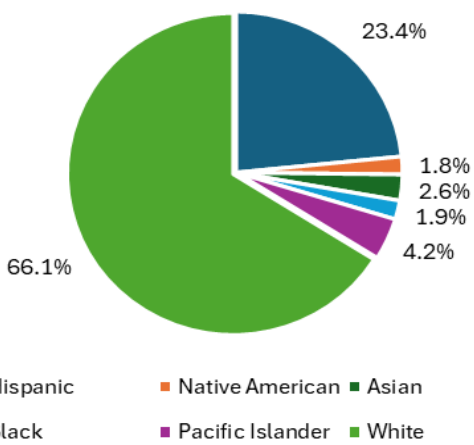


Total Number of Students:
13,455

Teacher Education Levels



Student Demographics



ENROLLMENT

- Elementary Students: **6,833**
- Middle School Students: **2,002**
- High School Students: **4,245**
- Special School Students: **375**



Rebecca Nielsen
Board President
2017 - Current



Jennifer Partridge
Board Vice-President
2019 - Current



Lisa Boyce
2023 - Current



Melanie Hall
2017 - Current



Megan Van Wagenen
2023 - Current



Teri McCabe
2021 - Current



Gina Hales
2021 - Current



Wendy Dao
Superintendent

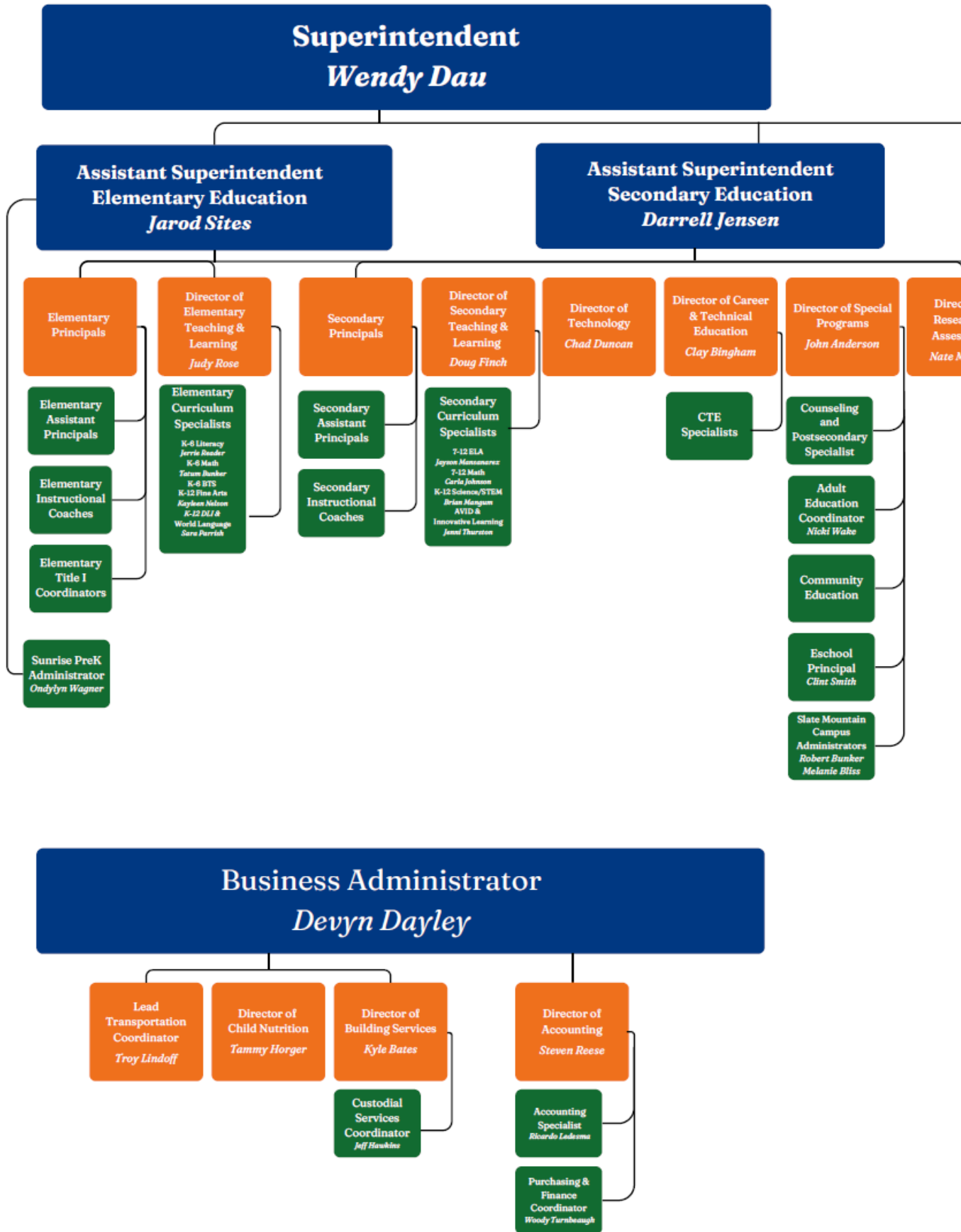


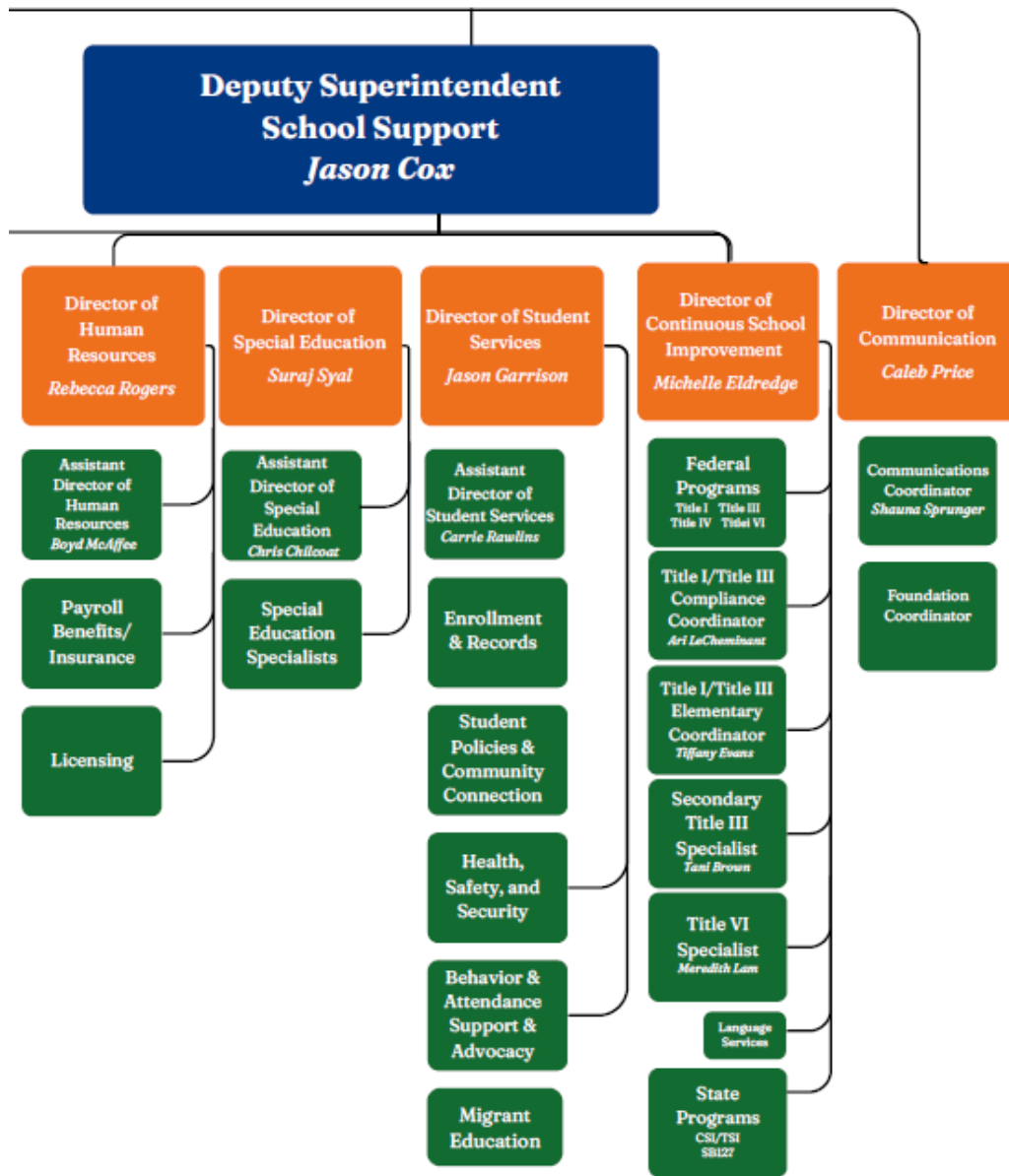
Devyn Dayley
Business Administrator



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

Board of Education





Director of
Research &
Assessment
Mitchell

Elementary Schools



Amelia Earhart (K-6)
Year Built: 1999



Canyon Crest Elementary (K-6)
Year Built: 1982



Edgemont Elementary (K-6)
Year rebuilt: 2017



Franklin Elementary (K-6)
Year Built: 1994



Rock Canyon Elementary (K-6)
Year Rebuilt: 2016



Spring Creek Elementary (K-6)
Year Built: 2002



Sunset View Elementary (K-6)
Year Rebuilt: 2016

Middle Schools



Centennial Middle School (7-8)
Year Built: 1996



Shoreline Middle (7-8)
Year Built: 2024

Elementary Schools



Lakeview Elementary (K-6)
Year Built: 2007



Provo Peaks Elementary (K-6)
Year Built: 2011



Provost Elementary (K-6)
Year Rebuilt: 2018



Timpanogos Elementary (K-6)
Year Rebuilt: 2008



Wasatch Elementary (K-6)
Year Built: 2024



Westridge Elementary (K-6)
Year Built: 1979

High Schools



Provo High School (9-12)
Year Built: 2018



Timpview High School (9-12)
Year Built: 1974
Renovated: 2024



Independence High School (9-12)
Year Built: 1992

Financial Information—All Funds

Readers of the Popular Annual Financial Report should keep in mind that these numbers are from the District’s ACFR. The numbers below and in subsequent pages are presented in GAAP format and represent the District’s governmental funds. The report contains all of the audited financial statements and disclosures. The PAFR is not audited and does not include a presentation of all funds in their entirety. The PAFR is not intended to present a complete financial picture according to GAAP, but is intended to present District financial information in a summary form that is easy to understand.

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

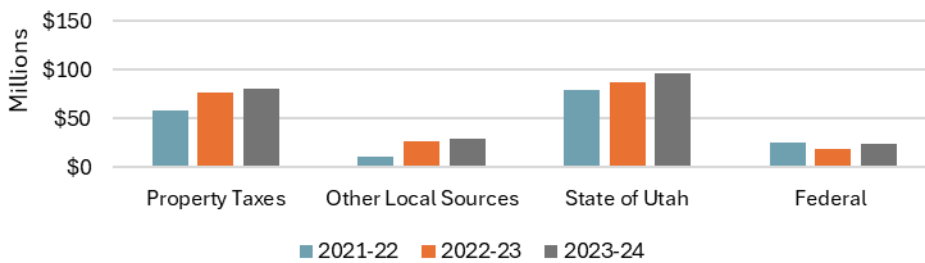
Revenues	2021-22	2022-23	2023-24
Property Taxes	\$ 58,668,732	\$ 76,786,890	\$ 80,576,952
Other Local Sources	10,189,462	26,437,361	29,661,137
State of Utah	78,939,363	87,784,664	96,470,887
Federal	25,796,923	19,279,414	24,084,162
Total Revenues	\$ 173,594,480	\$ 210,288,329	\$ 230,793,138

Expenditures	2021-22	2022-23	2023-24
Instruction	\$ 88,879,025	\$ 89,909,211	\$ 98,061,413
Supporting Services:			
Students	10,358,912	11,352,034	12,222,036
Instructional Staff	12,185,547	16,009,935	15,078,206
District Administration	2,759,644	1,731,009	1,805,670
School Administration	8,621,772	9,494,223	10,105,186
Central	6,018,253	7,318,510	7,089,136
Operation and Maintenance of Buildings	13,661,660	15,116,278	25,698,342
Student Transportation	2,212,681	2,675,515	2,491,962
Child Nutrition	5,950,011	6,465,085	7,236,898
Community Services	1,707,621	1,800,973	2,279,403
Capital Outlay	33,569,783	70,350,774	65,730,635
Debt Service:			
Bond Principal	20,005,863	11,018,460	12,212,122
Bond Interest	7,374,993	9,667,896	9,044,292
Total Expenditures	\$ 213,305,765	\$ 252,909,903	\$ 269,055,301

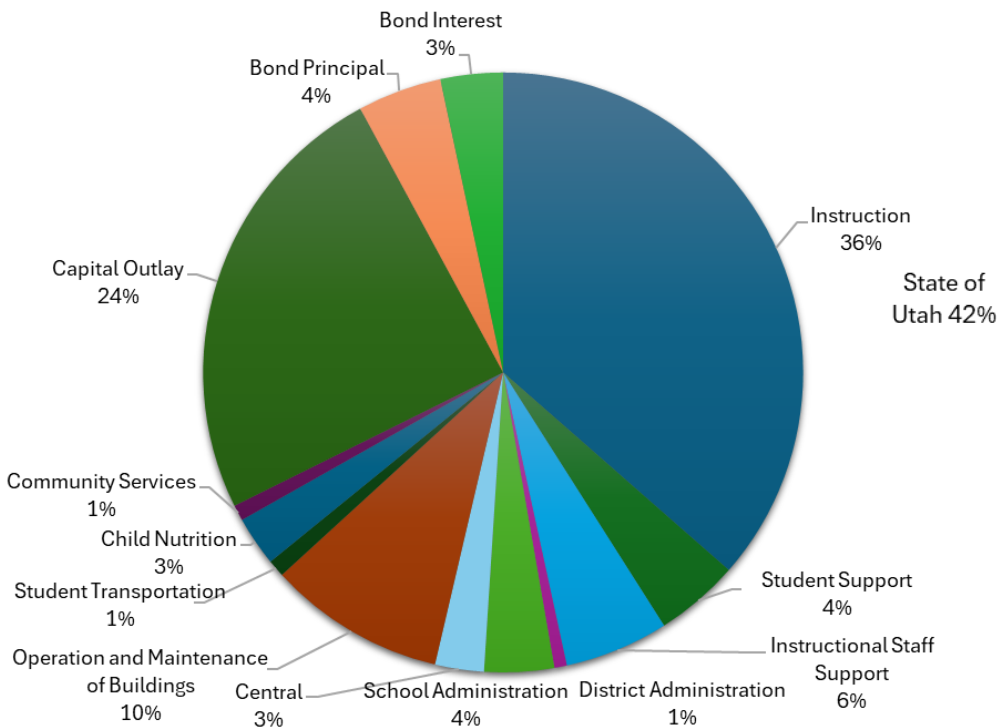
During the year ended June 30, 2024, combined fund balances decreased by \$32.2 million. Much of the decrease is in relation to building projects in the Capital Projects and Municipal Building Authority (MBA) funds. Other funds had minor increases and decreases due to regular operating activity. Property tax revenue increased by \$3.8 million or 4.9% due to new growth in taxable value. State revenue increased by \$8.7 million or 9.9% due to a \$214 or 5.0% increase in the Weighted Pupil Unit (WPU). Federal revenue increased by \$4.8 million primarily due to the final reimbursements of federal pandemic grants.

In fiscal year 2024, increases in expenditures across functions were primarily due to increases in normal costs for salaries and benefits and inflationary pressures on other expenditures categories. The instruction function increased due to salary increases and regular operating costs. Expenditures for capital outlay has increased due to the construction and renovation of schools. Voters approved a GO bond for the replacement of Timpview High in November 2020. The school board also approved a Municipal Building Authority bond for the replacement of two other schools in October 2021. Those projects are forecasted to be completed in fiscal year 2025. Other expenditures throughout the District remained relatively flat or slightly decreased.

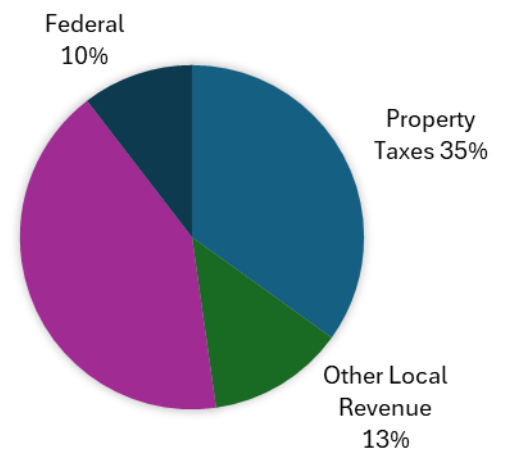
Revenue - All Funds



Expenditures by Function - All Funds



Revenue - All Funds



Property Taxes

Property taxes in Provo are levied for four separate entities. Provo City School District, Provo City, Utah County, and Central Utah Water Conservancy District all receive revenue from property taxes. The image below shows the amount per dollar that goes to each entity. While property taxes are lower for the other entities, the District only receives property taxes while other taxing entities have other sources of revenue such as sales tax, impact fees, user fees, lodging taxes, etc.

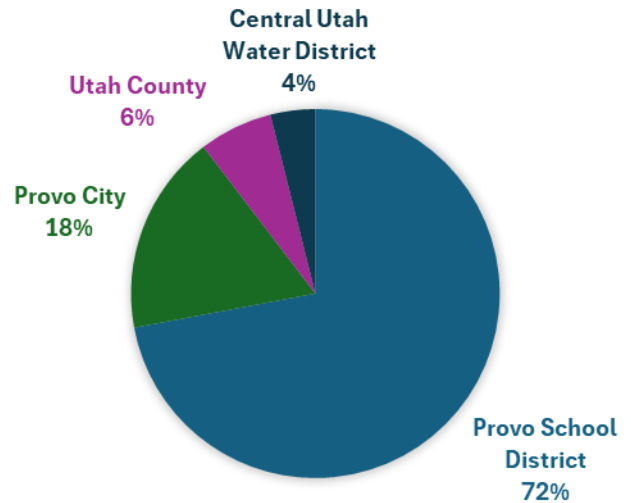
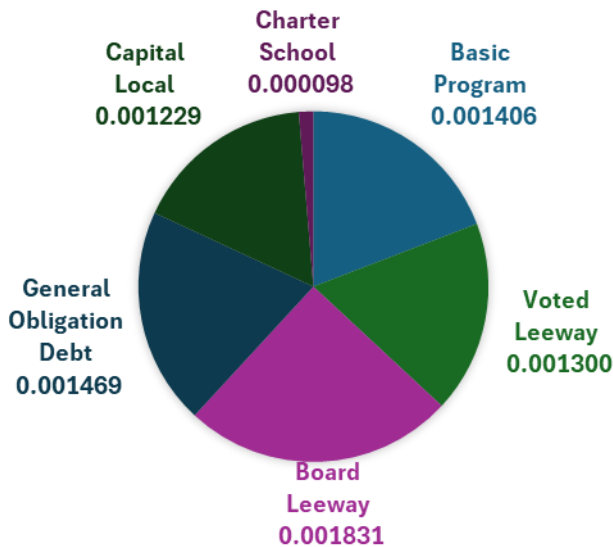


Provo City School District - 72%

Provo City
18%

Utah County
6%

CU Water
4%



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

What are Property Taxes?

Property taxes, also known as ad valorem taxes, are locally assessed taxes on property owned within the boundaries of the taxing unit – in this case Alpine School District. Everyone owning taxable property within PCSD’s boundaries pays property taxes to the District as well as to any applicable overlapping taxing entities (i.e. Provo City, Utah County, and Central Utah Water Conservancy District).

Local property taxes are governed by a state law referred to as Truth-in-Taxation (TNT). TNT is driven by revenue rather than rate. Generally, as taxable valuations of existing property increase due to county assessors’ annual adjustments to keep pace with market values, property tax rates decrease. For instance, if valuations of existing property increase by 20%, the property tax rate decreases by 16.7% to maintain revenue neutrality as demonstrated by the following equation – $(100\% + 20\%) * (100\% - 16.7\%) = 100\%$ of Original Tax = No Change. The reduced rate is known as the certified tax rate. This rate is then applied to all property, including new growth. While local governments receive increased revenue due to new growth, TNT does not include an automatic adjustment for inflation. If local governments want to exceed the certified tax rate, they must go through the TNT notification and hearing process.

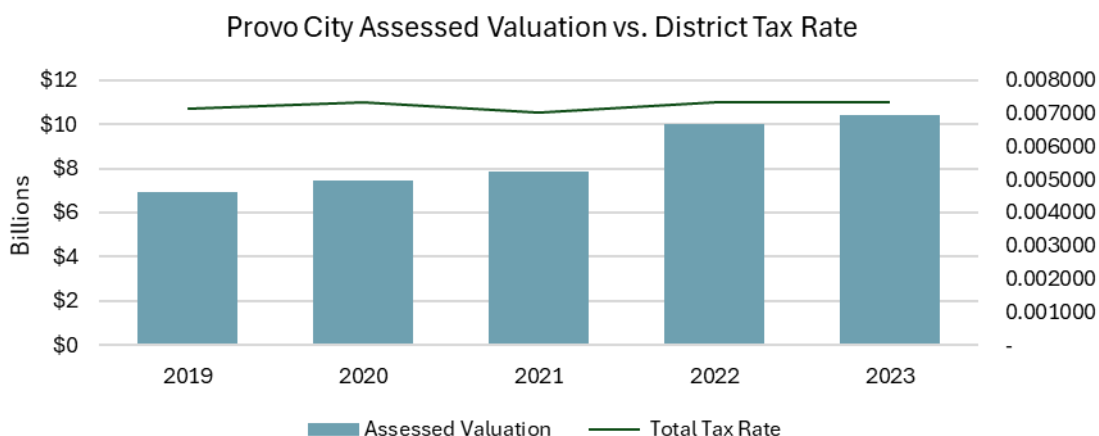
The state also assesses an annual uniform registration fee based on the age of motor vehicles in lieu of an ad valorem tax. Revenues collected in each county from motor vehicles is distributed by the county to each taxing entity in which the property is located in the same proportion as revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle registration fees as property tax.

Tax Rates

The PCSD Board of Education determines its local property tax rates with the exception of the Basic and Charter School rates, which are set by the state.

Taxable Values

The District has experienced sustained growth in taxable value over the past several years as a result of commercial and residential development. Taxable values of property within the District totaled \$10.4 billion in tax year 2023, an increase of 4.0% over the prior year.



General Fund Revenue

The General Fund is the District's primary operations fund and receives revenue from a combination of local, state, and federal sources. The primary revenue source is the state, followed by local, and then federal. The General Fund received \$176.7 million in revenue during fiscal year 2024, an increase of \$7.6 million or 18.4%.

State Sources



State aid accounts for 53.8% of the District's revenue in the General Fund. The State of Utah (State) guarantees a dollar amount for educational programs for each weighted pupil unit (WPU) of kindergarten, elementary, and secondary students – this is known as the minimum school program (MSP). The MSP is funded by income taxes and proceeds from the basic rate – a property tax set by the State that all school districts are required to levy. The amount generated by the basic rate has no effect on the District's revenue generation because the amount received per student will always be equal to the amount guaranteed by the Utah Legislature. What changes each year is the proportion of the guaranteed amount that is generated by local property taxes as compared to State aid.

Local Sources



Local revenue accounts for 34.9% of the District's revenue in the General Fund. As part of the Utah Legislature's recognition that local school districts "should be empowered to provide educational facilities and opportunities beyond the minimum program and accordingly provide a method whereby that latitude of action is permitted and encouraged," school districts are allowed to set certain property tax levies to raise additional funds for their local schools. Each year, the District receives a certified tax rate from the Utah State Tax Commission (USTC). The certified tax rate is set so the District can raise the same amount of property tax revenue as the prior year allowing for new growth. The certified tax rate is adjusted each year based upon the change of the assessed value of property within the boundaries of the District. There is no inflationary factor built into the certified rate. Besides property taxes, there is other local revenue such as interest on investments and preschool tuition.

Federal Sources

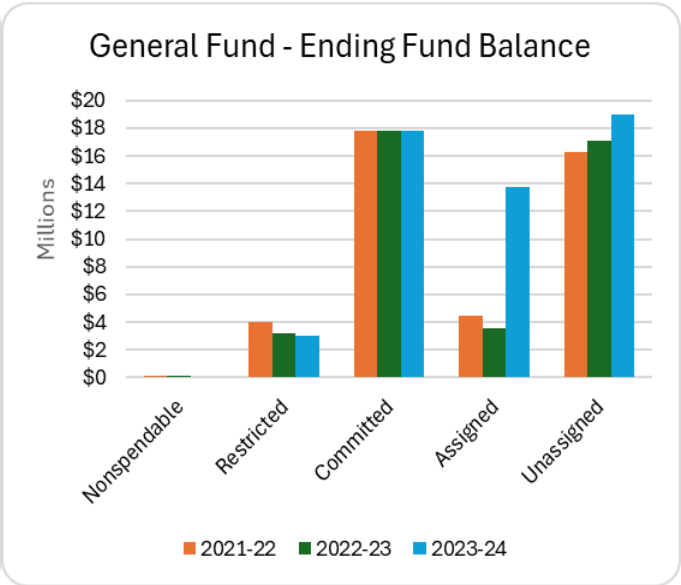
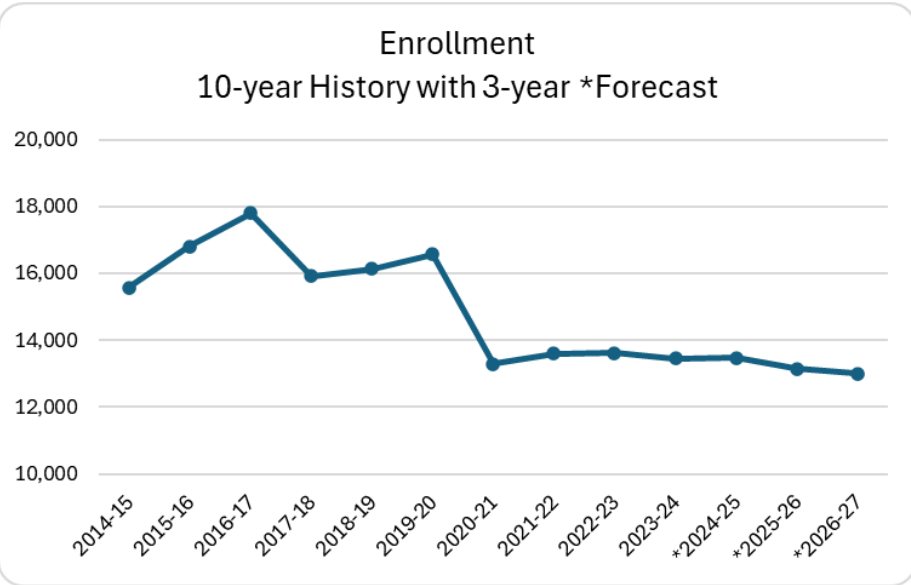
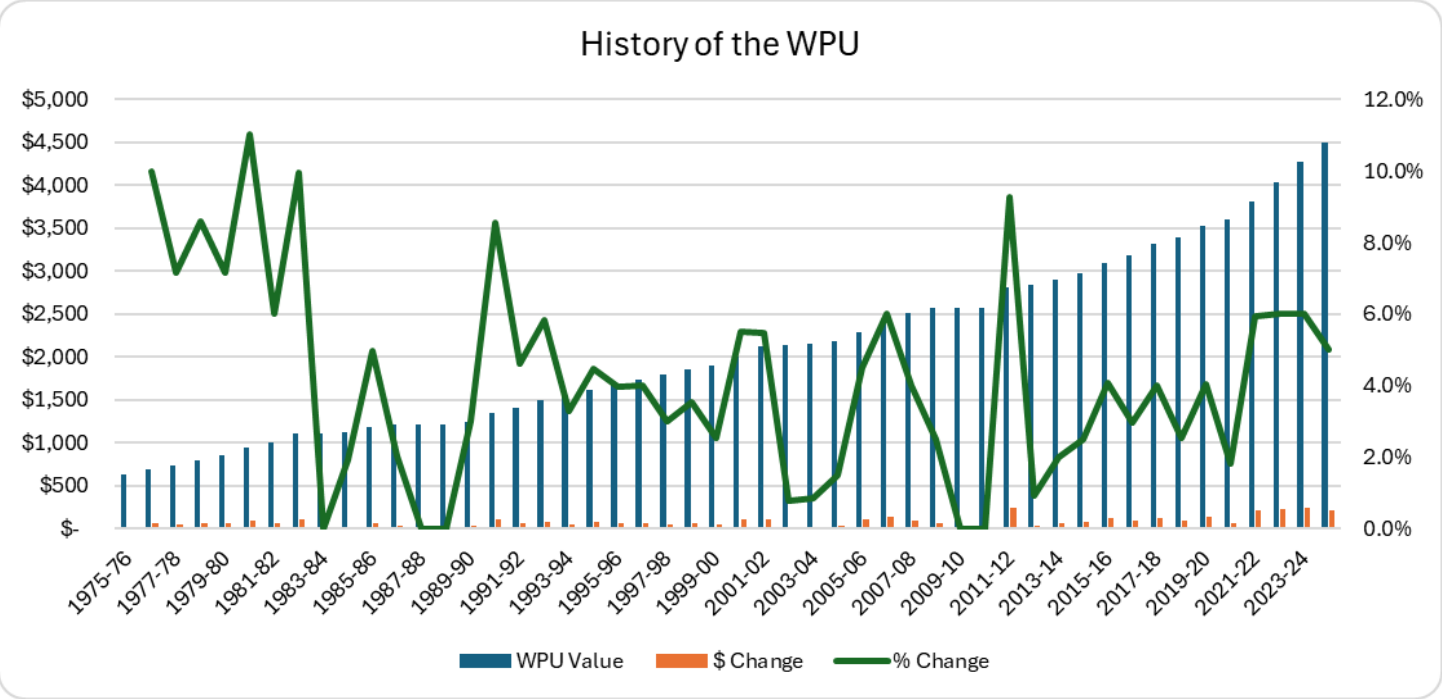


Federal aid accounts for 11.3% of the District's revenue in the General Fund. Federal funds are earmarked for specific purposes such as special education and the economically disadvantaged.

Fund Balance

Each year, the unused portion of the District's operating budget reverts into the ending fund balance. This balance is then available as a resource in the subsequent year. Fund balance is committed and assigned for purposes such as economic stabilization. As of June 30, 2024, the ending fund balance was \$53.5 million.

General Fund Revenue	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
Property taxes	\$ 35,541,842	\$ 41,473,053	\$ 49,096,894
Earnings on investments	281,708	3,819,527	7,097,506
Other local sources	4,517,820	5,530,160	5,457,701
State sources	77,841,829	85,206,842	95,009,658
Federal sources	19,690,192	14,771,763	19,989,985
Total revenue	\$ 137,873,391	\$ 150,801,345	\$ 176,651,744



General Fund Expenditures

The District provides a wide array of educational services to the community. During fiscal year 2024, the District had \$156.0 million in General Fund expenditures. The majority of these expenditures are for employee salaries and benefits, which reflects the District's commitment to its most important asset - its dedicated employees.

General Fund Expenditures by Function. Function codes are used to describe the activity for which a service or commodity is acquired.



Instruction. \$94.1 million. Activities dealing directly with the interaction between teachers and students - such as teacher salaries, textbooks, instructional supplies, and classroom aides.



School Administration. \$10.0 million. Activities concerned with leadership responsibility for a school - such as principals, assistant principals, and front office staff.



Student Support. \$12.1 million. Activities that are designed to assess and improve the well-being of students and to supplement the teaching process - such as guidance counselors, nurses, and speech pathologists.



Central Services. \$7.1 million. Activities that support other leadership and instructional functions - such as human resources, information technology, and business services.



Instructional Staff Support. \$15.0 million. Activities associated with assisting instructional staff with the content and process of providing learning experiences for students - such as librarians, computer technicians, and teacher professional development.



Operation & Maintenance of Facilities. \$12.6 million. Activities concerned with keeping facilities open, comfortable, and safe for use - such as utilities, custodian, maintenance, grounds, etc.



District Administration. \$1.8 million. Activities concerned with establishing and administering policy in connection with operating the District - such as the Board, Superintendent, external audits, legal counsel, and other leadership costs.



Student Transportation. \$2.5 million. Activities associated with the conveyance of students to and from school - such as bus drivers, school buses, fuel, mechanics, etc.



Child Nutrition. \$0.0 million. Activities associated with providing breakfast and lunch to students.

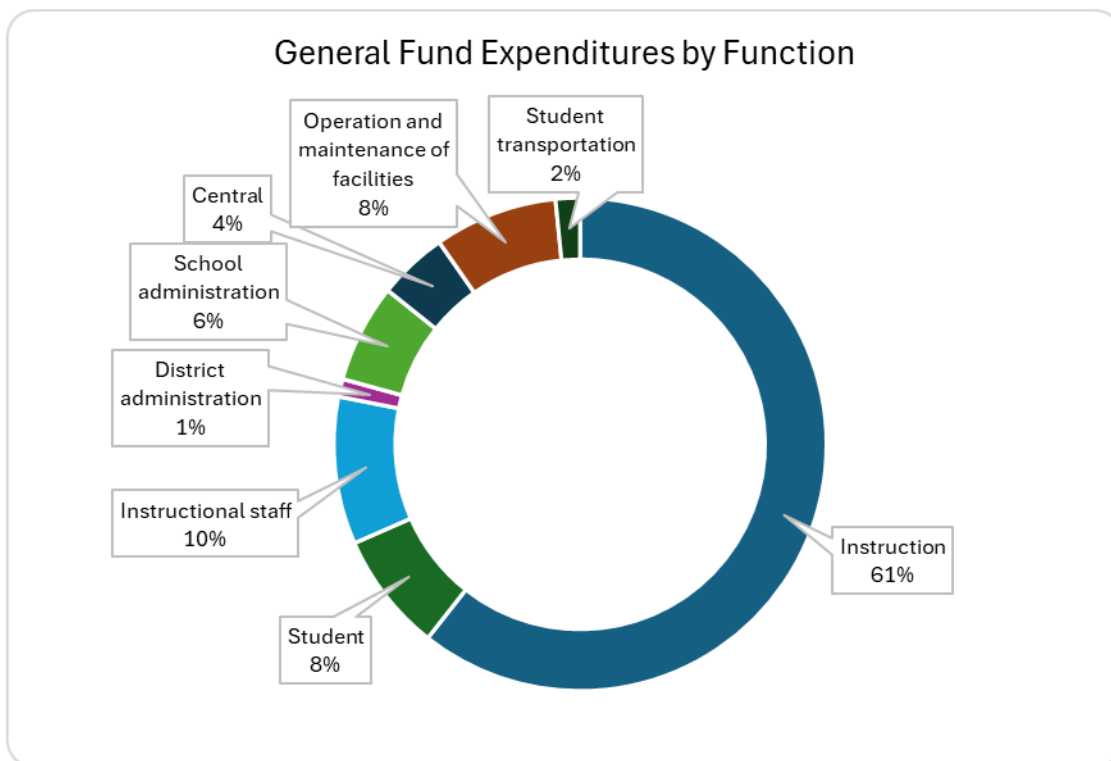


Community Services. \$0.0 million. Activities benefiting the community as a whole.

The District is committed to providing adequate resources to our schools and teachers by utilizing our scarce resources in the most effective and efficient way possible. This commitment is apparent by observing the amount spent on instruction and instruction-related functions. 86.2% of all General Fund expenditures are directly related to students and schools (instruction, student support, instructional staff support, school administration, and student transportation).

The following table presents General Fund expenditures by function for the past three fiscal years.

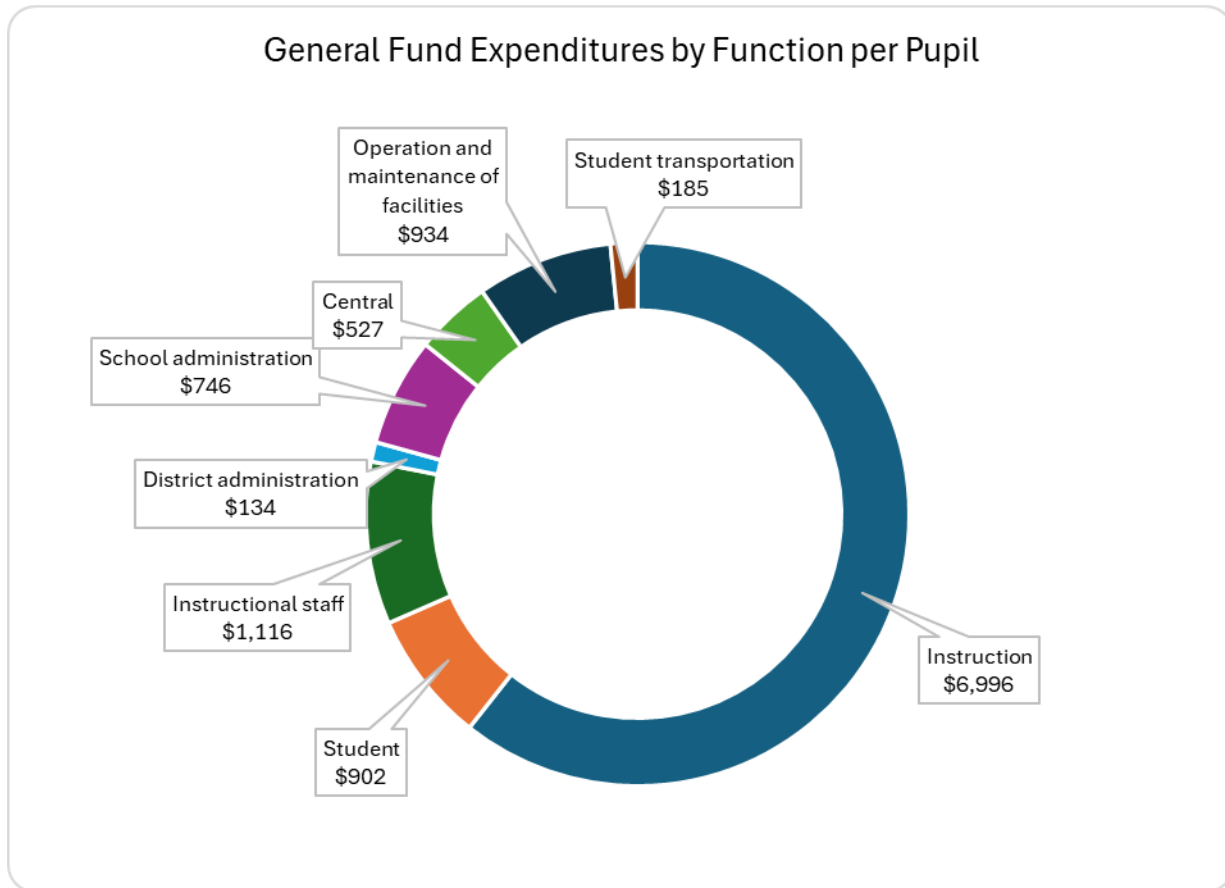
General Fund Expenditures by Function	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
Instruction	\$ 86,248,769	\$ 87,067,650	\$ 94,131,845
Support services			
Student	10,309,708	11,290,286	12,140,634
Instructional staff	12,143,030	15,931,050	15,021,585
District administration	2,499,677	1,729,266	1,805,670
School administration	8,472,991	9,413,916	10,035,195
Central	6,412,005	7,115,142	7,089,136
Operation and maintenance of facilities	8,054,247	13,864,227	12,566,765
Student transportation	2,475,874	2,247,304	2,491,962
Child nutrition	82,949	-	-
Community services	133,733	-	-
Total expenditures	\$ 136,832,983	\$ 148,658,841	\$ 155,282,792



General Fund Expenditures

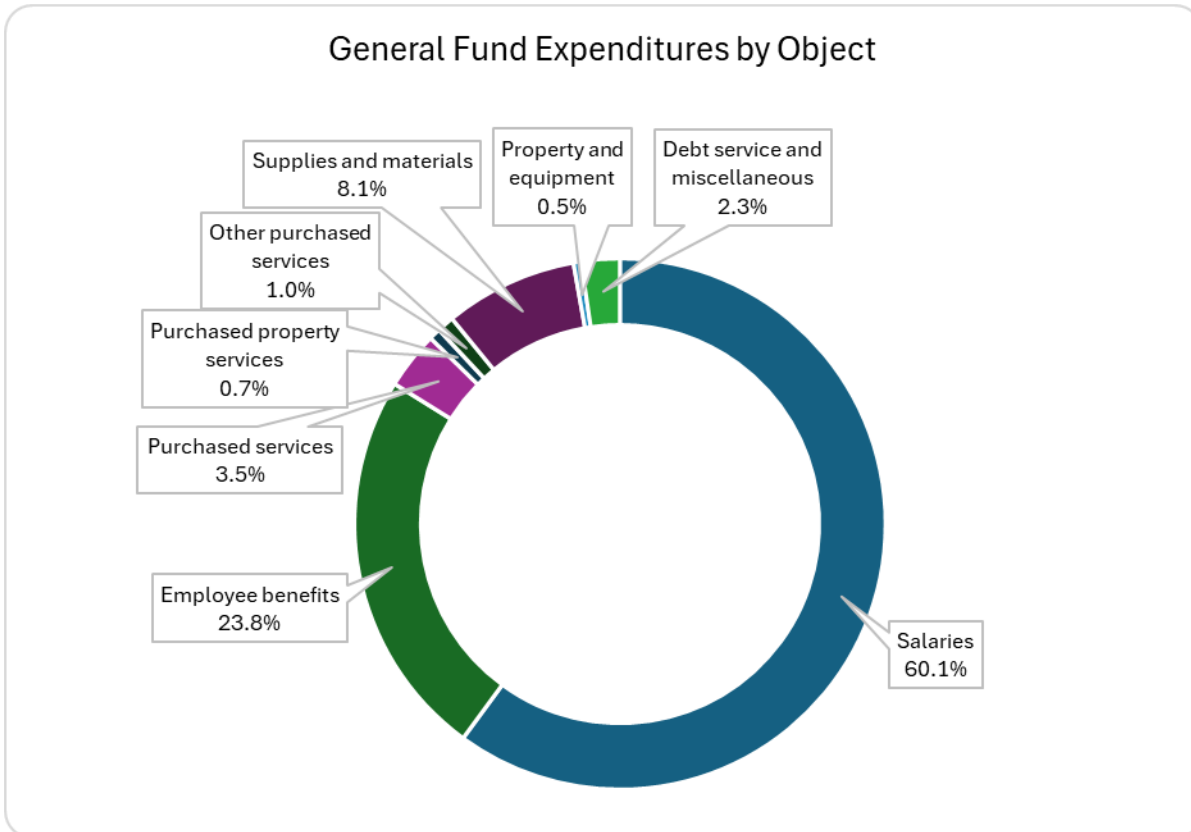
General Fund Expenditures by Function per Pupil. Function codes are used to describe the activity for which a service or commodity is acquired. The following table presents expenditures by function per pupil for the past three fiscal years.

General Fund Expenditures by Function per Pupil	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
Instruction	\$ 6,346	\$ 6,397	\$ 6,996
Support services			
Student	759	829	902
Instructional staff	893	1,170	1,116
District administration	184	127	134
School administration	623	692	746
Central	472	523	527
Operation and maintenance of facilities	593	1,019	934
Student transportation	182	165	185
Child nutrition	6	-	-
Community services	10	-	-
Total expenditures per pupil	\$ 10,068	\$ 10,922	\$ 11,540
Fall student enrollment count	13,592	13,611	13,455



General Fund Expenditures by Object (Type). Object codes are used to describe the service or commodity obtained as a result of a specific expenditure.

General Fund Expenditures by Object	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
Salaries <i>includes salaries & wages for employees</i>	\$ 81,375,085	\$ 85,713,693	\$ 93,707,774
Employee benefits <i>includes benefits such as medical insurance & retirement</i>	35,166,819	36,122,117	37,115,950
Purchased services <i>includes contract services provided by vendors</i>	4,278,756	5,016,740	5,460,208
Purchased property services <i>includes services such as construction, utilities, & insurance</i>	177,045	2,491,292	1,099,558
Other purchased services <i>includes services such as student fieldtrips & overnight travel</i>	1,218,959	1,630,289	1,603,143
Supplies and materials <i>includes textbooks, instructional supplies & software, fuel, etc.</i>	11,536,577	13,871,599	12,638,898
Property and equipment <i>includes capital assets such as equipment, land, & buses</i>	699,859	719,834	728,580
Debt service and miscellaneous <i>includes servicing debt such as bonds & misc. expenses</i>	2,379,883	3,093,277	3,657,261
Total expenditures	\$ 136,832,983	\$ 148,658,841	\$ 156,011,372



Capital Projects Fund Revenue

The purpose of the Capital Projects Fund is to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing quality educational programs for all students within the District. Financing is provided by the capital local property tax levy as authorized by Utah Code 53F-8-303 and from general obligation bond proceeds.

Local Sources



The capital local levy is the main source of revenue for the District's Capital Projects Fund. In fiscal year 2024, it generated \$13.3 million, which equates to 92.4% of all revenue in this fund.

State Sources



State aid is rarely allotted by the state to school districts for capital projects. School districts must rely on debt such as general obligation or lease revenue bonds to finance large construction projects such as building new schools, renovating existing schools, or acquiring land.

In fiscal year 2023, the state awarded school districts one-time capital grants to help with any qualified needs. This money was used to help replace HVAC controls that had become outdated.

Federal Sources



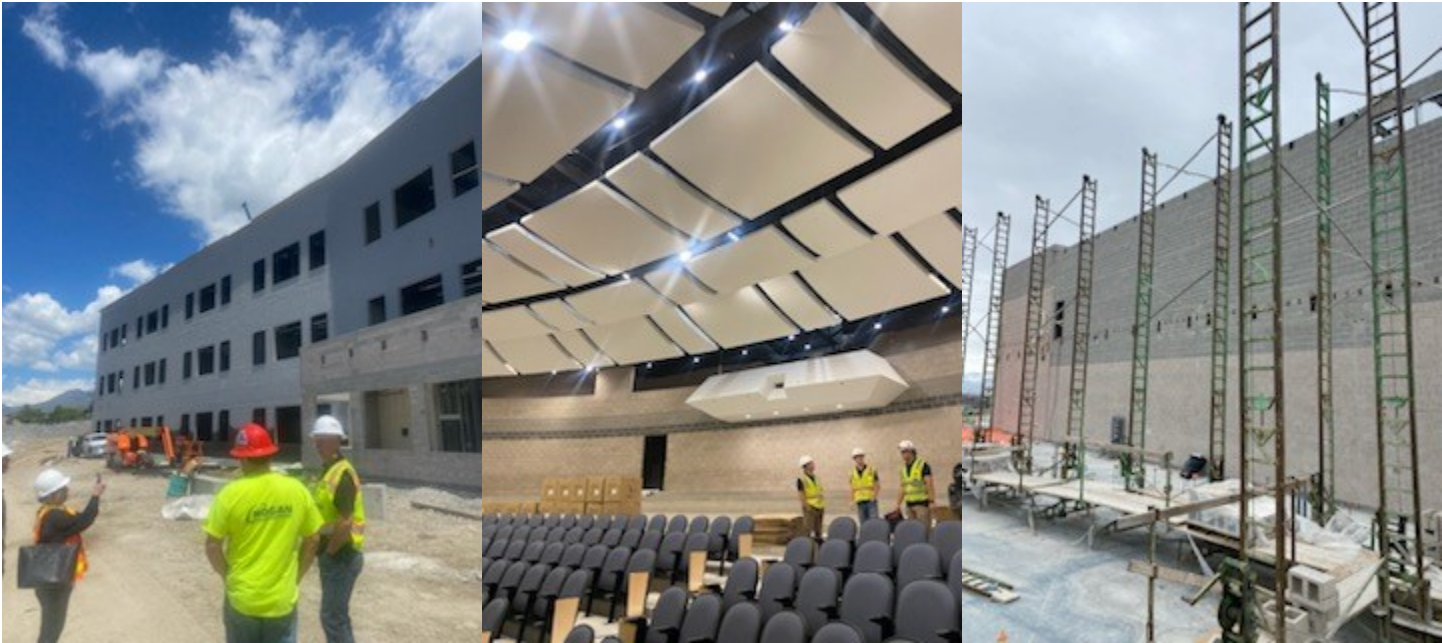
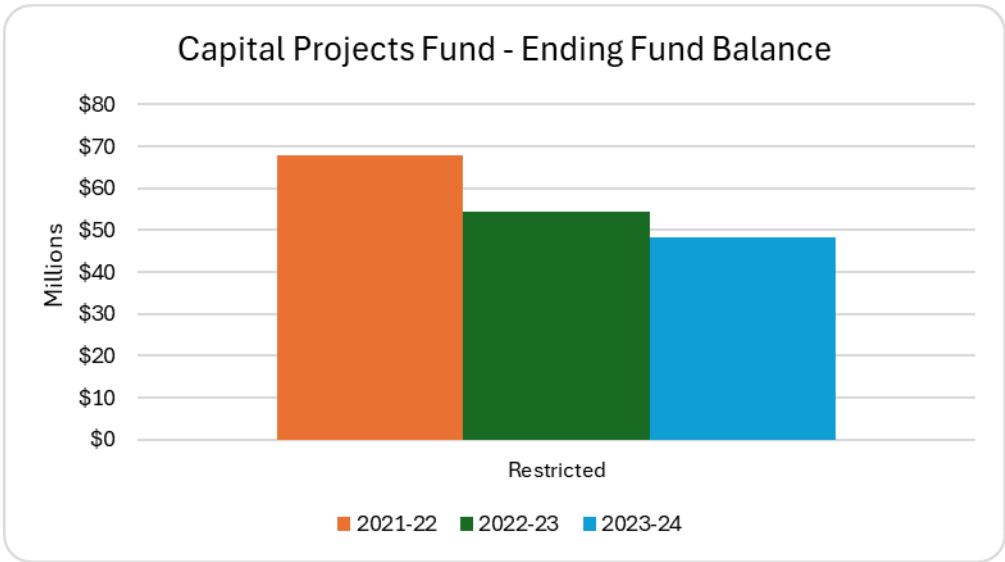
The federal government does not provide aid to the District for the Capital Projects Fund.

Fund Balance

Each year, the unused portion of the District's capital outlay budget reverts into the ending fund balance. This balance is then available as a resource in the subsequent year. Any remaining fund balance is restricted for future capital and maintenance needs such as parking lot resurfacing, roof repair or replacement, building improvements, site improvements, playground repair and replacement, grounds maintenance, safety equipment, school buses, white fleet vehicles, etc.

In fiscal year 2024, the fund balance decreased by \$7.9 million or 35.5% for an ending fund balance of \$14.4 million. This decrease was due to expending the remaining general obligation bond proceeds on the renovation of Timpview High.

Capital Projects Fund Revenue	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
Property taxes	\$ 10,411,199	\$ 19,184,956	\$ 13,306,293
Earnings on investments	338,257	1,345,273	943,502
Other local sources	1,701,496	-	155,667
State sources	-	1,805,798	-
Federal sources	-	-	-
Total revenue	\$ 12,450,952	\$ 22,336,027	\$ 14,405,462



Capital Projects Fund Expenditures

The District is committed to providing adequate, safe, and comfortable learning facilities for its students and teachers. To that end, the District engages in prudent short- and long-term capital planning and regularly updates its 5- and 10-year capital plan based upon patron feedback and student enrollment projections.

Capital Facilities Committee

The Capital Facilities Committee (Committee) is responsible for forecasting, planning, and monitoring capital outlay needs throughout the District. The Committee is made up of members of the Board of Education, Maintenance personnel, Business Services personnel, members of Cabinet, and principals.

The Committee meets periodically throughout the year to ensure all buildings and capital assets throughout the District are properly maintained and safe for students and staff. The Committee ensures that the District's capital plan is up-to-date and scarce resources are allocated effectively and efficiently.

Capital Projects approved by the Capital Facilities Committee for Fiscal Year 2023-24		
Location	Project Description	Amount
All schools	Safety & security upgrades	\$ 925,000
All schools	Flooring	600,000
Centennial Middle	Roof repairs	555,122
Spring Creek Elementary	Site assessment by engineer & repairs	500,000
All schools	Playground repair & replacement	500,000
All schools	Small repairs budget	500,000
All schools	Parking lot repairs & resurfacing	500,000
Transportation	Purchase three school buses	500,000
Frankling Elementary	Roof repairs	334,001
All schools	Painting	200,000
Westridge Elementary	Replace divider between gym & lunchroom	160,000
Independence High	Replace makeup air unit for kitchen area	160,000
Amelia Earhart Elementary	Replace makeup air unit for kitchen area	160,000
Frankling Elementary	Install safety lights in southeast parking lot	120,000
Canyon Crest Elementary	Replace partition	113,673
Technology Department	HVAC repairs	80,000
Amelia Earhart Elementary	New playground	80,000
All schools	Custodial equipment	75,000
Westridge Elementary	Replace failing alteron controls (HVAC)	70,000
Lakeview Elementary	Replace the Square D VFD's (HVAC)	70,000
Canyon Crest Elementary	Replace failing alteron controls (HVAC)	40,000
Total estimated cost:		\$ 6,242,796

Capital Projects Fund Expenditures

Capital Projects Fund Expenditures	Fiscal Year	Fiscal Year	Fiscal Year
	2021-22	2022-23	2023-24
Capital outlay:			
Salaries	\$ 1,126,862	\$ -	\$ -
Employee benefits	522,366	-	-
Purchased services	-	400	-
Purchased property services	32,869,201	26,392,391	18,643,229
Other purchased services	-	-	-
Supplies and materials	738,509	902,302	1,144,267
Property and equipment	641,869	8,536,400	9,219,201
Debt service and miscellaneous	19	-	-
Debt service:			
Notes payable principal	45,863	-	72,122
Notes payable interest	9,112	-	1,018
Total revenue	\$ 35,953,801	\$ 35,831,493	\$ 29,079,837

Location	Year Built or Substantially Renovated	Square Footage
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	2024	88,417
Westridge	1979	73,928
Secondary Schools:		
Centennial Middle	1996	144,795
Shoreline Middle	2024	173,668
Provo High	2018	325,842
Timpview High	1974	409,803
Independence High	1992	48,121
Other Buildings:		
Oakridge	1979	43,992
District Office	1965	28,875
Dixon Site	1931	124,276
Grandview Learning Center	1949	69,546
Technology Auxiliary Services	2016	10,477
Transportation	2018	12,964

Municipal Building Authority Fund Revenue

The Municipal Building Authority (MBA) Fund, a separate legal entity of the District with legal authority to issue bonds on its behalf, is a capital projects fund that was established to account for proceeds from the issuance of lease revenue bonds, which are used for the purpose of acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for quality educational programs.

The MBA Fund was created because the District faced the issue of aging buildings. Dixon Middle was originally built in 1931 and Wasatch Elementary was built in 1949. Both schools were in need of significant repairs and upgrades, all of which are more expensive for aging buildings. The determination was made to issue lease revenue bonds by the Provo City School District Municipal Building Authority, a separate legal entity of the district with legal authority to issue bonds on its behalf. Bonds were issued in fiscal year 2022 and planning began immediately. Construction on the sites began in late fiscal year 2022.

Local Sources

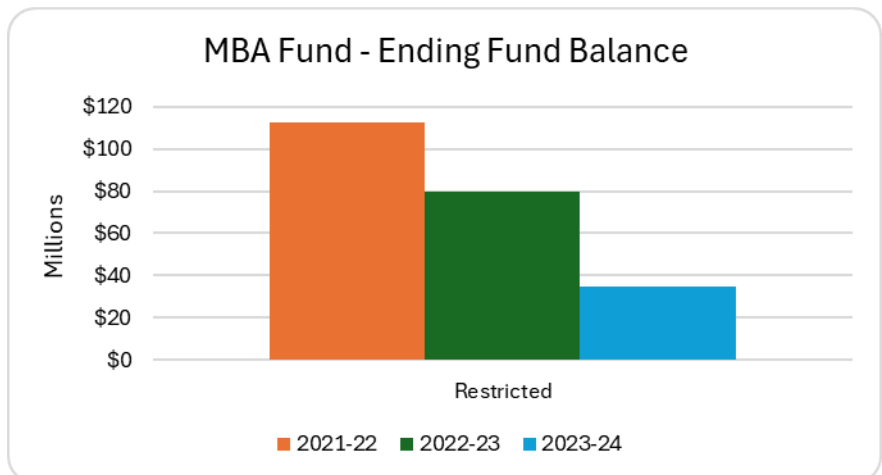


The MBA fund receives an annual lease payment from the Capital Projects Fund and investment earnings on cash held in interest-bearing accounts. The annual payment from the Capital Projects Fund is funded by the capital local levy. This fund does not receive state or federal aid.

Municipal Building Authority Fund Revenue	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
Earnings on investments	\$ -	\$ 3,380,546	\$ 3,321,858
Other local sources	199,197	7,755,107	7,487,329
State sources	-	-	-
Federal sources	-	-	-
Total revenue	\$ 199,197	\$ 11,135,653	\$ 10,809,187

Fund Balance

Each year, the unused portion of the MBA budget reverts into ending fund balance. This balance is then available as a resource in the subsequent year. Any remaining fund balance is restricted. In fiscal year 2024, fund balance decreased by \$45.5 million or 40.4% for an ending fund balance of \$67.1 million. This decrease was due to expending the lease revenue bond proceeds on the construction of Wasatch Elementary and Shoreline Middle (replaced Dixon Middle).



Municipal Building Authority Fund Expenditures

Municipal Building Authority Fund Expenditures	Fiscal Year	Fiscal Year	Fiscal Year
	2021-22	2022-23	2023-24
Capital outlay:			
Purchased services	\$ 2,684,401	\$ 36,428,536	\$ 48,998,613
Debt service:			
Lease revenue bond principal	-	2,951,540	3,300,000
Lease revenue bond interest	79,413	4,294,526	3,997,683
Bond issuance cost and paying agent fees	1,125,625	5,500	5,500
Total expenditures	\$ 3,889,439	\$ 43,674,602	\$ 56,301,796

Bonds are the District's primary method of raising funds sufficient to build new schools and make needed renovations to existing facilities. Information regarding outstanding lease revenue bonds and required debt service by fiscal year is presented below. The debt service schedule for the District's outstanding general obligation bonds as well as the District's legal debt limit is presented in the Debt Service Fund Expenditures section.

The District's current bond rating is Aa3, as determined by Moody's Investor Services, Inc.

Fiscal Year	Lease Revenue Bond Debt Service Schedule						Grand Total
	Series 2010		Series 2022		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ -	\$ 79,483	\$ 3,465,000	\$ 3,753,200	\$ 3,465,000	\$ 3,832,683	\$ 7,297,683
2026	6,462,000	79,483	3,635,000	3,579,950	10,097,000	3,659,433	13,756,433
2027	-	-	3,820,000	3,398,200	3,820,000	3,398,200	7,218,200
2028	-	-	4,010,000	3,207,200	4,010,000	3,207,200	7,217,200
2029	-	-	4,210,000	3,006,700	4,210,000	3,006,700	7,216,700
2030	-	-	4,420,000	2,796,200	4,420,000	2,796,200	7,216,200
2031	-	-	4,640,000	2,575,200	4,640,000	2,575,200	7,215,200
2032	-	-	4,875,000	2,343,200	4,875,000	2,343,200	7,218,200
2033	-	-	5,115,000	2,099,450	5,115,000	2,099,450	7,214,450
2034	-	-	5,375,000	1,843,700	5,375,000	1,843,700	7,218,700
2035	-	-	5,590,000	1,628,700	5,590,000	1,628,700	7,218,700
2036	-	-	5,810,000	1,405,100	5,810,000	1,405,100	7,215,100
2037	-	-	6,045,000	1,172,700	6,045,000	1,172,700	7,217,700
2038	-	-	6,225,000	991,350	6,225,000	991,350	7,216,350
2039	-	-	6,410,000	804,600	6,410,000	804,600	7,214,600
2040	-	-	6,605,000	612,300	6,605,000	612,300	7,217,300
2041	-	-	6,800,000	414,150	6,800,000	414,150	7,214,150
2042	-	-	7,005,000	210,150	7,005,000	210,150	7,215,150
Total	\$ 6,462,000	\$ 158,966	\$ 94,055,000	\$ 35,842,050	\$ 100,517,000	\$ 36,001,016	\$ 136,518,016

Debt Service Fund Revenue

The Debt Service fund is used to account for the accumulation of resources and the payment of general obligation bonds. The voters of the District have authorized the issuance of general obligation bonds for the purpose of acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for quality educational programs for all students within the District. The bonds are general obligations of the Board of Education payable from the proceeds of a property tax levy that is sufficient to pay the principal and interest as it becomes due.

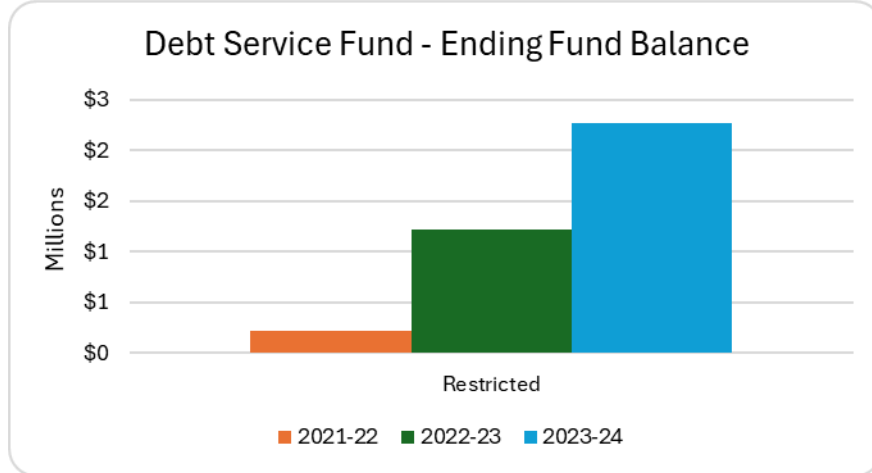
Local Sources



The debt service levy is intended to fund the payment of principal and interest on the District’s general obligation bonds. Property tax revenue in fiscal year 2024 was \$15.9 million. This represents an increase of \$1.6 million or 10.9% from the prior year. This fund does not receive state or federal aid.

Fund Balance

Each year, the unused portion of the Debt Service Fund’s budget reverts into ending fund balance. This balance is then available as a resource in the subsequent year. Any remaining fund balance is restricted. In fiscal year 2024, fund balance increased by \$1.1 million or 87.2% for an ending fund balance of \$2.3 million. This increase was due to higher than expected property tax collections.



Debt Service Fund Revenue	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
Property taxes	\$ 11,141,801	\$ 14,327,908	\$ 15,894,362
Earnings on investments	6,618	5,642	43,125
State sources	-	-	-
Federal sources	-	-	-
Total revenue	\$ 11,148,419	\$ 14,333,550	\$ 15,937,487

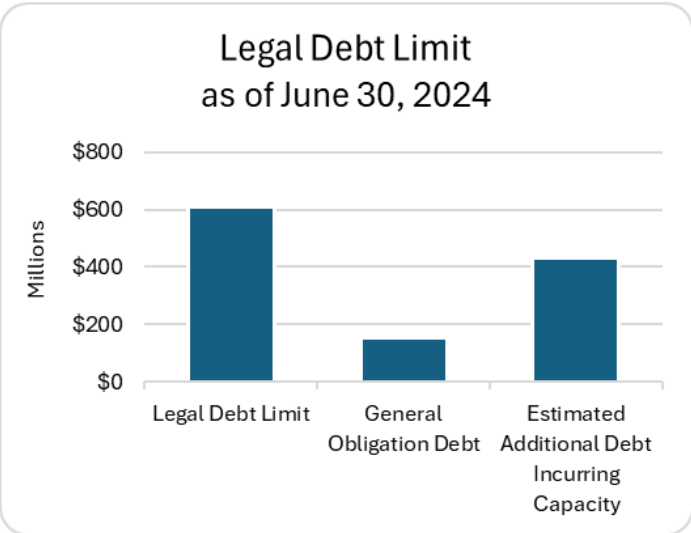
Debt Service Fund Expenditures	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
Debt service:			
General obligation bond principal	\$ 19,960,000	\$ 7,970,000	\$ 8,840,000
General obligation bond interest	6,068,439	5,364,370	5,035,560
Bond issuance cost and paying agent fees	92,404	3,500	4,500
Total expenditures	\$ 26,120,843	\$ 13,334,370	\$ 13,880,060

The approximate fair value of taxable property in Provo for tax year 2023 was \$15.4 billion, which means the District’s legal debt limit is approximately \$609.7 million. The District’s general obligation debt outstanding is \$153.2 million plus unamortized bond premium of \$25.3 million, means the District is using 29.3% of its legal debt limit as of June 30, 2024 - far less than what is allowed by law.

In fiscal year 2021-22, the District refunded bonds that were originally issued in fiscal year 2006-07 to take advantage of lower interest rates. These bonds had been previously refunded in 2014-15. The original bond along with the Qualified School Construction Bonds (QSCB) lease revenue bonds were used to rebuild Timpanogos and Provo Peaks Elementary. Lakeview Elementary was also built with these bonds, along with several seismic upgrades at several other schools.

The 2015 and 2016 GO bonds were authorized in November 2014 and issued in two separate transactions to rebuild Provo High School on a new site, and rebuild four elementary schools—Edgemont Elementary, Sunset View Elementary, Rock Canyon Elementary and Provost Elementary on existing sites.

Although the District is conservative in its debt practices and avoids excessive, unnecessary debt, balance must be achieved when considering the safety and security of the District’s buildings. Long-term debt is effectively the only option for school districts in Utah to fund large projects, as the state provides no financial assistance to school districts when they need to construct new schools or renovate existing ones.



Debt Service Fund Expenditures

Bonds are the District's primary method of raising funds sufficient to build new schools and make needed renovations to existing facilities. The debt service schedule for outstanding GO bonds is presented below.

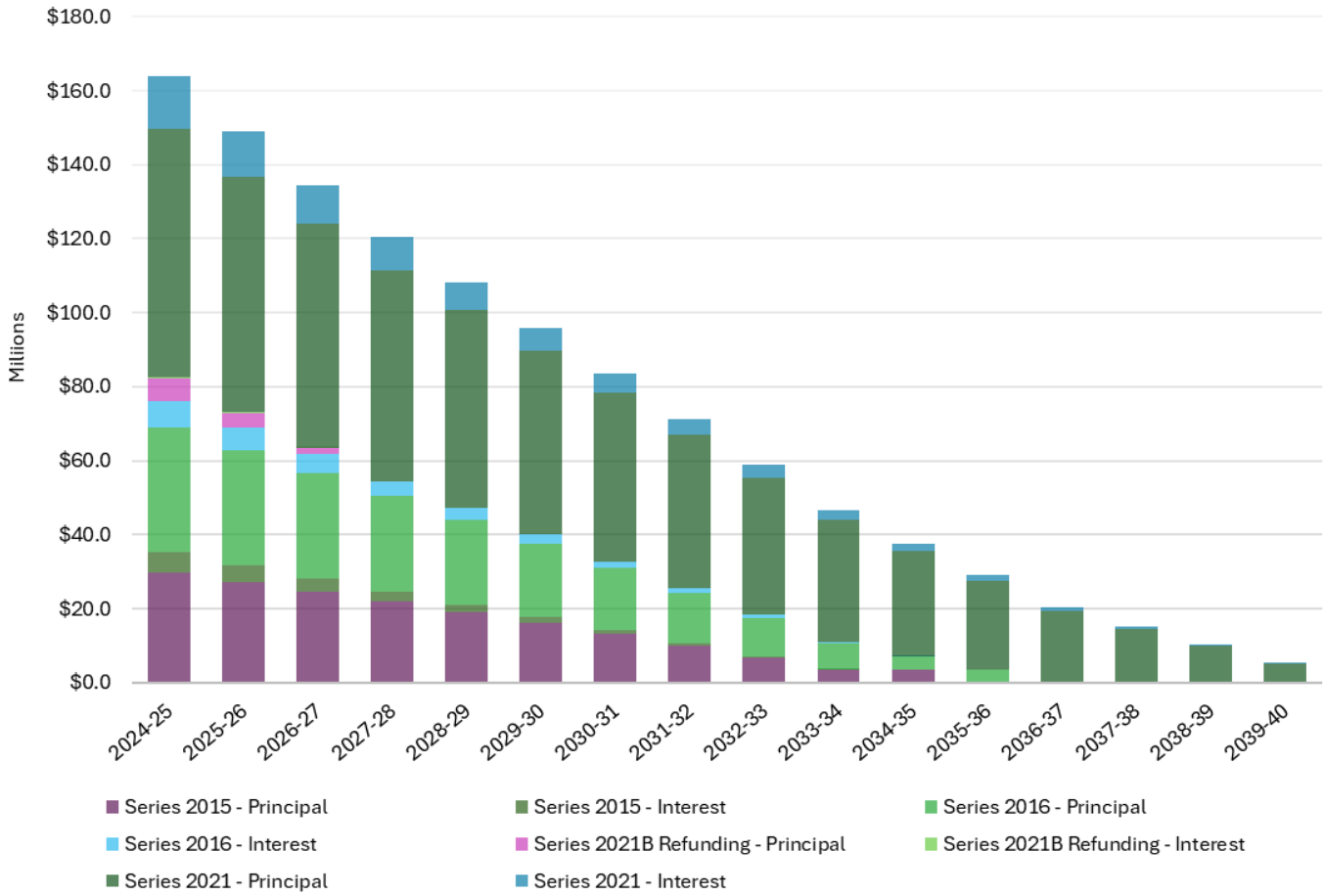
Bond Rating

A credit rating is given to the debt obligations of the District by Moody's Investor Services, Inc. The letter designation represents the quality of bonds. The higher the rating, the less risk a potential investor assumes. This District is rated Aa3. The District enjoys lower borrowing costs and greater investor interest in its bonds

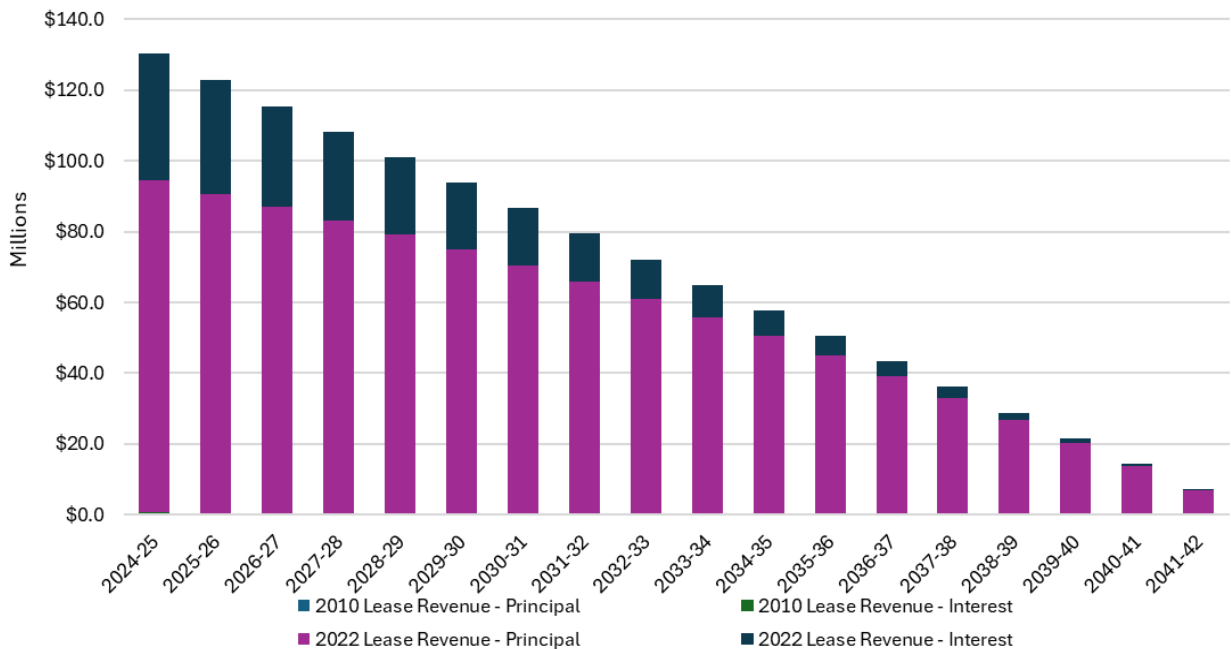
Fiscal Year	Series 2015		Series 2016		Series 2021B Refunding	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 2,510,000	\$ 1,006,700	\$ 2,475,000	\$ 1,260,813	\$ 2,080,000	\$ 294,250
2026	2,580,000	937,675	2,600,000	1,137,063	2,185,000	190,250
2027	2,655,000	860,275	2,725,000	1,007,063	1,620,000	81,000
2028	2,735,000	780,625	2,775,000	952,563	-	-
2029	2,830,000	684,900	2,825,000	897,063	-	-
2030	2,930,000	585,850	2,950,000	784,063	-	-
2031	3,035,000	483,300	3,075,000	666,063	-	-
2032	3,125,000	392,250	3,150,000	566,125	-	-
2033	3,220,000	298,500	3,275,000	463,750	-	-
2034	3,315,000	201,900	3,375,000	357,313	-	-
2035	3,415,000	102,450	3,475,000	247,625	-	-
2036	-	-	3,600,000	126,000	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
	\$ 32,350,000	\$ 6,334,425	\$ 36,300,000	\$ 8,465,504	\$ 5,885,000	\$ 565,500

	Series 2021		Totals		Grand Total
	Principal	Interest	Principal	Interest	
2025	\$ 2,710,000	\$ 2,093,048	\$ 9,775,000	\$ 4,654,811	\$ 14,429,811
2026	3,285,000	1,957,548	10,650,000	4,222,536	14,872,536
2027	3,280,000	1,793,298	10,280,000	3,741,636	14,021,636
2028	3,445,000	1,629,298	8,955,000	3,362,486	12,317,486
2029	3,615,000	1,457,048	9,270,000	3,039,011	12,309,011
2030	3,800,000	1,276,298	9,680,000	2,646,211	12,326,211
2031	3,990,000	1,086,298	10,100,000	2,235,661	12,335,661
2032	4,185,000	886,798	10,460,000	1,845,173	12,305,173
2033	4,270,000	803,098	10,765,000	1,565,348	12,330,348
2034	4,355,000	717,698	11,045,000	1,276,911	12,321,911
2035	4,445,000	630,598	11,335,000	980,673	12,315,673
2036	4,520,000	552,810	8,120,000	678,810	8,798,810
2037	4,600,000	473,710	4,600,000	473,710	5,073,710
2038	4,690,000	381,710	4,690,000	381,710	5,071,710
2039	4,780,000	292,600	4,780,000	292,600	5,072,600
2040	4,875,000	197,000	4,875,000	197,000	5,072,000
2041	4,975,000	99,500	4,975,000	99,500	5,074,500
	\$ 69,820,000	\$ 16,328,358	\$ 144,355,000	\$ 31,693,787	\$ 176,048,787

Debt Waterfall - General Obligation Bonds



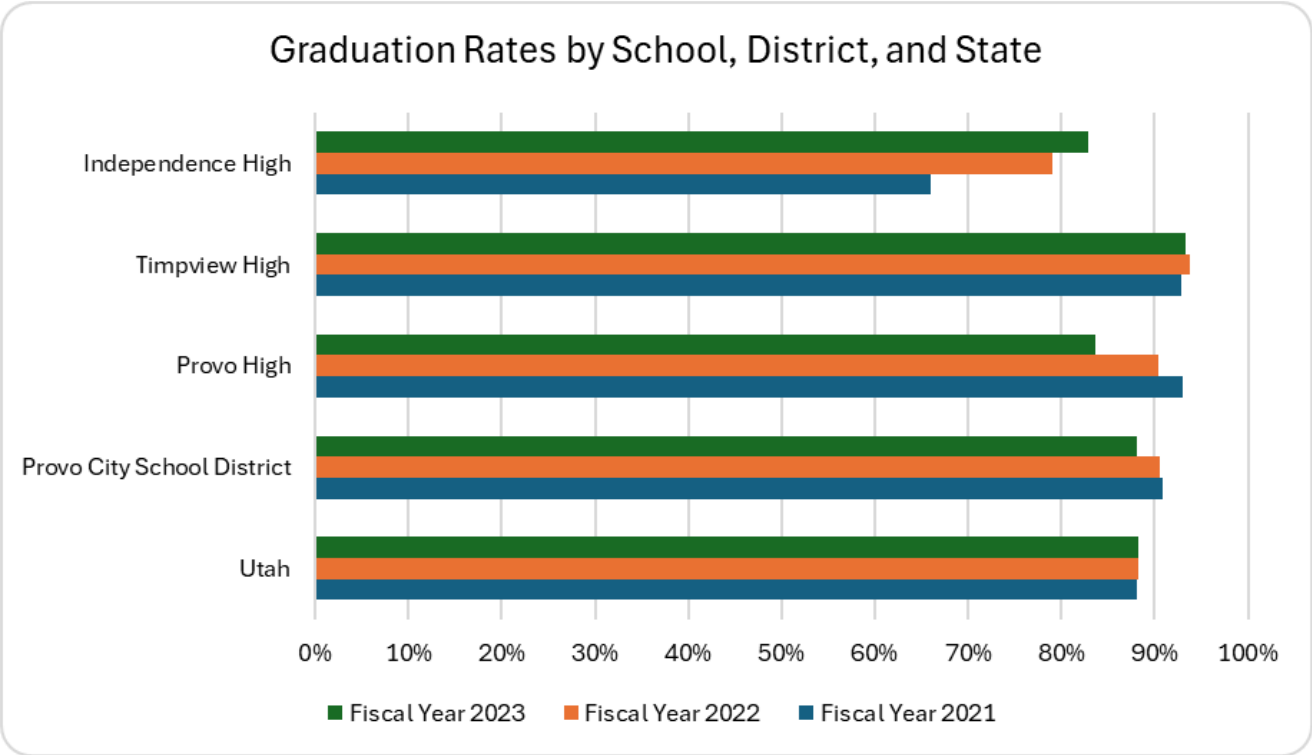
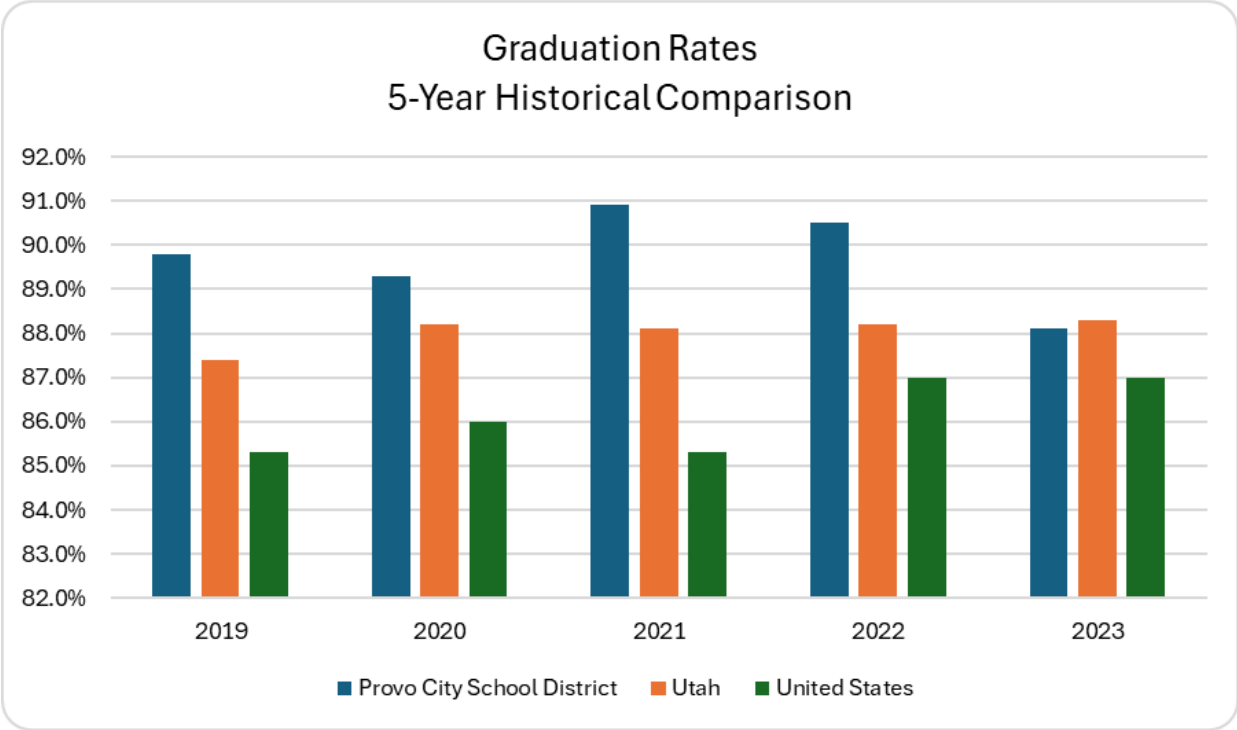
Debt Waterfall - Lease Revenue Bonds

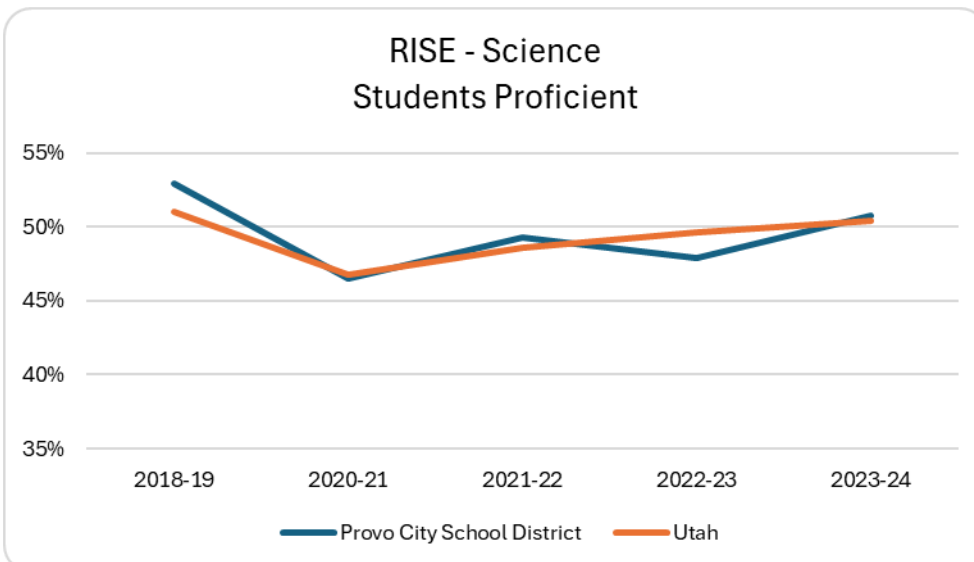
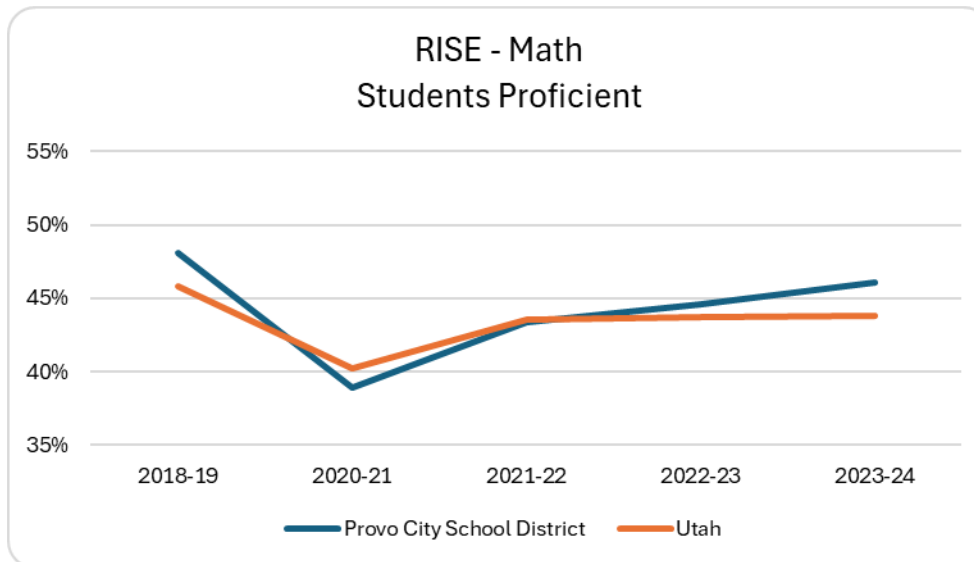
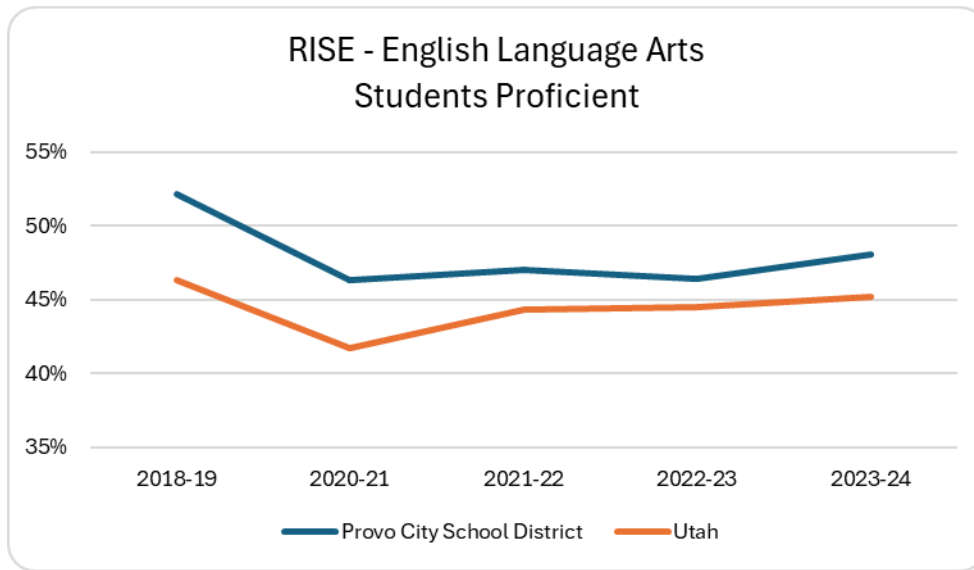


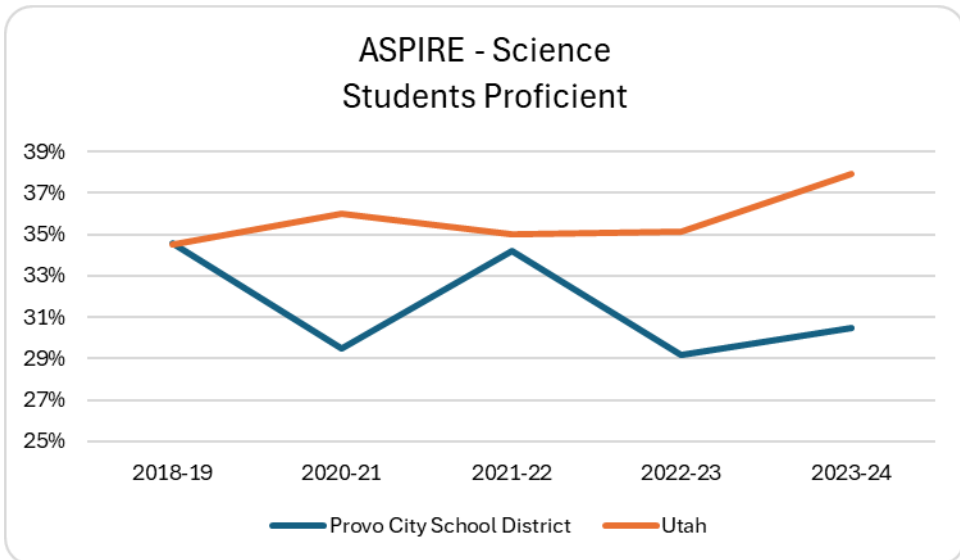
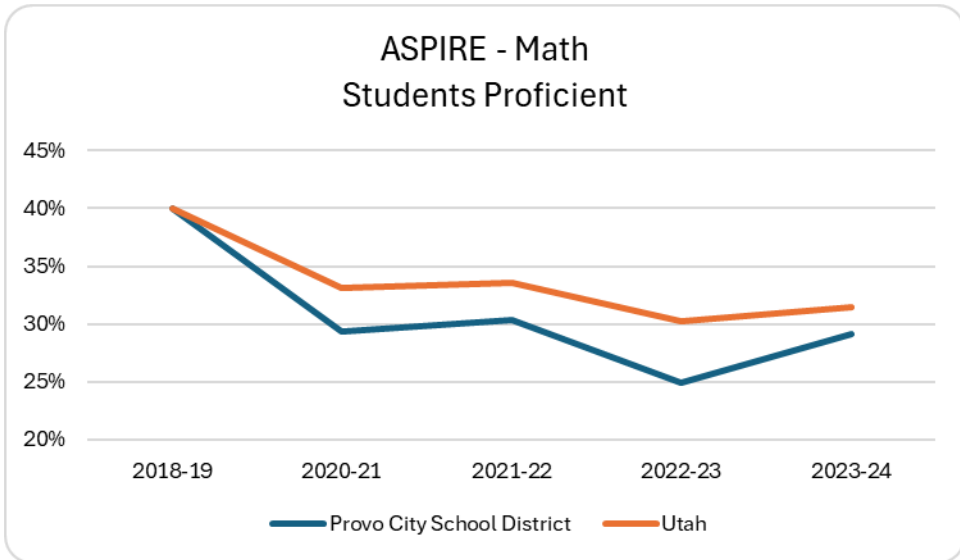
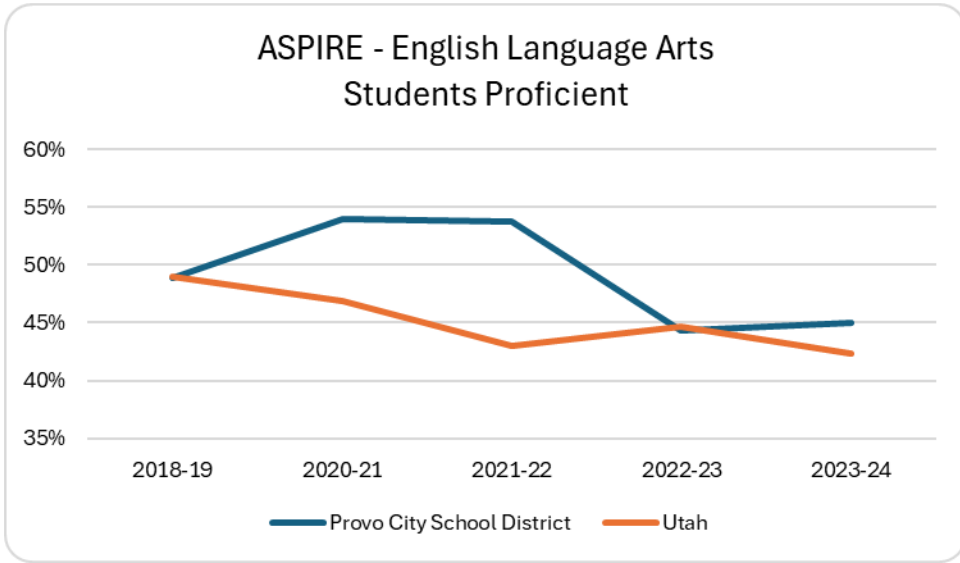
High School Graduates and Cohort Graduation Rates

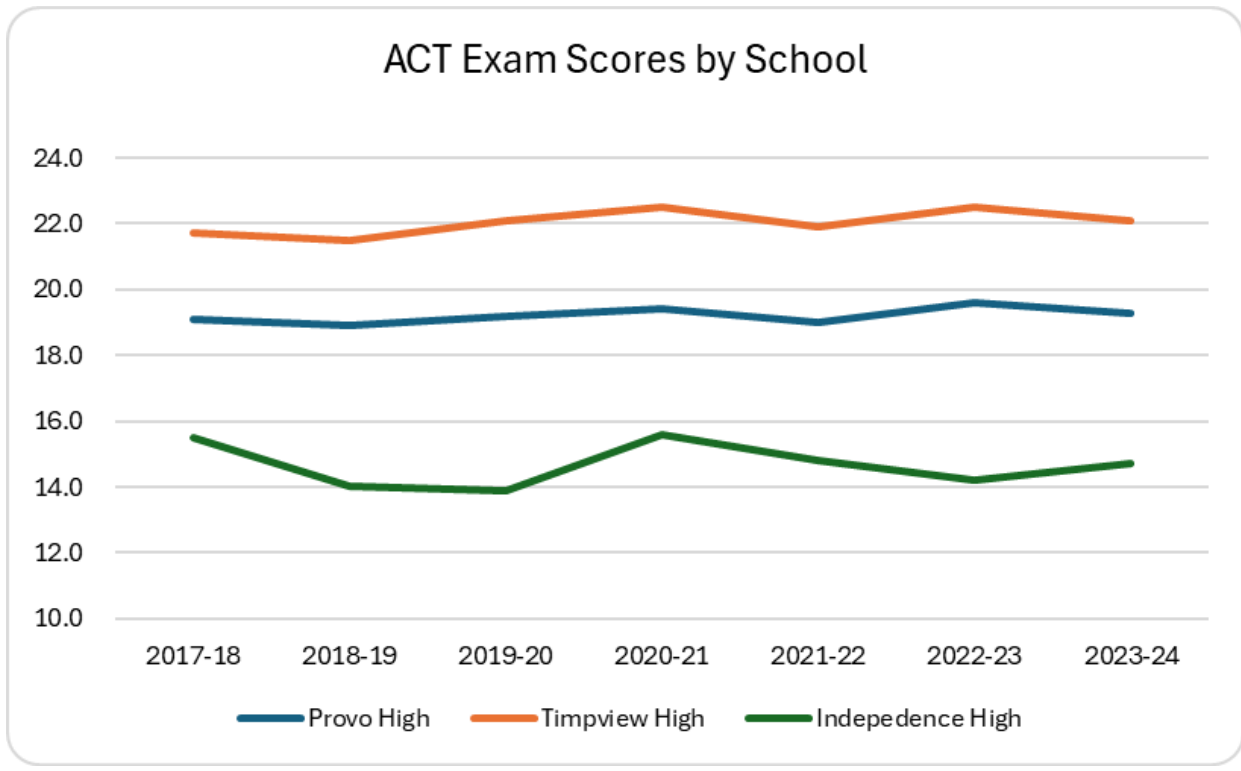
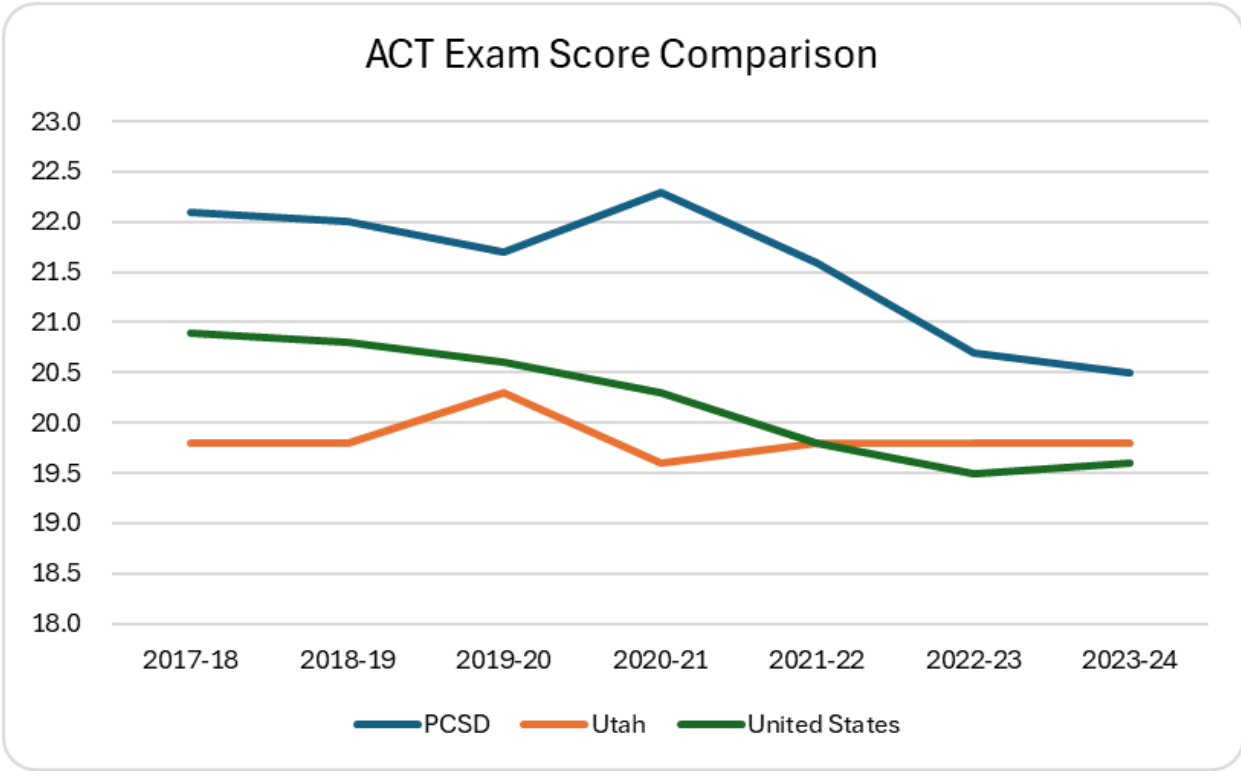
<u>Fiscal Year</u>	<u>Timpview High</u>	<u>Provo High</u>	<u>Independence High</u>	<u>Total</u>
2014-15	472 90.2%	436 89.2%	130 53.7%	1,038
2015-16	467 86.3%	437 86.7%	187 31.6%	1,091
2016-17	503 91.7%	433 88.7%	116 50.0%	1,052
2017-18	548 92.5%	432 92.1%	86 66.3%	1,066
2018-19	506 92.1%	440 95.7%	6 66.7%	952
2019-20	490 93.1%	461 92.8%	72 76.4%	1,023
2020-21	586 92.8%	484 93.0%	50 66.0%	1,120
2021-22	532 93.8%	511 90.4%	57 79.0%	1,100
2022-23	580 93.3%	438 83.6%	64 82.9%	1,082
2023-24	<i>Not yet available</i>			

Source: District records









ECONOMIC SNAPSHOT

Utah County

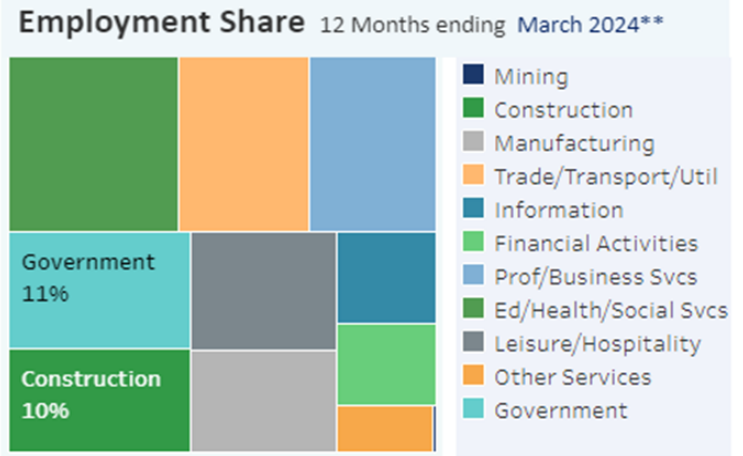
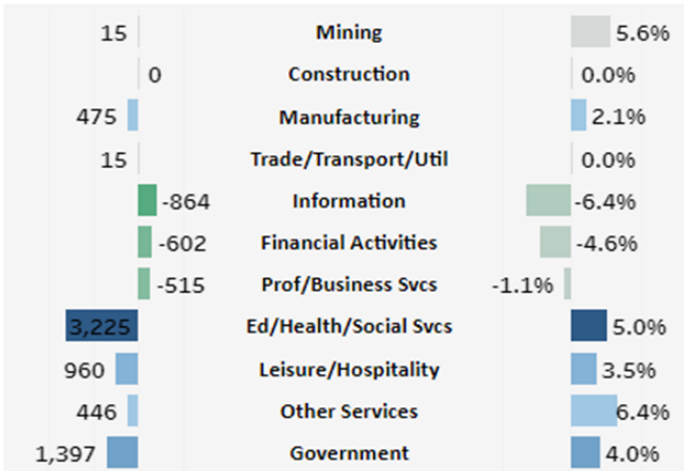
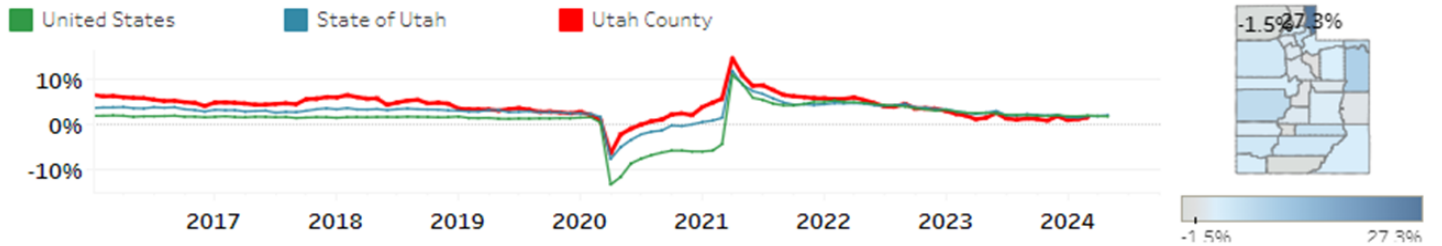
Select Area
Utah County



Year-to-Year Change in Nonfarm Jobs March 2024

↑ 4,552

↑ 1.5% Utah County ↑ 1.8% State of Utah ↑ 1.9% United States



How's the economy?

Slower job growth and higher unemployment rates in the first part of 2024 point to a slight softening in Utah County's labor market. While employment declines in the information, financial activities and professional and business services sectors have weighed on county employment, job gains in education, health and social services and government sectors have more than offset job losses over the year.

Over the last two years, Utah County has seen a 3.6% increase in wages, marking it as the county with the lowest wage growth rate over the period. Wage gains in Utah County have been limited by recent employment declines in the relatively high paying information, financial activities and professional and business services sectors.

Jobs

Utah County added 4,552 jobs over the year ended March 2024, primarily due to increases in the educational, health and social services sector, which added 3,225 positions to local payrolls. At 20% of the county's nonfarm employment, this sector employs the largest share of people in Utah County. The government and leisure and hospitality sectors also contributed to the county's employment gains, adding 1,397 and 960 jobs, respectively. The increase in government employment is part of a trend seen in both the state and the nation, after governments struggled to fill positions when labor markets were especially tight in 2021 and 2022. However, job losses in the information, financial activities and professional and business services sectors limited the county's employment gains, shedding a total of 1,981 jobs.

* Preliminary. Source: U.S. Bureau of Labor Statistics; Utah Department of Workforce Services.

Financial Awards and Accomplishments

PCSD's Business Services Department advances the District's efforts to provide high-quality instructional services by developing best practices related to fiscal prudence, budget development, and financial reporting that supports the mission, vision, core values of the District. We are committed to providing our citizens and stakeholders with financial information that is transparent, timely, and relevant.



Notable financial awards and accomplishments:

Government Finance Officers Association

- Certificate of Achievement for Excellence in Financial Reporting
- Award for Outstanding Achievement in Popular Annual Financial Reporting
- Meritorious Budget Award

A credit rating is given to the debt obligations of the District by Moody's Investor Services, Inc. The letter designation represents the quality of bonds. The higher the rating, the less risk a potential investor assumes. This District is rated Aa3 - an excellent rating. The District enjoys lower borrowing costs and greater investor interest in its bonds due to its solid credit rating.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Provo City School District for its Popular Annual Financial Report for the fiscal year ended June 30, 2023.

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

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

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

Annual Comprehensive Financial Report. Individuals who wish to review GAAP basis, full disclosure financial statements should refer to the District's Annual Comprehensive Financial Report available at <https://provo.edu/business-and-finance/financial-reports/> or by contacting the PCSD Business Services Department at 280 W. 940 N., Provo, UT 84604.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**Provo City School District
Utah**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO



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Provo City School District

280 W. 940 N.

Provo, UT 84604

provo.edu