

Park City Municipal Corporation, Utah



**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019**

PARK CITY MUNICIPAL CORPORATION, UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**(Including Internal Control and Compliance Reports
and Supplementary Information)
for fiscal year ended June 30, 2019**

**Prepared by:
Finance Department**

**Mindy Finlinson
Finance Manager**

**Sara Nagel
City Treasurer**

**Kim Atkinson
Accountant**

PARK CITY MUNICIPAL CORPORATION, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2019

CONTENTS

INTRODUCTORY SECTION

	Page
Transmittal Letter	ii
Principal Officials	xi
Organization Chart	xii
Certificate of Achievement	xiii

FINANCIAL SECTION

Independent Auditors' Report on Financial Statements and Supplementary Information	2
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	22
Statement of Activities	23
Governmental Fund Financial Statements	
Balance Sheet	25
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	26
Statement of Revenues, Expenditures, and Changes in Fund Balances	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds to the Statement of Activities	28
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	29
Proprietary Fund Financial Statements	
Statement of Net Position	31
Reconciliation of the Statement of Net Position – Proprietary Funds to the Statement of Net Position	32
Statement of Revenues, Expenses, and Changes in Net Position	33
Reconciliation of the Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds to the Statement of Activities	34
Statement of Cash Flows	35
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	37
Statement of Changes in Fiduciary Net Position	38
Notes to the Basic Financial Statements	
Note A – Summary of Significant Accounting Policies	40
Note B – Cash, Cash Equivalents and Investments	49
Note C – Notes Receivable	53
Note D – Capital Assets	53
Note E – Long-Term Obligations	55
Note F – Retirement Plans	66
Note G – Defined Contribution Plans	77
Note H – Commitments and Contingencies	78
Note I – Intergovernmental Revenues	79
Note J – Interfund Loans	79
Note K – Risk Management	79
Note L – Budget Reconciliation	80

Note M – Interfund Transfers	80
Note N – Taxes	81
Note O – Unavailable Revenue	82
Note P – Conduit Debt	82
Note Q – Pollution Remediation	82
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability	85
Schedule of Contributions	86
Notes to Required Supplementary Information	
Note 1 – Change in Assumptions	87
Supplementary Information – Combining and Individual Non-Major Fund Statements and Schedules	
Governmental Funds	
Non-Major Governmental Funds	
Combining Balance Sheet	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	91
Budgetary Comparison Schedules	
Schedules of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual:	
Sales Tax Revenue and Refunding Bonds Debt Service Fund	92
General Obligation Debt Service Fund	93
Capital Improvements Fund	94
Lower Park Avenue Redevelopment Special Revenue Fund	95
Main Street Redevelopment Special Revenue Fund	96
Lower Park Avenue Redevelopment Capital Projects Fund	97
Main Street Redevelopment Capital Projects Fund	98
Municipal Building Authority Capital Projects Fund	99
Equipment Replacement Capital Improvements Fund	100
Internal Service Funds	
Combining Statement of Net Position	102
Combining Statement of Revenues, Expenses and Changes in Net Position	103
Combining Statement of Cash Flows	104

STATISTICAL SECTION

	Page	
Schedule 1	Net Position by Component	106
Schedule 2	Changes in Net Position	107
Schedule 3	Fund Balances of Governmental Funds	109
Schedule 4	Changes in Fund Balances of Governmental Funds	110
Schedule 5	General Government Tax Revenues by Source	111
Schedule 6	Assessed Value of Taxable Property Excluding Fee-In-Lieu	112
Schedule 7	Assessed Value of Taxable Property Including Fee-In-Lieu	113
Schedule 8	Taxable Retail Sales by Category	114
Schedule 9	Direct and Overlapping Property Tax Rates	115
Schedule 10	Direct and Overlapping Sales Tax Rates	116
Schedule 11	Principal Property Taxpayers	117
Schedule 12	City Tax Revenue Collected by County	118
Schedule 13	Property Tax Levies and Collections	119
Schedule 14	Ratios of Outstanding Debt by Type	120
Schedule 15	Ratios of General Bonded Debt Outstanding	121
Schedule 16	Direct and Overlapping Governmental Activities Debt	122
Schedule 17	Legal Debt Margin Information	123
Schedule 18	Pledged-Revenue Coverage	124

Schedule 19	Water Fund Refunding and Revenue bonds	125
Schedule 20	Demographic and Economic Statistics	126
Schedule 21	Principal Employers	127
Schedule 22	Full-Time Equivalent City Government Employees by Function	128
Schedule 23	Population Statistics	129
Schedule 24	Transient Room Capacity as a Percentage of Population	130
Schedule 25	Historical Pledged Taxes	131
Schedule 26	Operating Indicators by Function	132
Schedule 27	Capital Asset Statistics by Function	133
Schedule 28	Schedule of Insurance in Force	134
Schedule 29	Five-Year Financial Summaries	135

SINGLE AUDIT, INTERNAL CONTROL AND COMPLIANCE REPORTS

	Page
Schedule of Expenditures of Federal Awards	137
Notes to Schedule of Expenditures of Federal Awards	138
Schedule of Findings and Questioned Costs	139
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	140
Independent Auditors' Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; And Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	142
Independent Auditor's Report on Compliance and on Internal Control Over Compliance in Accordance with the State Compliance Audit Guide	144

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INTRODUCTORY SECTION



December 20, 2019

To the Honorable City Council, Honorable Mayor and Citizens of Park City, Utah:

These financial statements have been prepared by the Park City Municipal Corporation Finance Department in accordance with generally accepted accounting principles in the United States (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). Utah State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2019.

The City's management is responsible for the accuracy of the report, as well as the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the report is complete and accurate in all material respects. In order to have a basis to rely on for management to make these representations, the City maintains a comprehensive system of internal controls designed to provide reasonable, but not absolute, assurance against loss of assets or material misstatement in the financial statements. This level of assurance is an inherent limitation in a system of internal controls because they should be cost-effective, i.e. the cost of such controls should not exceed the related benefit.

The basic financial statements contained in this report have been audited by Piercy Bowler Taylor & Kern, a firm of licensed certified public accountants. The objective of this type of audit is for the independent auditors to render an opinion, with reasonable assurance, as to whether the basic financial statements of Park City Municipal Corporation (City) for the fiscal year ended June 30, 2019 are fairly presented and free of any material misstatement. Audit procedures included extensive testing and analysis of transactions, balances and systems. The unmodified ("clean") opinion on the basic financial statements signed by Piercy Bowler Taylor & Kern is located at the beginning of the financial section.

GAAP requires 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 conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Park City Municipal Corporation
445 Marsac Avenue • P.O. Box 1480 • Park City, UT 84060-1480
Phone (435) 615-5221 • Fax (435) 615-4917

Profile of Park City Municipal Corporation, Utah

Park City Municipal Corporation is governed by an elected mayor and five-member council. The City was chartered March 15, 1884, under the provisions of the Utah Territorial Government and operates under a mayor-council form of government. Policy-making and legislative authority are vested in the governing council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City's manager and attorney. The City's manager has been delegated the responsibility for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council and mayor are elected on a non-partisan basis. Council members and the mayor serve four-year staggered terms. Elections are held every odd numbered year.



The City provides many municipal services including police, parks, recreation, library, water, stormwater, public improvements, streets, planning and zoning, golf course, transportation and parking, and administrative services. This report includes the financial statements of the funds required to report on those activities, organizations and functions which are related to the City and are controlled by or financially accountable to the City Council. The Park City Municipal Building Authority, the Park City Redevelopment Agency, the Park City Housing Authority and the Park City Water Service District are chartered under Utah law as separate governmental entities. However, this report includes the financial statements of these entities, since the City Council is the appointed board for all four agencies, they are financially accountable to the City, and management (below the level of the elected officials) of the City have operational responsibility for the activities of these entities.

The State of Utah, Summit County, Wasatch County, Park City School District, Park City Fire Protection District, Snyderville Basin Special Recreation District and Snyderville Basin Water Reclamation District are overlapping governments that provide services to City residents; however, they are separately controlled, and they are not financially accountable to the City; therefore, they are not included in this report.

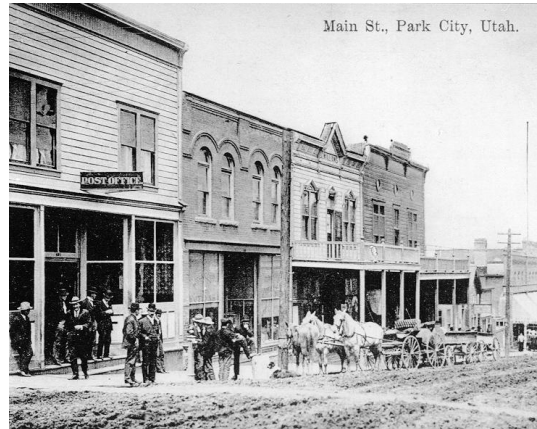
Budgetary Control

The City Council is required to adopt a final budget by no later than June 30 of the fiscal year. This annual budget serves as the foundation of the City's financial planning and control. Budgets are prepared for all governmental fund types including the general fund, capital improvements funds, special revenue funds, and debt service funds. The City Council approves all City budgets at the department level (general government, public safety, public works and recreation and library). Budgetary control is maintained at the department level where expenditures may not legally exceed appropriations. Department heads may make transfers within a department. The

City Council may amend the budget by ordinance during the budget year, but must hold a public hearing to increase a governmental fund's budget before it can pass the ordinance.

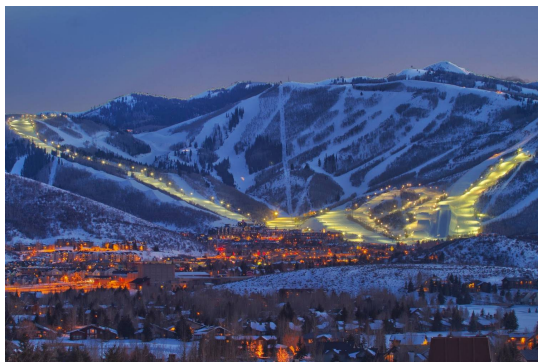
Local Economy

Park City is located in Summit County, Utah, in the heart of the Wasatch Mountains, 30 miles east of Salt Lake City and 40 minutes by freeway from the Salt Lake International Airport. In 1869, silver bearing quartz was discovered in the area, of what is now Park City, and a silver mining boom began. From the 1930's through the 1950's, the mining boom subsided due to the decline of silver prices, and Park City came very close to becoming a historic ghost town. During that time, the residents began to consider an alternative to mining, and began developing Park City into a resort town. Today Park City is one of the western United States premier multi-season resort communities with an area of twenty square miles and a permanent resident population of approximately 8,280.



World renowned skiing is the center of activity being complemented throughout the year with major activities and events, such as the Sundance Film Festival, Kimball Arts Festival, concerts, sporting events, along with a variety of other winter and summer related activities.

Tourism is the major industry in Park City, with skiing, lodging facilities and restaurants contributing significantly to the local economy. Park City is the home of two major ski resorts (Deer Valley Resort and Park City Mountain Resort) with a portion of the latter operating outside of municipal boundaries, formerly known as Canyons Resort. Vail Resorts acquired the Canyons Resort in 2013 and the Park City Mountain Resort in September of 2014. In July 2015, Vail linked these two resorts creating the largest skiing resort in the United States with over 7,300 acres of skiable terrain. Alterra Mountain Company acquired Deer Valley Resort in 2018.



In 2002, Salt Lake City hosted the 2002 Winter Olympic Games with two athletic venues in Park City and another just north of the City limits. Deer Valley Resort hosted the slalom, aerial, and mogul competitions; Park City Mountain Resort hosted the giant slalom, snowboarding slalom and snowboarding halfpipe; and the Utah Winter Sports Park (Summit County) hosted ski jumping, luge and bobsled events.

Deer Valley Resort and Park City Mountain Resort were two of three resorts that hosted the 2019 World Championships. For 21 years, Deer Valley has hosted international and world competitions. Deer Valley took second place as the best western family resort in North America in *Ski Magazine's* resort review of 2019's Top-Ranked Western Ski Resorts. Deer Valley ranked

first for best western ski resort for five consecutive years between 2007 and 2011. Additionally, Deer Valley has earned the distinction of the “Best U.S. Ski Resort by the World Ski Awards for six consecutive years.

Major employer-types in the City include accommodation and food service, arts/entertainment and recreation, retail trade, real estate, technical services and government. Unemployment data was unavailable for Park City; however, the Summit County unemployment rate is estimated at 2.7 percent. The current State of Utah rate is 2.8 percent and the national rate is 3.7 percent.

Economic Trends

Park City has seen strong growth over the years in the ski industry. Encouraging tourism and the ski industry are objectives for Park City, as well as for the State of Utah. With its close proximity to Salt Lake City and Salt Lake International Airport, Park City is a major contributor to these goals. Due to one of the best snow years on record, total statewide skier days were 5,125,441 up 23.6 percent from the 2017-2018 season and 12.0 percent higher than the state’s record of 4.58 million in 2016-2017. Skier days were up nearly 11.0 percent nationally from 53.3 million to 59.0 million.

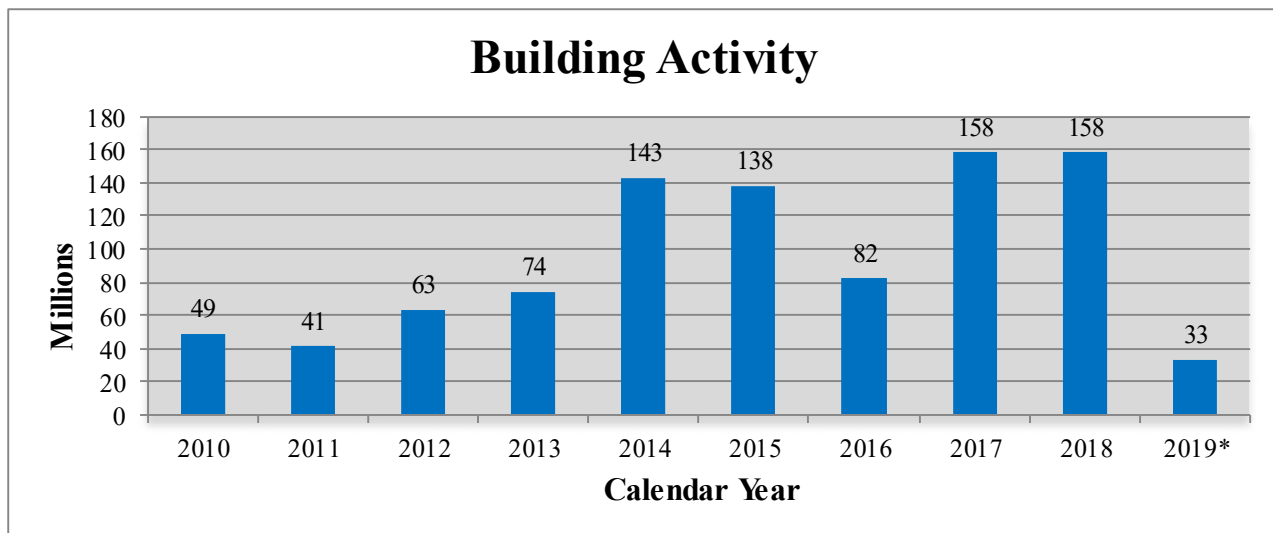
With the local economy dependent on tourism and skiing, employment in Park City tends to decline in the spring and summer months. The City has successfully mitigated this decline by diversifying recreational activities in the “off-season” and increasing special events. The City hosted the Triple Crown World Series baseball tournament for the seventeenth year. This event draws 34 teams from 9 different states. Park City is a popular venue for Tour of Utah, one of the top professional cycling events in North America. Autumn Aloft is a popular, free, two-day festival launching dozens of balloons at once, creating a rainbow of colors in the sky set against the beautiful fall colors of Park City.

The service population is significant due to the number of secondary homeowners and visitors within Park City. The City has approximately 149 restaurants, 224 shops, 35 private art centers and a community-sponsored art center. Many of Park City’s restaurants are award winning and among the finest in the intermountain west. The Chamber of Commerce estimates that the city has a nightly rental capacity for 27,422 guests (please see Schedule 24 of the Statistical Section of this report).

The Sundance Film Festival made its 38th annual appearance in Park City in January 2019. A recent study by Y2 Analytics revealed that the 2019 festival generated an overall economic impact of \$182.5 million GDP for the State of Utah, slightly down from the 2018 festival record of \$191.6. Sundance and Park City Municipal Corporation have formally agreed that Park City will remain festival headquarters through the 2026 film festival and, importantly, Sundance is planning to erect a new headquarters building for the Sundance Institute located in the “Arts and Culture District” of Bonanza Park. The Festival presents high quality, independent films. Nationally known actors, directors, writers and other members of the film industry conduct and attend workshops, classes, seminars, dinners and premiers that are open to the public. The cultural event attracted at least 122,000 attendees, down slightly from 2018 attendance of at least 124,000 with approximately 43,550 attendees coming from out of state.

The Kimball Arts Center sponsored its 49th annual three-day Park City Arts Festival in August 2018. The Park City Arts Festival is Utah’s oldest and the longest running arts festival in the West. This event attracted an estimated 49,921 visitors, a decrease of 6.5 percent over the previous year. The festival featured 227 of North America’s top artists. This is one of the most attended annual events in Utah and includes an art auction and gala and a 5K run for the arts. Kimball Arts Center is also planning to build a new facility in the future “Arts and Culture District” of Bonanza Park.

Closely connected to the tourism and ski industries in Park City is the real estate industry. During the past ten years, building activity within the City has fluctuated from a low of \$40.9 million in 2011, because of the recession, to a high of \$158.2 million in 2017. Building activity over the last decade has averaged \$97.4 million per year. In the first six months of calendar year 2019, 87.9 percent of the \$33.5 million in building activity has been in residential construction. The remaining 12.1 percent consists of commercial construction. The residential construction total valuation of approximately \$29.4 million consisted of both single and multi-family homes. Easy access to Salt Lake City has intensified the role for Park City as a bedroom community. The current economy has continued to show emphasis of new construction of single family homes and remodeling and expanding of commercial buildings.



* The 2019 number is from January 2019 through June 2019 only. For activity by fiscal year, please see Schedule 26 of the Statistical Section.

According to the latest statistics by the Park City Board of Realtors, residential lots sold in Park City range from an average of \$621,667 in the Lower Deer Valley area to an average of \$4,000,000 for lots in the Empire Pass area. Condominiums range in average sales price from \$267,978 to \$2,903,422, depending upon location. Depending upon the area, single-family homes range from an average sales price of \$1,061,887 to \$9,097,500. Overall, the volume of single-family homes sold was up 13.0 percent and the median sales price increased by 7.0 percent, over the same period last year. In contrast, condominium sales showed a volume decrease of 2.0 percent, and the median sales price decreased 4.0 percent as compared to the same period last year.

Long-term Financial Planning

Insurance – The City maintains a health and dental insurance plan through Regence Blue Cross Blue Shield of Utah. Each year Regence examines the City’s use of the plan and its total costs to Regence and then determines the price for the following year. In fiscal year 2019, the City experienced no change in plan costs. The benefits committee reviews the annual increases and makes a recommendation on any premium increases or policy changes on an annual basis. The City offers a high-deductible medical plan in addition to the traditional plans. The City also offers a discount on premiums to employees if they participate in a wellness program, which requires annual physicals, regular dental visits, and other various activities to promote a healthy lifestyle.

Sales Tax – Park City depends on sales tax revenue to fund City services. Sales tax also helps to fund the infrastructure to support special events and tourism. Of the 8.85 percent sales tax on general purchases in Park City, the municipality levies a 1.0 percent local option sales tax, a 0.25 county option sales tax, a combined 1.05 percent transit tax, a 0.1 county cultural tax, a 1.1 percent resort community tax and a 0.5 percent additional resort community sales and use tax.

Relevant Financial Policies

Budgeting for Outcomes – The City employs a Budgeting for Outcomes (BFO) process that focuses on Council priorities and objectives as the driving factor for determining the annual budget. BFO provides a comprehensive review of the entire organization, identifying every program offered and associated cost, evaluating the relevance of every program based upon the community's priorities and, ultimately, guiding elected and appointed officials to the policy questions they can answer with the information gained from the process. The City is confident that the BFO process provides the tools needed to build a budget that reflects the City’s values and needs.

The BFO process is just part of the process the City employs in the development of the budget in Park City. The other distinctive part of the process is the utilization of cross-departmental staff teams for the development of the budget recommendations. The Results Team develops the operating budget recommendation and the Capital Improvement Plan Committee creates the capital budget recommendation. These two budgets are then presented to the City Manager. Next, the Finance Manager; Human Resources Manager; Capital Budgets, Debts & Grants Manager; Operating Budget Manager and the City Manager hold a Budget Summit to collectively take a comprehensive review of the budget and discuss any outstanding issues. The result of this collaborative process and the participation of more than 50 members of the organization is the City Manager’s Recommended Budget.

Property Tax – A property tax comparison that normalized tax rates across 50 states, including the District of Columbia, ranked states by property tax rate. Utah was consistently amongst the lower in the nation, ranking between 40 and 50. Summit County has the lowest average effective property tax rate in the state. The Property Tax Act provides that all taxable property must be assessed and taxed at a uniform and equal rate on the basis of its fair market value by January 1 of each year. Summit County levies, collects, and distributes property taxes for Park City and all

other taxing jurisdictions within the County. Primary residences are taxed at 55 percent of the assessed value while secondary residences are taxed at 100 percent of the assessed value. The budget for fiscal year 2019 was adopted with no property tax increase.

Major Initiatives

Net Zero Energy Goal by 2030 – Park City became one of the latest in a series of mountain communities to commit to 100 percent renewable electricity. Park City has pledged that the City’s electricity would come entirely from renewable sources by 2030. This announcement comes on the heels of a similar pledge from Salt Lake City, Utah and a recent commitment from Boulder, Colorado to transition to renewable electricity, showing that mountain communities are taking control of their energy future. As part of the net zero goals, in October 2019, Park City hosted Mountain Towns 2030, a coalition of mountain towns committed to achieving ambitious carbon reduction goals by 2030, for the inaugural MT2030 Net Zero Summit.

Electric Bike-Share Program – In partnership with Summit County, Park City launched its third season of the electric bike-share program. Since the inception of the program in 2017, riders traveled more than 55,000 miles. To meet increasing demand, the City added 11 new docking stations and 40 bikes for a total of 19 stations and 128 bikes. The stations are located through Park City including: Deer Valley Transit Circle, North City Park, Park City Municipal Athletic and Recreation Center (PC MARC), Summit County Health Department and Upper Main Street. Additional locations in Summit County include: Synderville Basin Recreation, Willow Creek Park, Silver Springs Drive, Summit County Justice Center, Ecker Hill Park and Ride and Jeremy Ranch Park and Ride. If Park City residents and tourists continue to respond well to the all-electric bike-share program, it will be a great step for the community to mitigate traffic congestion and become more environmentally sustainable, and a great example for cities looking to accomplish these same goals.



Electric Bus System – Park City became the first mountain resort community in the country, and the first city in the state, to operate a zero-emission, all-electric bus system. The buses are faster and more efficient than diesel-fueled buses with an operating cost of approximately \$0.19 a mile. On many routes, buses run every ten minutes from 7:00 a.m. to midnight, seven days a week during peak season. The City added five electric buses and chargers to expand electric bus service to multiple bus routes in addition to the route between Kimball Junction and Park City Old Town Transit Center.

Kamas Commuter – As part of a five-year transit plan, Park City, in partnership with Summit County, extended to bus service to Kamas Valley in the summer of 2017. Since then, the Kamas Commuter service has exceeded expectations for ridership and the route was expanded to seven days a week in November 2018. The buses run in the mornings and evenings with stops along State Road 248 and the Kamas Valley.

Affordable Housing – City Council is committed to making Park City a thriving mountain community through accessible and diverse housing with the goal of adding 800 housing units to the City’s affordable/attainable housing inventory by 2026. In 2019, the City constructed 11 units to add to the City’s inventory (seven homes with four studio units attached) located on Woodside Avenue. Substantial construction on the 11 units was completed on July 15, 2019, and sale of the units is expected by December 2019. Additionally, in March of 2019, the City approved the Master Planned Development application for Woodside Park Phase II, which will consist of 59 units, 52 of which will be affordable housing units.

Update on Major Projects

Water Projects – Water quality and delivery continue to be a top priority for Park City. With the rate of development that has occurred over the past few years, future water needs have been identified and the cost of these improvements is being fairly distributed between users and new development. Capital spending in the Water Fund is reflective of the City’s continuing commitment to secure Park City’s water needs through improvements to the City’s water infrastructure. The Water Fund Financial Model is reviewed and updated annually to assess the long-range operating and capital needs of the system and to determine future water rate increases and bonding needs. Additionally, the City continues to improve the culinary water system with funds from the five-year Capital Improvement Plan, an account with an approximate value of \$5.2 million. In 2019, in order to comply with State regulations that allows the City to discharge water draining from the Judge and Spiro mine tunnels into Mcleod and Silver Creeks, the City began construction of the Three Kings Water Treatment Plant to replace the existing Spiro plant, which was built in the 1990’s. The new plant will also increase overall water supply resiliency, peak day capacity, water quality and reliability into the future.

Arts & Culture District – Park City purchased a 5.25-acre parcel in Bonanza Park to create the Park City Arts & Culture District. Funds for the purchase, development, and maintenance will be generated by overnight visitors via a 1.0 percent municipal transient room tax. No additional taxes will be assessed on Park City residents. Sundance Institute and the Kimball Art Center have signed letters of intent to purchase land in the new district from the City and will participate in a joint planning process, with the goal of building venues as part of the district. Through the joint planning process, the City will strive to create a district that inspires creative expression while ensuring design compatibility and compliance with the General Plan and Land Management Code. This will allow Park City to collaboratively shape the future of the Bonanza Park area by partnering to develop a sustainable, walkable, livable and vibrant community Arts & Culture District. Redevelopment of the area is expected to begin in Spring 2020.

Pedestrian Tunnel – In May of 2019, Park City began construction of a pedestrian tunnel on SR-248 near Park City High School and Cooke Drive. The tunnel will help alleviate traffic congestion, improve circulation, provide safe access for all users and enhance access to trails and transit. Completion of the tunnel is expected in November of 2019.

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Park City Municipal Corporation for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to receive the Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.


Park City Municipal Corporation also received the Distinguished Budget Presentation Award from the GFOA for the City's adopted budget for the biennium period beginning July 1, 2019. The City has won this award for fiscal years 1992 and 1993 and the biennium periods beginning 1993, 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011, 2013, 2014, 2016 and, most recently, 2018. In order to qualify for the award program, the City's budget document was judged proficient in several categories, including policy documentation, financial planning, and organization.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the Finance and Accounting Department. We would like to express our appreciation to Piercy Bowler Taylor & Kern, certified public accountants, for their professional service and assistance. We would also like to thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,



Matt Dias, Acting City Manager



Mindy Finlinson, Finance Manager

PARK CITY MUNICIPAL CORPORATION, UTAH

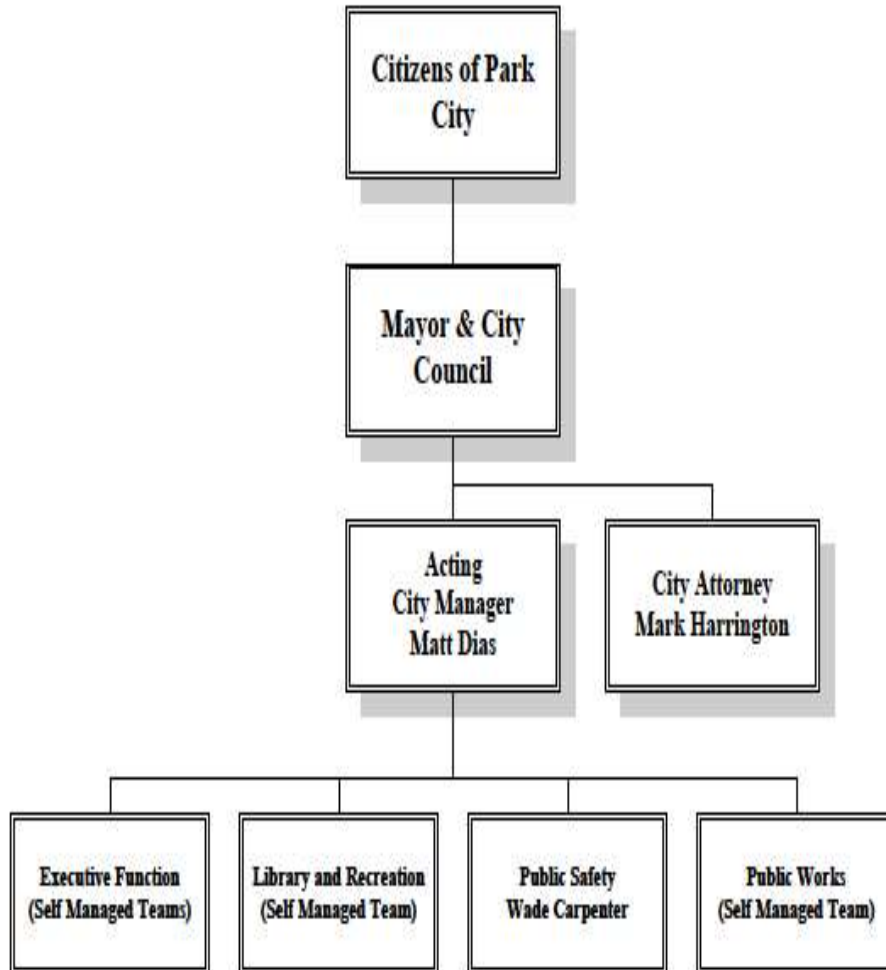
Park City Municipal Building
445 Marsac Avenue
Park City, Utah 84060

MAYOR AND CITY COUNCIL AS OF JUNE 30, 2019

Name	Term Expires
Mayor	
Andy Beerman <i>445 Marsac Avenue Park City, Utah 84060</i>	January 2022
Councilors	
Tim Henney <i>PO Box 3927 Park City, Utah 84060</i>	January 2022
Steven Joyce <i>1776 Park Ave, Ste. 4 Park City, Utah 84060</i>	January 2022
Lynn Ware <i>2844 Holiday Ranch Loop Park City, Utah 84060</i>	January 2020
Nannette Worel <i>3412 Solamere Drive Park City, Utah 84060</i>	January 2020
Rebecca Gerber <i>PO Box 744 Park City, Utah 84060</i>	January 2020

Matt Dias, Acting City Manager
Mark Harrington, City Attorney
Mindy Finlinson, Finance Manager

PARK CITY MUNICIPAL CORPORATION, UTAH



The above organizational structure also accurately depicts the Park City Redevelopment Agency, the Park City Municipal Building Authority, the Park City Housing Authority and the Park City Water Service District structure.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Park City Municipal Corporation
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Members of the City Council
Park City Municipal Corporation, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park City Municipal Corporation (the City) as of and for the year ended June 30, 2019, and the budgetary comparison information for the general fund and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison information for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and on pages 4-20 and 87-89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, statistical section and schedule of business license fees are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, 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 other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Salt Lake City, Utah
December 23, 2019

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2019

The following narrative is presented to facilitate a better understanding of the City's financial position and results of operations for the year ended June 30, 2019. When read in conjunction with the letter of transmittal and the notes to the financial statements, the financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The City's government-wide net position (the amount by which assets and deferred outflows exceed liabilities and deferred inflows) as of June 30, 2019, was \$386,253,888. Of this amount, \$65,169,526 (unrestricted net position) is available to meet ongoing financial obligations.
- The City's government-wide net position increased by \$21,664,104. Of this amount, business-type activities increased by \$5,638,453, a rise of 4.6 percent, and the governmental activities increased by \$16,025,651 a rise of 6.6 percent when compared to last fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$91,799,543 an increase of \$28.7 million (45.6 percent) compared to the beginning of this year's fund balance amount. The increase in fund balance in comparison to last fiscal year is attributable to increases in committed and restricted fund balance for capital projects. Of the combined total fund balance, \$8,705,419 is available for spending at the discretion of the City (unassigned fund balance).
- The General Fund is the primary operating fund of the City. The unassigned fund balance of the General Fund at June 30, 2019, totaled \$8,705,419 and is 24.7 percent of the General Fund total revenues for the year and 9.5 percent of total governmental fund balance.
- The City's total debt had a net increase of \$60,230,000 during fiscal year 2019. This represents a 48.2 percent increase over the prior year, which is attributable to the issuance of the 2019 Sales Tax Bonds and 2019 General Obligation Bonds combined with the effect of the normal reduction in principal balances from required debt service payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report includes four parts: 1) the independent auditors' report on financial statements and supplementary information; 2) this segment, management's discussion and analysis; 3) the basic financial statements; and 4) supplementary information. Within the basic financial statements are two distinct types of financial statements, 1) the government-wide financial statements, and 2) the fund financial statements. The notes to the financial statements are also an integral part of the basic financial statements. The City's basic financial statements are presented in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Immediately following the notes to the financial statements, the supplementary information includes balance sheets and income statements for nonmajor governmental funds, internal service funds, as well as other budgetary information.

Government-wide Financial Statements: The government-wide financial statements provide a view of City finances as a whole, similar to a private-sector business. These statements include the Statement of Net Position and the Statement of Activities.

The **Statement of Net Position** includes all of the City's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Net position (and the related change in net position from year to year) is probably the most important financial measurement to enable understanding of the financial position of the City, and whether financial position improves or deteriorates each year. To assess the overall health of the City, additional non-financial factors such as changes in the property tax base, the condition of the City's infrastructure, etc. should be considered.

The **Statement of Activities** shows how the City's net position changed as a result of its operations during the most recent fiscal year. To understand the basis of how these numbers are determined, it is important to note that changes in net position are reported whenever an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (the accrual basis of accounting). For example, most revenues are reported when the revenues are legally due, even though they may not be collected for some time after that date; and an obligation to pay a supplier is reported as an expense when the goods or services are received, even though the bill may not be paid until sometime later.

There are two distinct types of activities reflected in the government-wide statements: 1) governmental activities; and 2) business-type activities. Governmental activities are those supported primarily by taxes and intergovernmental revenues, while business-type activities are those in which all costs (or at least a significant portion of costs) are intended to be recovered through user fees and charges. The governmental activities for the City include General Government (Council, Mayor, City Attorney, Human Resources, Technical Services, Budget, Debt and Grants, Building, Economy, Community, Environment, Planning, Engineering, Finance, Quinns Recreation Complex and Non-departmental); Public Safety (Police and Communications Center); Public Works (Streets, Snow Removal, Parks, Building Maintenance); Library and Recreation. The business-type activities include Water, Stormwater, Transportation and Parking, and Golf. The Park City Municipal Building Authority, the Park City Redevelopment Agency, the Park City Housing Authority and the Park City Water Service District are chartered under Utah law as separate governmental entities. However, the government-wide financial statements include the financial statements of these entities, since the City Council is the appointed board for all four agencies, and these entities are financially accountable to the City. The government-wide financial statements can be found on pages 22-23 of this report.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Fund Financial Statements: The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which the funds are to be spent as well as by how the activities are to be controlled. The three broad categories of funds are: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – At the fund level, the focus is on changes in short-term spendable resources and the balance available to spend, rather than the long-term focus used for determining government-wide numbers. Because the focus is so different between fund statements and government-wide statements, reconciliation between the two types of statements is necessary to understand how the numbers differ. Such reconciliations are provided for the reader on pages 26 and 28. The City has four governmental type funds. These are the general fund, special revenue funds, the debt service funds and the capital projects funds. Four of these are considered major funds: General Fund, Sales Tax Revenue and Refunding Debt Service Fund, Park City General Obligation Debt Service Fund and Capital Projects Improvement Fund. The basic governmental fund financial statements can be found on pages 25-29. A summary of other funds (nonmajor funds) is combined into one “Nonmajor Governmental Funds” column. The composition of the nonmajor funds is shown in the combining statements later in the report in the supplementary information section on pages 90-100.

- The **General Fund** is used to account for all financial resources of the City that are not accounted for by a separate specialized fund. More specifically, the general fund is used to account for ordinary operations such as collection of tax revenues and general government expenditures. The City adopts an annual appropriated budget for the general fund. On page 29, a budgetary comparison statement has been provided for the general fund to demonstrate budgetary compliance.
- **Special Revenue Funds** are used to account for specific revenue sources that are restricted to expenditures for specific purposes.
- **Debt Service Funds** are used to account for the accumulation of resources for the payment of general obligation bonds, special assessment bonds and sales tax revenue and refunding bonds. Therefore, this fund is set up to accumulate the resources used to pay both the interest and principal on bond debt.
- **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital improvements. These funds do not account for capital improvements financed by the proprietary funds.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Proprietary Funds – These funds provide the same type of information as the government-wide financial statements, only in more detail. The City uses both enterprise funds and internal service funds. The basic proprietary fund financial statements can be found on pages 31-35 of this report.

- **Enterprise Funds** are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City currently operates enterprise funds for the City-owned water system, stormwater system, public transportation system (bus and trolley system), paid parking system and golf course.
- **Internal Service Funds** are used to account for the central financing of goods or services provided to various departments of the City or other governments on a cost-reimbursement basis. The City currently has two internal service funds. The Fleet Services Fund provides vehicle storage, repair and maintenance. The Self-Insurance Fund was established to allow the City to supplement its regular insurance coverage. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The combining statements for internal service funds can be found on pages 102-104 of this report.

Fiduciary Funds – These funds are used for assets the City receives wherein the City has temporary custody. Custodial funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds and do not involve measurement of results of operations (assets equal liabilities). The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to the Financial Statements contain additional information important to gain a complete understanding of the information contained in the government-wide and fund financial statements. Notes to the financial statements are located after the basic financial statements as listed in the table of contents.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position – The following table presents summary information from the Statement of Net Position for the years ended June 30, 2019 and 2018.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total % Change</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
Current and other assets	\$ 123.9	\$ 91.4	\$ 26.4	\$ 29.8	\$ 150.3	\$ 121.2	24.0%
Capital assets	341.6	279.1	139.9	133.6	481.5	412.7	16.7%
Total assets	<u>465.5</u>	<u>370.5</u>	<u>166.3</u>	<u>163.4</u>	<u>631.8</u>	<u>533.9</u>	<u>18.3%</u>
Total deferred outflows of resources	<u>5.2</u>	<u>5.3</u>	<u>2.2</u>	<u>2.1</u>	<u>7.4</u>	<u>7.4</u>	<u>0.5%</u>
Long-term debt	171.1	98.2	32.3	35.8	203.4	134.0	51.8%
Other liabilities	17.2	11.1	7.6	5.2	24.8	16.3	51.9%
Total liabilities	<u>188.3</u>	<u>109.3</u>	<u>39.9</u>	<u>41.0</u>	<u>228.2</u>	<u>150.3</u>	<u>51.8%</u>
Total deferred inflows of resources	<u>24.7</u>	<u>24.8</u>	<u>0.1</u>	<u>1.6</u>	<u>24.8</u>	<u>26.4</u>	<u>-6.1%</u>
Net position							
Net investment in capital assets	200.3	190.0	113.5	104.3	313.8	294.3	6.6%
Restricted	7.3	6.7	-	-	7.3	6.7	9.0%
Unrestricted	50.2	45.0	15.0	18.6	65.2	63.6	2.5%
Total net position	<u>\$ 257.7</u>	<u>\$ 241.7</u>	<u>\$ 128.5</u>	<u>\$ 122.9</u>	<u>\$ 386.2</u>	<u>\$ 364.6</u>	<u>5.9%</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2019, the City's assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$386.2 million (net position), compared to \$364.6 million at June 30, 2018. This would indicate an improved financial position in comparison to last fiscal year. Approximately 81.2 percent at June 30, 2019, and 80.7 percent at June 30, 2018, of these amounts are represented by the investment in capital assets, less debt still outstanding relating to acquisition of those assets (see subsections explaining capital assets and debt below). Due to the nature of these assets (long-term assets which are not readily convertible to liquid assets) they are not considered to be available for spending or appropriation. Although the City's investment in capital assets is reported net of related debt, it should be understood that the repayment of this debt does not come from the capital assets themselves, but comes from other resources. The increase in the City's net investment in capital assets of \$19.5 million was primarily due to the purchase of Treasure Hill, combined with routine acquisitions of capital assets, repayments of the related debt and depreciation expense.

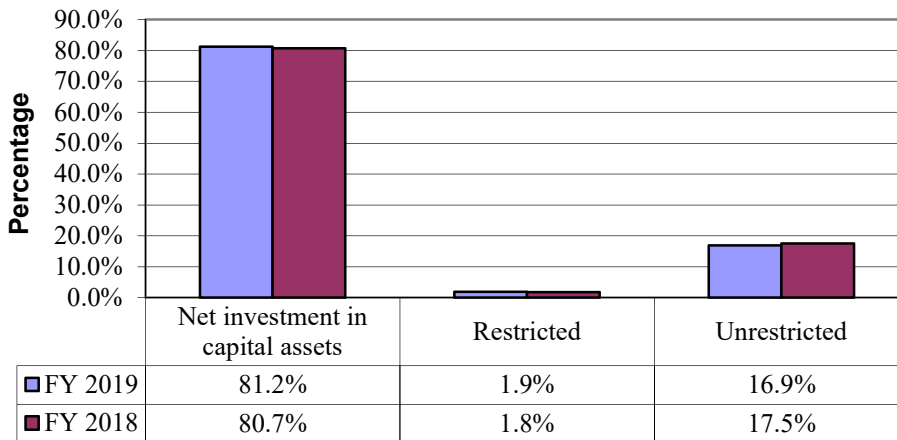
**PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019**

Restricted net position of \$7.3 million at June 30, 2019, and \$6.7 million at June 30, 2018 represents resources that are subject to external restrictions on how they may be used. The increase in restricted net position of \$0.6 million reflects an increase in the amount restricted for capital projects.

The other sub-classification of net position is unrestricted. The balance of approximately \$65.2 million at June 30, 2019, which is unrestricted, denotes that this amount may be used to meet general, on-going financial obligations without constraints established by debt covenants or other legal requirements. Unrestricted net position increased \$1.6 million from last fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

The following graph depicts the percentage of restricted and unrestricted net position as discussed above.

**Park City Municipal Corporation
Net Position Percentage
June 30, 2019 and 2018**



PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Changes in Net Position - As taken from the Statement of Activities, the following table depicts the changes in net position for fiscal years 2019 and 2018.

Park City Municipal Corporation							
Summary of Changes in Net Position							
(in millions of dollars)							
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>		
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>		<u>Total %</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>Change</u>
Revenues							
Program Revenues							
Charges for services	\$ 7.0	\$ 6.3	\$ 32.4	\$ 30.2	\$ 39.4	\$ 36.5	7.9%
Operating grants and contributions	0.2	0.2	-	2.3	0.2	2.5	-92.0%
Capital grants and contributions	1.6	9.0	6.5	2.4	8.1	11.4	-28.9%
General Revenues							
Property Tax	21.5	21.1	-	-	21.5	21.1	1.9%
Other Taxes	26.4	23.5	6.1	5.6	32.5	29.1	11.7%
Investment earnings	2.3	1.1	0.6	0.4	2.9	1.5	93.3%
Other	3.0	1.8	(0.2)	0.5	2.8	2.3	21.7%
Total revenues	<u>62.0</u>	<u>63.0</u>	<u>45.4</u>	<u>41.4</u>	<u>107.4</u>	<u>104.4</u>	<u>2.9%</u>
Expenses							
General government	23.8	21.8	-	-	23.8	21.8	9.2%
Public safety	6.7	6.7	-	-	6.7	6.7	0.0%
Public works	6.9	7.2	-	-	6.9	7.2	-4.2%
Library and recreation	5.7	5.7	-	-	5.7	5.7	0.0%
Interest on long-term debt	3.6	2.6	-	-	3.6	2.6	38.5%
Water	-	-	13.6	13.3	13.6	13.3	2.3%
Stormwater	-	-	1.5	0.9	1.5	0.9	66.7%
Transportation and parking	-	-	22.5	19.4	22.5	19.4	16.0%
Golf course	-	-	1.5	1.7	1.5	1.7	-11.8%
Total expenses	<u>46.7</u>	<u>44.0</u>	<u>39.1</u>	<u>35.3</u>	<u>85.8</u>	<u>79.3</u>	<u>8.2%</u>
Increase in net position before transfers	15.3	19.0	6.3	6.1	21.6	25.1	-13.9%
Transfers	0.7	0.7	(0.7)	(0.7)	-	-	0.0%
Increase in net position	16.0	19.7	5.6	5.4	21.6	25.1	-13.9%
Net position beginning	241.7	222.0	122.9	117.5	364.6	339.5	7.4%
Net position ending	<u>\$ 257.7</u>	<u>\$ 241.7</u>	<u>\$ 128.5</u>	<u>\$ 122.9</u>	<u>\$ 386.2</u>	<u>\$ 364.6</u>	<u>5.9%</u>

Net position increased from governmental activities in fiscal year 2019 approximately \$16.0 million and increased \$19.7 million in fiscal year 2018. The increase is primarily from increased resort and sales taxes. Expenses for governmental activities increased \$2.7 million. The reasons for this increase are discussed in the following section for governmental activities.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Net position increased \$5.6 million in fiscal year 2019 and increased \$5.4 million in 2018 for business-type activities. The revenues for business-type activities increased \$4.0 million mostly due to an increase in capital grants and contributions. Expenses for business-type activities increased \$3.8 million. The reasons for this increase are discussed in the following section for business-type activities.

Revenues – For the year ended June 30, 2019, the City’s government-wide total revenues are approximately \$107.4 million as compared to the prior year total revenues of \$104.4 million.

Key elements of this change were as follows:

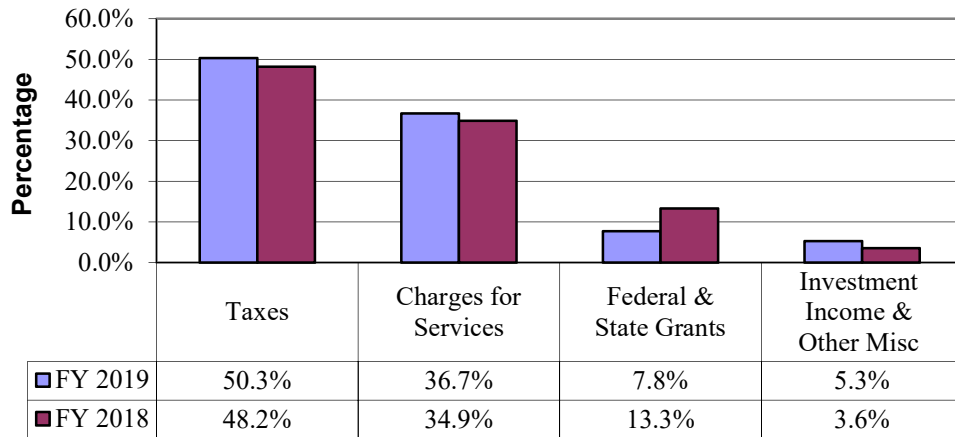
- Of the City’s total revenues, approximately 50.2 percent in fiscal year 2019 and 48.2 percent in fiscal year 2018 resulted from taxes, of which the majority was from general sales and use taxes and resort taxes as shown in the following table:

	Tax Revenues		Total % Change
	2019	2018	
Property tax, levied for general purposes	\$ 15.5	\$ 14.7	5.44%
Property tax, levied for debt service	6.0	6.4	-6.25%
General sales and use tax	12.5	11.5	8.70%
Franchise tax	3.2	3.1	3.23%
Resort tax	16.7	14.5	15.17%
Total	\$ 53.9	\$ 50.2	7.37%

- Charges for services increased in fiscal year 2019 approximately \$2.9 million and increased from 34.9 percent of total revenues in fiscal year 2018 to 36.7 percent in fiscal year 2019. The \$2.9 million increase was primarily due to an increase in water fees, stormwater fees, transportation and parking fees, and increased licensing and permit fees.
- Operating and capital contributions and grants decreased to 7.8 percent of total revenues in fiscal year 2019 as compared to 13.3 percent in fiscal year 2018. This was a result of a decrease in capital grants in governmental activities.
- Investment and other income, which is a combination of interest earnings and changes in the fair value of investments, and other miscellaneous income sources increased to 5.3 percent of total revenues in fiscal year 2019 from 3.6 percent in fiscal year 2018. The \$1.9 million increase was due to an increase in investment earnings in fiscal year 2019.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Government-Wide Revenues by Source
June 30, 2019 and 2018



Expenses – The City’s government-wide total expenses cover a range of services. For the year ended June 30, 2019, the City’s total expenses are \$85.8 million compared to the prior year of \$79.3 million. Of the \$6.5 million increase, general government expenses increased \$2.0 million, primarily due to an increase in debt service, public safety remained the same, public works decreased \$0.3 million, library and recreation remained the same and interest on long-term debt increased \$1.0 million. Business-type activities increased \$3.8 million, primarily due to an increase in salaries and benefits.

Governmental Activities:

The City’s governmental activities increased net position by \$16.0 million. Key elements of this increase were as follows:

Revenue Highlights:

- Taxes comprise the largest source of revenue for the City’s governmental activities: Approximately \$47.9 million or 77.2 percent in fiscal year 2019 and \$44.6 million or 70.8 percent in fiscal year 2018 of total revenues from governmental activities. The \$3.3 million increase is the combination of the increased receipts of sales, resort and property taxes. Of total taxes, real property taxes are approximately \$21.5 million (44.9 percent) in fiscal year 2019 and \$21.1 million (47.3 percent) in fiscal year 2018.
- Charges for services increased to \$7.0 million or 11.3 percent of total revenues in fiscal year 2019 from \$6.3 million or 10.0 percent of total revenues in fiscal year 2018. The increase in 2019 was a result of increased licensing and permit fees and recreational activity fees.
- Grant and contribution revenue represents approximately \$1.8 million or 2.9 percent in fiscal year 2019 and \$9.2 million or 14.6 percent in fiscal year 2018 of total revenues. The \$7.4 million decrease was the result of a significant prior fiscal year capital grants and contributions

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

for the purchase of the Mine Bench and Marsac 100 properties, no such contributions were made in the current fiscal year.

Expense Highlights:

- General government expenses of \$23.8 million in fiscal year 2019 and \$21.8 million in fiscal year 2018 represented 50.8 percent in fiscal year 2019 and 49.5 percent in fiscal year 2018 of total expenses from governmental activities. General government includes City Council, Mayor, City Attorney, Human Resources, Technical and Customer Services, Budget, Debt and Grants, Building, Economy, Community and Environment, Planning, Engineering, Finance, Quinns Recreation Complex, Lower Park Avenue Redevelopment Agency, Main Street Redevelopment Agency, and Non-departmental.
- Public Safety expenses were \$6.7 million or 14.4 percent in fiscal year 2019 and \$6.7 million or 15.3 percent in fiscal year 2018 of total expenses from government activities.
- Public Works expenses were \$6.9 million or 14.8 percent in fiscal year 2019 and \$7.2 million or 16.4 percent in fiscal year 2018 of total expenses from government activities.
- Library and Recreation expenses were \$5.7 million or 12.3 percent in fiscal year 2019 and \$5.7 million or 13.0 percent in fiscal year 2018 of total expenses from government activities.

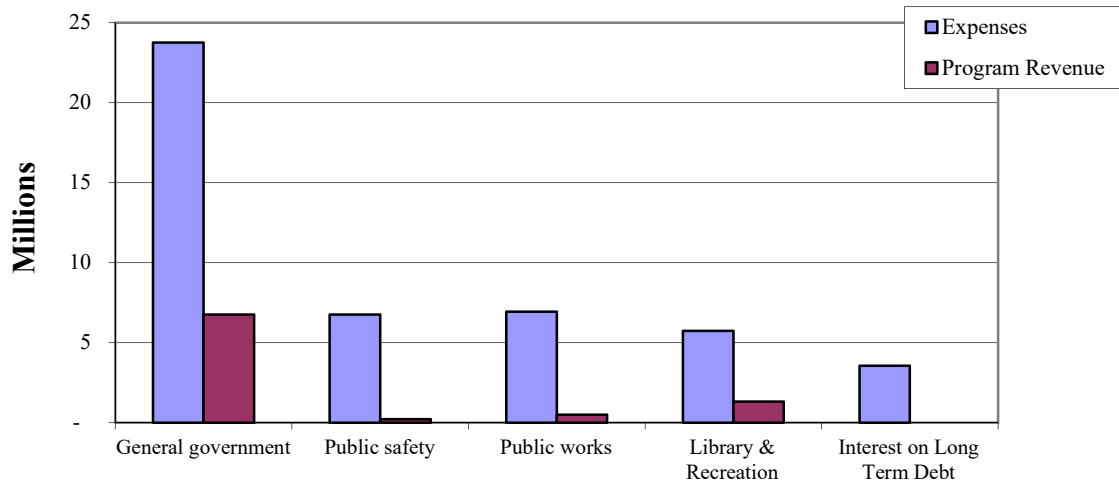
As a result, total net expenses that were funded by general revenues were \$37.9 million. Tax revenues of \$47.9 million were sufficient to fund net expenses in fiscal year 2019.

The following presents the costs and net costs (total cost less fees generated by the activities and intergovernmental aid) of the City's programs:

Park City Municipal Corporation					
Costs of Governmental Activities					
(in millions of dollars)					
	Total Cost of		Net Cost of Services		Total %
	Services				
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>Change</u>
General government	\$ 23.8	\$ 21.8	\$ 17.0	\$ 8.5	100.0%
Public safety	6.7	6.7	6.5	6.6	-1.5%
Public works	6.9	7.2	6.4	6.6	-3.0%
Library and recreation	5.7	5.7	4.4	4.3	2.3%
Interest on long term debt	3.6	2.6	3.6	2.5	44.0%
Total	<u>\$ 46.7</u>	<u>\$ 44.0</u>	<u>\$ 37.9</u>	<u>\$ 28.5</u>	<u>33.0%</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019**

**Expense and Program Revenue-Governmental Activities*
Fiscal Year 2019**



*See page 23

Business-type Activities:

The City's business-type activities increased net position by \$5.6 million. Key elements of this increase were as follows:

Revenue Highlights:

- Charges for services for business-type activities increased approximately \$2.2 million in fiscal year 2019 primarily due to transportation and parking fees.
- Operating and capital grants and contributions increased approximately \$1.8 million from fiscal year 2018 to fiscal year 2019. The increase was primarily due to an increase in capital grants received in fiscal year 2019.
- Combined general sales and use tax and transit resort tax increased approximately \$0.5 million from fiscal year 2018 to fiscal year 2019. The increase in fiscal year 2019 is primarily attributable to a 0.25 percent increase to the transit tax in 2019.

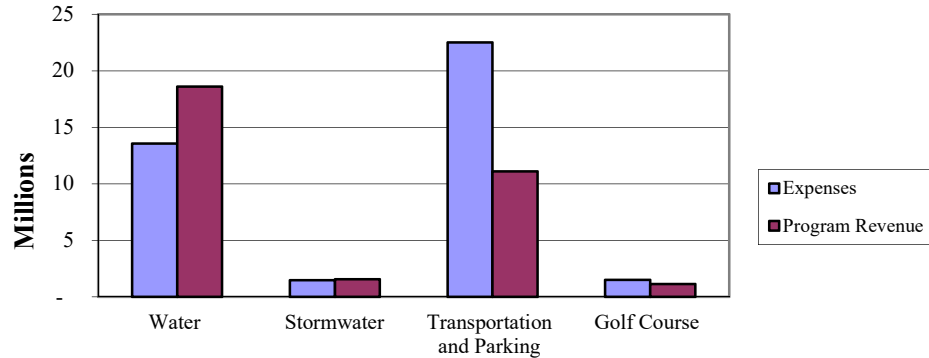
Expense Highlights:

- Salaries and benefits increased by \$2.3 million in 2019. The Transportation and Parking Fund accounted for \$1.8 million of the increase, which was due to an increase in the number of full-time benefited and part-time positions. The Storm Water Fund accounted for \$0.5 million of the increase, which was due to an increase in the number of full-time benefited and part-time positions.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

- Supplies, maintenance and services increased by \$0.5 million in fiscal year 2019, which consisted of a \$0.9 million increase in parking system software subscriptions and a \$0.4 million decrease in capital improvement projects.
- Energy and utilities decreased \$0.3 million in fiscal year 2019.

Business-Type Funds - Program Revenues and Expenses*



*See Page 23

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources available for appropriation. Such information is useful in assessing the City's financing requirements. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the type of restrictions imposed on the use of funds. The City classified fund balances into the following five categories: nonspendable, restricted, committed, assigned and unassigned. In particular, unassigned fund balance is a useful measure of the City's net resources available for spending at the end of the fiscal year. More detailed information about GASB Statement No. 54 is presented in Note A, Section 5, on page 45.

As of June 30, 2019, the aggregate fund balance of the City's governmental funds was \$91.8 million, an increase of \$28.7 million in comparison with the fiscal year ended June 30, 2018. In fiscal year 2019, approximately \$8.7 million or 9.5 percent of this amount is in unassigned fund balance. Unassigned fund balance category is available for appropriation by the City Council at their discretion.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to remain intact. Nonspendable fund balance is approximately \$0.6 million in fiscal year 2019 and \$0.1 million in fiscal year 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Restricted fund balance has externally enforceable limitations on use and is not available for new spending. Restricted fund balance is approximately \$32.4 million in fiscal year 2019 and \$12.9 million in fiscal year 2018. Restricted capital improvement funds will be used to pay for several large dollar construction projects in future fiscal years.

The remainder of the fund balance of \$50.1 million is committed. Of the \$50.1 million committed fund balance, \$45.5 million is committed to capital projects, \$2.1 million is committed to debt service and \$2.5 million is committed to economic development. In fiscal year 2018 committed fund balance was approximately \$42.4 million and 38.9 million was committed to capital projects, \$1.9 million to debt service, and \$1.6 million to economic development.

The General Fund is the principal operating fund of the City. Utah State code establishes a 5.0 percent minimum (\$1,760,133) and a 25.0 percent maximum (\$8,800,665) limit to the amount that may be accumulated as the fund balance in the General Fund. As of June 30, 2019 the unassigned fund balance of the General Fund was \$8,705,419 and was \$95,246 below the 25.0 percent limit. The unassigned fund balance increased by \$975,186 in 2019. The unassigned fund balance in fiscal year 2018 increased \$232,956.

As of June 30, 2019, the restricted fund balance in the Capital Improvements Fund was \$7.1 million and the committed fund balance was \$40.5 million. In fiscal year 2018 the restricted fund balance was \$6.6 million and the committed fund balance was \$34.3 million. The \$6.2 million increase in committed fund balances resulted from a significant increase in debt issuance offset by capital outlay.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the City's enterprise funds totaled approximately \$128.4 million at June 30, 2019, as compared to \$122.7 million at the end of fiscal year 2018. Net position at the end of fiscal year 2019 and 2018 for each of these funds were:

Park City Municipal Corporation
Proprietary Funds

<u>Fund</u>	<u>Amount</u>		<u>Change</u>
	<u>2019</u>	<u>2018</u>	
Water	\$ 68,359,651	\$ 62,169,461	\$ 6,190,190
Stormwater	8,550,597	8,429,678	120,919
Transportation and parking	48,611,174	49,239,872	(628,698)
Golf course	2,892,126	2,866,893	25,233
Total	<u>\$ 128,413,548</u>	<u>\$ 122,705,904</u>	<u>\$ 5,707,644</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

The net increase in net position from the prior year was \$5.7 million as compared to an increase of \$5.1 million in fiscal year 2018. Operating revenues increased \$2.2 million as compared to an increase of \$5.6 million in fiscal year 2018. The Transportation and Parking Fund operating revenues increased \$1.2 million attributable to increases in parking meter and regional transit revenue. The Water and Stormwater Fund operating revenues increased \$1.0 million, collectively due to an increase in fees. The Golf Fund operating revenues remained flat.

Water Fund net investment in capital assets increased by \$7.1 million and unrestricted net position decreased by \$1.0 million resulting in a net increase of total net position of \$6.1 million. The increase in net investment in capital assets was due to the net of acquisition of capital assets, repayment of related debt, and depreciation expense.

Stormwater Fund net investment in capital assets decreased by \$0.1 million, restricted net position remained the same and unrestricted net position increased by \$0.3 million resulting in a net increase of total net position of \$0.2 million. The increase was due to an increase in fees.

Transportation and Parking Fund net investment in capital assets increased by \$2.5 million in fiscal year 2019 primarily due to the purchase of five new electric buses. Unrestricted net position decreased \$3.1 million resulting in a net decrease of total net position of \$0.6 million.

Golf Fund net investment in capital assets decreased by \$0.2 million. The decrease was due to regular depreciation expense. Unrestricted net position increased \$0.2 million resulting in a total net position that remained the same.

GENERAL FUND BUDGETARY HIGHLIGHTS

Park City budgets for full-time regular positions at the maximum wage each position could earn for a full 40 hours per week for 52 weeks. However, due to vacant positions and some employees being paid below the maximum allowed for a position, at any given time during the year, the City spends approximately 7.0 percent less than is budgeted for personnel. This is referred to as the vacancy factor. The majority of the adjustments in the budget this fiscal year were due to the vacancy factor.

Differences between the original budget and the final amended budget for expenditures of \$0.6 million (net increase) can be briefly summarized as follows:

- \$0.3 million increase in appropriations for general government was due to salaries and benefits including lump merit awards and vacancy factor allocations.
- \$0.3 million increase in public safety for parts and maintenance supplies.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Total actual expenditures came in \$2.0 million below the final budget. All departments remained within their legal spending authority. The differences between actual and the final budget can be briefly summarized as follows:

- The final budget was \$1.3 million more than the actual expenditures in general government. \$0.6 million of the variance is attributable to salaries and benefits, and \$0.7 million is attributable to parts and maintenance supplies.
- The final budget in public safety was \$0.5 million more than actual expenditures. \$0.1 million is attributable to salaries and benefits, and \$0.4 million of the variance is attributable to parts and maintenance supplies.
- The final budget was \$0.1 million more than actual expenditures in public works. The variance is attributable to salaries and benefits.
- The final budget was \$0.1 million more than actual expenditures in library and recreation. The variance is attributable to parts and maintenance supplies.

Actual revenues of \$35.2 million were \$1.6 million less than the budgeted revenues of \$36.8 million. See Note L-Budget Reconciliation on page 80 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City's investment in capital assets for its governmental and business-type activities totaled \$481.5 million (net of \$218.1 million accumulated depreciation) at June 30, 2019, as compared to \$412.7 million (net of \$206.7 million accumulated depreciation) at June 30, 2018. This investment in capital assets includes land and water rights, buildings, improvements other than buildings, vehicles and equipment, art, intangibles, infrastructure and construction in progress.

Major capital asset additions during the year ended June 30, 2019 included:

Governmental Activities:

- \$4.1 million for Woodside Affordable housing project
- \$1.8 million for four parcels at 1302 Norfolk Ave.

Business-type Activities:

- \$4.6 million for Three Kings Water Treatment Plant
- \$3.7 million for five electric buses
- \$1.6 million for Golf Maintenance Building

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Park City Municipal Corporation
Capital Assets
(net of accumulated depreciation, in millions of dollars)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>		<u>Total %</u> <u>Change</u>
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
Land and water rights	\$ 242.1	\$ 177.9	\$ 22.2	\$ 22.2	\$ 264.3	\$ 200.1	32.1%
Infrastructure	116.4	114.6	-	-	116.4	114.6	1.6%
Buildings	47.3	45.3	26.2	23.1	73.5	68.4	7.5%
Art	0.8	0.7	0.1	0.1	0.9	0.8	12.5%
Improvements other than buildings	41.7	41.4	112.6	111.4	154.3	152.8	1.0%
Vehicles and equipment	14.4	13.4	36.9	32.6	51.3	46.0	11.5%
Construction in progress	12.3	13.8	17.7	14.2	30.0	28.0	7.1%
Intangibles	8.8	8.6	0.1	0.1	8.9	8.7	2.3%
Accumulated depreciation	<u>(142.2)</u>	<u>(136.6)</u>	<u>(75.9)</u>	<u>(70.1)</u>	<u>(218.1)</u>	<u>(206.7)</u>	<u>5.5%</u>
Total Assets	<u>\$ 341.6</u>	<u>\$ 279.1</u>	<u>\$ 139.9</u>	<u>\$ 133.6</u>	<u>\$ 481.5</u>	<u>\$ 412.7</u>	<u>16.7%</u>

Additional information on the City's capital assets can be found in Note D-Capital Assets on pages 53-54 of this report.

Long-term Debt: At June 30, 2019, the City had \$202.1 million in bonds, an increase of 52.3 percent from fiscal year 2018. Of this amount \$91.6 million is considered to be general obligation debt and backed by the full faith and credit of the City. Debt that is secured solely by specific revenue sources is \$110.5 million.

The City's general obligation bonds were assigned a rating by Moody's of Aaa, and confirmed at AA+ by Standard and Poor's and AA+ by Fitch. Standard and Poor's has assigned a rating of AA- to the most recent Series 2015, 2017 and 2019 Sales Tax Revenue Bonds. The City's 2013 and 2014 Water Revenue Bonds are rated Aa2 by Moody's and AA by Standard and Poor's. The City's long-term obligations for the fiscal years 2019 and 2018 were as follows:

Park City Municipal Corporation
Debt Outstanding
(in millions of dollars)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>		<u>Total %</u> <u>Change</u>
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
General obligation bonds	\$ 91.6	\$ 45.3	\$ -	\$ -	\$ 91.6	\$ 45.3	102.2%
Revenue bonds	78.6	52.0	31.9	35.4	110.5	87.4	26.4%
Total debt	<u>\$ 170.2</u>	<u>\$ 97.3</u>	<u>\$ 31.9</u>	<u>\$ 35.4</u>	<u>\$ 202.1</u>	<u>\$ 132.7</u>	<u>52.3%</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

The State of Utah mandates a general obligation debt limit of 4.0 percent of total assessed value of \$9,327,209,835. The current limitation for the City is \$373,088,393 which is significantly in excess of the City's outstanding general obligation debt. The City's net debt subject to this limitation was \$82,340,000 or 0.9 percent of total assessed value, leaving the amount available for future indebtedness at \$290,748,393. See Schedule 17 on page 123 of this report.

More detailed information about the City's long-term liabilities is presented in Note E-Long-term Obligations on pages 55-65 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate for Summit County (of which Park City is the largest city) was 2.7 percent compared with the State unemployment rate of 2.8 percent, and a national rate of 3.7 percent. This compares with a rate of 2.9 percent for Summit County in 2018. (Sources: Utah Dept. of Workforce Services and Bureau of Labor Statistics)
- The fiscal year 2020 City budget does not include a property tax increase. The City Council recently adopted the certified tax rate for the General Fund. In accordance with Utah Statutes, the certified tax rate is intended to generate the same amount of property tax revenue as was received the prior year plus revenue for "new growth" occurring in the City. All other revenue sources have been estimated on a conservative basis using a multi-year trend analysis and assuming no significant changes in the local economy. The City's approach to budgeting includes preparation of a five-year capital plan. The long-term nature of the City's financial planning system allows decision makers to better understand the true effect of policy decisions. One of the most powerful aspects of the multi-year financial planning is its capability to recognize trends over time and begin at an early point to consider the necessary steps to alter the long-term forecasted position of the City.
- The rates and fees for most services remained constant for fiscal year 2020 compared with the prior fiscal year. The most significant changes in rates were in the Water and Stormwater Funds. In the Water Fund the water base rate was increased 3.0 percent, a 13.0 percent increase to the irrigation base rate. The energy surcharge remained flat at \$0.55 per 1,000 gallons from prior year. In the Stormwater Fund the Equivalent Surface Unit (ESU) charge increased 3.0 percent, a \$0.18 increase. The City anticipates rate increases each year over the next several years in order to provide adequate working capital necessary to maintain the water and stormwater systems.

Contacting City Management

This financial report is designed to give its readers a general overview of the City's finances. Questions regarding any information contained in this report or requests for additional financial information should be addressed to Park City Municipal Corporation, Finance and Accounting Department at P.O. Box 1480, Park City, Utah 84060-1480.

BASIC FINANCIAL STATEMENTS

Park City Municipal Corporation
Statement of Net Position
June 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash, cash equivalents and investments	\$ 61,639,465	\$ 7,129,242	\$ 68,768,707
Restricted cash and cash equivalents, fiscal agent	25,157,630	5,237,136	30,394,766
Restricted cash, cash equivalents and investments, other	7,194,635	-	7,194,635
Taxes	27,561,565	617,724	28,179,289
Accounts	881,074	10,598,863	11,479,937
Notes	749,970	-	749,970
Inventories	247,748	616,976	864,724
Prepays	494,360	661,642	1,156,002
Internal balances	(27,968)	27,968	-
Total current assets	<u>123,898,479</u>	<u>24,889,551</u>	<u>148,788,030</u>
Noncurrent assets:			
Notes	18,386	-	18,386
Prepays	-	1,426,701	1,426,701
Land and water rights	242,115,989	22,245,188	264,361,177
Construction in progress	12,273,993	17,743,555	30,017,548
Art	780,119	109,214	889,333
Buildings	31,029,409	18,394,756	49,424,165
Improvements other than buildings	18,853,264	60,912,419	79,765,683
Vehicles and equipment	5,174,173	20,516,805	25,690,978
Infrastructure	22,956,314	-	22,956,314
Intangibles	8,465,753	20,295	8,486,048
Total noncurrent assets	<u>341,667,400</u>	<u>141,368,933</u>	<u>483,036,333</u>
Total assets	<u>465,565,879</u>	<u>166,258,484</u>	<u>631,824,363</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	5,204,131	2,230,525	7,434,656
Total deferred outflows of resources	<u>5,204,131</u>	<u>2,230,525</u>	<u>7,434,656</u>
Total assets and deferred outflows of resources	<u>470,770,010</u>	<u>168,489,009</u>	<u>639,259,019</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,581,031	3,385,187	5,966,218
Accrued liabilities	3,933,927	287,135	4,221,062
Compensated absences	649,558	264,096	913,654
General obligation bonds	5,910,000	-	5,910,000
Revenue bonds	4,625,000	3,410,000	8,035,000
Total current liabilities	<u>17,699,516</u>	<u>7,346,418</u>	<u>25,045,934</u>
Noncurrent liabilities:			
Compensated absences	205,652	107,752	313,404
General obligation bonds	85,722,655	-	85,722,655
Revenue bonds	73,980,090	28,496,489	102,476,579
Net pension liability	10,651,769	3,916,257	14,568,026
Total noncurrent liabilities	<u>170,560,166</u>	<u>32,520,498</u>	<u>203,080,664</u>
Total liabilities	<u>188,259,682</u>	<u>39,866,916</u>	<u>228,126,598</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	23,863,826	-	23,863,826
Deferred gain on refunding	500,262	-	500,262
Deferred inflows of resources related to pensions	389,629	124,816	514,445
Total deferred inflows of resources	<u>24,753,717</u>	<u>124,816</u>	<u>24,878,533</u>
Total liabilities and deferred inflows of resources	<u>213,013,399</u>	<u>39,991,732</u>	<u>253,005,131</u>
NET POSITION			
Net investment in capital assets	200,327,763	113,503,024	313,830,787
Restricted for:			
Capital Projects	7,194,635	-	7,194,635
Other	58,940	-	58,940
Unrestricted	50,175,273	14,994,253	65,169,526
Total net position	<u>\$ 257,756,611</u>	<u>\$ 128,497,277</u>	<u>\$ 386,253,888</u>

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

Park City Municipal Corporation
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Program Revenues		Primary Government		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities:						
General government	\$ 23,755,044	\$ 15,000	\$ 1,096,250	\$ (16,996,608)	\$ -	\$ (16,996,608)
Public safety	6,747,797	10	48,524	(6,531,558)	-	(6,531,558)
Public works	6,929,871	129,171	357,940	(6,442,760)	-	(6,442,760)
Library and recreation	5,729,844	1,203,836	106,252	(4,406,919)	-	(4,406,919)
Interest on long-term debt	3,558,591	-	-	(3,558,591)	-	(3,558,591)
Total governmental activities	46,721,147	195,542	1,608,966	(37,936,436)	-	(37,936,436)
Business-type activities:						
Golf Course Fund	1,488,121	1,131,283	60,000	-	(296,838)	(296,838)
Stormwater Fund	1,470,837	1,572,044	-	-	101,207	101,207
Transportation and Parking Fund	22,521,490	11,113,961	4,376,198	-	(7,031,331)	(7,031,331)
Water Fund	13,578,235	18,606,759	2,088,783	-	7,117,307	7,117,307
Total business-type activities	39,058,683	32,424,047	6,524,981	-	(109,655)	(109,655)
Total primary government	\$ 85,779,830	\$ 39,404,250	\$ 8,133,947	(37,936,436)	(109,655)	(38,046,091)
General revenues:						
Property tax, levied for general purposes				15,499,965	-	15,499,965
Property tax, levied for debt service				6,036,374	-	6,036,374
General sales and use tax				6,403,710	6,128,331	12,532,041
Franchise tax				3,230,881	-	3,230,881
Resort tax				16,741,000	-	16,741,000
Investment earnings				2,297,088	581,900	2,878,988
Miscellaneous				2,963,178	468,998	3,432,176
Gain/(loss) on sale of capital assets				74,891	(716,121)	(641,230)
Transfers				715,000	(715,000)	-
Total general revenues, special items, and transfers				53,962,087	5,748,108	59,710,195
Change in net position				16,025,651	5,638,453	21,664,104
Net position - beginning				241,730,960	122,858,824	364,589,784
Net position - ending				\$ 257,756,611	\$ 128,497,277	\$ 386,253,888

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

GOVERNMENTAL FUNDS

Major Funds

General Fund - Accounts for all activities not accounted for by other funds of the City. The General Fund accounts for the normal recurring activities of the City, (*i.e.*, police, public works, library, recreation, general government, *etc.*). The principal sources of revenue for this fund are property taxes, sales and use taxes and franchise taxes.

Debt Service - Sales Tax Revenue and Refunding Bond Fund - Accounts for the accumulation of money for the repayment of the 2014A and B, 2015, 2017 and 2019 Sales Tax Revenue and Refunding Bonds.

Debt Service - Park City General Obligation Bond Fund - Accounts for the accumulation of money for the repayment of the 2008, 2009, 2010B, 2013A, 2014, 2017 and 2019 General Obligation Bonds. The principal source of revenue is property tax.

Capital Projects - Capital Improvements Fund - Accounts for the acquisition or construction of major capital projects not accounted for in the proprietary funds. The Capital Improvements Fund is used to account for capital projects of the City's general government.

**Park City Municipal Corporation
Balance Sheet
Governmental Funds
June 30, 2019**

	General Fund	Capital Improvements Fund	Sales Tax Revenue and Refunding Bonds Debt Service Fund	General Obligation Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash, cash equivalents and investments	\$ 8,824,487	\$ 40,387,119	\$ 603,823	\$ 1,526,206	\$ 7,531,362	\$ 58,872,997
Restricted cash, cash equivalents and investments, fiscal agent	-	-	25,146,087	11,543	-	25,157,630
Restricted cash, cash equivalents and investments, other	-	7,194,635	-	-	-	7,194,635
Taxes	12,059,796	667,392	-	9,279,385	4,499,773	26,506,346
Accounts	146,657	593,428	-	-	1,289	741,374
Notes	-	768,356	-	-	-	768,356
Interfund loan	55,761	-	-	-	-	55,761
Other assets	30,226	-	-	-	-	30,226
Prepays	494,360	-	-	-	-	494,360
Total assets	\$ 21,611,287	\$ 49,610,930	\$ 25,749,910	\$ 10,817,134	\$ 12,032,424	\$ 119,821,685
LIABILITIES						
Accounts payable	\$ 988,450	\$ 1,165,909	\$ -	\$ 999	\$ 49,123	\$ 2,204,481
Accrued liabilities	1,129,718	-	-	-	-	1,129,718
Total liabilities	2,118,168	1,165,909	-	999	49,123	3,334,199
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property tax	10,092,652	-	-	9,279,385	4,491,789	23,863,826
Unavailable revenue-notes	55,761	768,356	-	-	-	824,117
Total deferred inflow of resources	10,148,413	768,356	-	9,279,385	4,491,789	24,687,943
Total liabilities and deferred inflows of resources	12,266,581	1,934,265	-	9,280,384	4,540,912	28,022,142
FUND BALANCES						
Nonspendable						
Deposits	494,360	-	-	-	-	494,360
Interfund loan	55,761	-	-	-	-	55,761
Inventory	30,226	-	-	-	-	30,226
Restricted						
Capital projects	-	7,194,635	24,504,653	-	-	31,699,288
Debt service	-	-	641,434	11,543	-	652,977
Drug and tobacco enforcement	58,940	-	-	-	-	58,940
Committed						
Capital projects funds	-	40,482,030	-	-	4,974,305	45,456,335
Debt service funds	-	-	603,823	1,525,207	-	2,129,030
Economic development	-	-	-	-	2,517,207	2,517,207
Unassigned	8,705,419	-	-	-	-	8,705,419
Total fund balances	\$ 9,344,706	\$ 47,676,665	\$ 25,749,910	\$ 1,536,750	\$ 7,491,512	\$ 91,799,543
Total liabilities and fund balances	\$ 21,611,287	\$ 49,610,930	\$ 25,749,910	\$ 10,817,134	\$ 12,032,424	\$ 119,821,685

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

**Park City Municipal Corporation
Reconciliation of Balance Sheet
To the Statement of Net Position
June 30, 2019**

Fund balances of governmental funds		\$91,799,543
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		341,649,014
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:		
Taxes receivable	\$1,055,219	
Interest receivable	34,328	
		1,089,547
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		2,146,599
Certain items not accounted for as unavailable under accrual accounting.		658,022
Pollution remediation liability not reported in the funds.		(1,272,000)
Long-term liabilities, including bonds payable and net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of:		
Compensated absences	(789,792)	
Revenue bonds	(71,550,000)	
General obligation bonds	(82,340,000)	
Deferred bond premiums and discounts	(16,347,745)	
Deferred gain on debt refunding	(500,262)	
Accrued interest on the bonds	(1,346,390)	
Net pension liability	(9,964,206)	
		(182,838,395)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions	4,903,754	
Deferred inflows of resources related to pensions	(379,473)	
		4,524,281
Net position of governmental activities		\$257,756,611

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

Park City Municipal Corporation
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Capital Improvements Fund	Sales Tax Revenue and Refunding Bonds Debt Service Fund	General Obligation Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes and special assessments	\$ 26,658,241	\$ 11,017,088	\$ -	\$ 6,036,374	\$ 927,352	\$ 44,639,055
Licenses and permits	3,899,003	-	-	-	-	3,899,003
Intergovernmental	232,216	1,009,043	-	-	3,104,614	4,345,873
Charges for services	2,837,729	-	-	-	-	2,837,729
Fines and forfeitures	23,108	-	-	-	-	23,108
Investment income	530,733	1,276,689	341,062	2,575	146,030	2,297,089
Impact fees	-	620,441	-	-	-	620,441
Rental and other	172,703	3,500	-	-	-	176,203
Miscellaneous	848,928	426,527	-	48,857	-	1,324,312
Total revenues	35,202,661	14,353,288	341,062	6,087,806	4,177,996	60,162,813
EXPENDITURES						
Current:						
General government	16,175,897	-	-	-	-	16,175,897
Public safety	6,360,284	-	-	-	-	6,360,284
Public works	5,935,423	-	-	-	-	5,935,423
Library and recreation	4,367,960	-	-	-	-	4,367,960
Economic development	-	-	-	-	878,578	878,578
Debt service:						
Interest	-	-	2,110,324	1,635,254	-	3,745,578
Principal retirement	-	-	3,240,000	8,340,000	-	11,580,000
Bond issuance costs	-	-	259,074	270,383	-	529,457
Capital outlay	-	68,571,349	-	-	1,562,155	70,133,504
Total expenditures	32,839,564	68,571,349	5,609,398	10,245,637	2,440,733	119,706,681
Excess (deficiency) of revenues over expenditures	2,363,097	(54,218,061)	(5,268,336)	(4,157,831)	1,737,263	(59,543,868)
OTHER FINANCING SOURCES (USES)						
Debt issuance	-	-	26,775,000	44,000,000	-	70,775,000
Refunding bonds issued	-	-	-	4,290,000	-	4,290,000
Premium on debt issuance	-	-	3,495,522	6,344,605	-	9,840,127
Premium on refunding bonds	-	-	-	482,659	-	482,659
Sale of capital assets	-	166,791	-	-	74,891	241,682
Transfers in	2,673,664	64,444,555	5,344,141	-	3,372,825	75,835,185
Transfers out	(3,617,445)	(3,669,062)	(11,993,364)	(50,094,149)	(3,812,501)	(73,186,521)
Total other financing sources (uses)	(943,781)	60,942,284	23,621,299	5,023,115	(364,785)	88,278,132
Net change in fund balances	1,419,316	6,724,223	18,352,963	865,284	1,372,478	28,734,264
Fund balances - beginning	7,925,390	40,952,442	7,396,947	671,466	6,119,034	63,065,279
Fund balances - ending	\$ 9,344,706	\$ 47,676,665	\$ 25,749,910	\$ 1,536,750	\$ 7,491,512	\$ 91,799,543

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

Park City Municipal Corporation
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds		\$28,734,264
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Amounts reported for governmental activities in the statement of net position are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Capital outlay	\$67,788,292	
Depreciation expense	<u>(5,789,054)</u>	
		61,999,238

In the statement of activities, only the gain or (loss) on the sale of capital assets is reported; whereas in the governmental funds, proceeds from sales increase financial resources.		(52,542)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Donated capital assets	563,250	
Taxes receivable	192,161	
Interest receivable	1,236	
Unavailable revenue	<u>(701,953)</u>	
		54,694

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Premiums and discounts associated with the issuance of debt are reported as other financing sources (uses) in the governmental funds, but in the statement of activities they are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position:

Issuance of long-term debt	(75,065,000)	
Principal repayments of long-term debt	11,580,000	
Capitalization of premiums and discounts	(10,322,786)	
Amortization of bond premiums and discounts	949,761	
Capitalization of deferred inflows-gain on debt refunding	<u>(385,000)</u>	
		(73,243,025)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(750,737)
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Governmental funds report 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:

Pension contributions	(3,404,775)	
Actuarial calculated pension expense	<u>2,431,291</u>	
		(973,484)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. Internal service fund net income of \$188,052 less amount allocated to business-type activities of \$83,729 and reversal of prior year allocation of (\$152,920).		257,243
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Change in net position of governmental activities		<u><u>\$16,025,651</u></u>
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The notes to the financial statements are an integral part of this statement.

Park City Municipal Corporation
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 28,369,134	\$ 28,764,165	\$ 26,658,241	\$ (2,105,924)
Licenses and permits	3,461,000	3,565,000	3,899,003	334,003
Intergovernmental	182,000	189,955	232,216	42,261
Charges for services	3,007,000	3,425,881	2,837,729	(588,152)
Fines and forfeitures	29,000	21,000	23,108	2,108
Investment income	140,000	120,000	530,733	410,733
Rental and other	85,000	66,000	172,703	106,703
Miscellaneous	704,000	636,000	848,928	212,928
Total revenues	<u>35,977,134</u>	<u>36,788,001</u>	<u>35,202,661</u>	<u>(1,585,340)</u>
EXPENDITURES				
General government	17,048,202	17,509,543	16,175,897	1,333,646
Public safety	6,686,529	6,857,197	6,360,284	496,913
Public works	6,034,494	6,098,117	5,935,423	162,694
Library and recreation	4,546,439	4,438,359	4,367,960	70,399
Total expenditures	<u>34,315,664</u>	<u>34,903,216</u>	<u>32,839,564</u>	<u>2,063,652</u>
Excess of revenues over expenditures	<u>1,661,470</u>	<u>1,884,785</u>	<u>2,363,097</u>	<u>478,312</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,673,663	2,673,664	2,673,664	-
Transfers out	(3,617,445)	(3,617,445)	(3,617,445)	-
Total other financing sources (uses)	<u>(943,782)</u>	<u>(943,781)</u>	<u>(943,781)</u>	<u>-</u>
Net change in fund balances	717,688	941,004	1,419,316	478,312
Fund balances - beginning	8,304,966	6,930,647	7,925,390	994,743
Fund balances - ending	<u>\$ 9,022,654</u>	<u>\$ 7,871,651</u>	<u>\$ 9,344,706</u>	<u>\$ 1,473,055</u>

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

PROPRIETARY FUNDS

Major Funds

Water Fund - Accounts for the operations of the City's water utility.

Stormwater Fund - Accounts for the operations of the City's storm water utility.

Transportation and Parking Fund - Accounts for the operations of the City's public transportation (bus and trolley) system and paid parking system.

Golf Course Fund - Accounts for the operations of the City's golf course.

Park City Municipal Corporation
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities				Governmental Activities	
	Water Fund	Stormwater Fund	Golf Course Fund	Transportation and Parking Fund	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash, cash equivalents and investments	\$ 4,876,235	\$ 958,797	\$ 729,636	\$ 564,574	\$ 7,129,242	\$ 2,766,468
Restricted cash, cash equivalents and investments, fiscal agent	5,237,136	-	-	-	5,237,136	-
Accounts receivable	2,265,109	158,949	12,561	8,162,244	10,598,863	97,583
Taxes receivable	-	-	-	617,724	617,724	-
Inventories	373,451	-	108,920	134,605	616,976	217,522
Prepays	-	-	-	661,642	661,642	-
Total current assets	<u>12,751,931</u>	<u>1,117,746</u>	<u>851,117</u>	<u>10,140,789</u>	<u>24,861,583</u>	<u>3,081,573</u>
Noncurrent assets:						
Prepays	-	-	-	1,426,701	1,426,701	-
Land and water rights	17,693,588	-	828,451	3,723,149	22,245,188	-
Buildings	3,660,682	-	1,671,486	20,909,160	26,241,328	-
Improvements other than buildings	87,825,861	15,410,295	1,728,630	7,617,521	112,582,307	-
Art	-	-	-	109,214	109,214	-
Vehicles and equipment	10,439,005	428,030	1,538,059	24,486,496	36,891,590	47,450
Construction in progress	16,482,252	-	-	1,261,303	17,743,555	-
Intangible	27,810	-	-	58,645	86,455	-
Accumulated depreciation and amortization	(45,169,709)	(8,006,690)	(3,458,857)	(19,322,149)	(75,957,405)	(47,450)
Total noncurrent assets	<u>90,959,489</u>	<u>7,831,635</u>	<u>2,307,769</u>	<u>40,270,040</u>	<u>141,368,933</u>	<u>-</u>
Total assets	<u>103,711,420</u>	<u>8,949,381</u>	<u>3,158,886</u>	<u>50,410,829</u>	<u>166,230,516</u>	<u>3,081,573</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources related to pensions	652,830	271,352	79,535	1,226,808	2,230,525	300,377
Total deferred outflows of resources	<u>652,830</u>	<u>271,352</u>	<u>79,535</u>	<u>1,226,808</u>	<u>2,230,525</u>	<u>300,377</u>
Total assets and deferred outflows of resources	<u>\$104,364,250</u>	<u>\$ 9,220,733</u>	<u>\$ 3,238,421</u>	<u>\$ 51,637,637</u>	<u>\$168,461,041</u>	<u>\$ 3,381,950</u>
LIABILITIES						
Current liabilities:						
Interfund loan	-	-	31,654	-	31,654	-
Accounts payable	2,530,993	12,115	92,727	749,352	3,385,187	376,551
Accrued liabilities	150,652	12,559	24,917	99,007	287,135	11,934
Revenue bonds	3,410,000	-	-	-	3,410,000	-
Compensated absences	87,071	15,635	9,562	151,828	264,096	49,687
Total current liabilities	<u>6,178,716</u>	<u>40,309</u>	<u>158,860</u>	<u>1,000,187</u>	<u>7,378,072</u>	<u>438,172</u>
Noncurrent liabilities:						
Interfund loan	-	-	24,107	-	24,107	-
Revenue bonds	28,496,489	-	-	-	28,496,489	-
Net pension liability	1,276,606	602,402	146,328	1,890,921	3,916,257	687,563
Compensated absences	16,780	17,651	12,226	61,095	107,752	15,731
Total noncurrent liabilities	<u>29,789,875</u>	<u>620,053</u>	<u>182,661</u>	<u>1,952,016</u>	<u>32,544,605</u>	<u>703,294</u>
Total liabilities	<u>35,968,591</u>	<u>660,362</u>	<u>341,521</u>	<u>2,952,203</u>	<u>39,922,677</u>	<u>1,141,466</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources related to pensions	36,008	9,774	4,774	74,260	124,816	10,156
Total deferred inflows of resources	<u>36,008</u>	<u>9,774</u>	<u>4,774</u>	<u>74,260</u>	<u>124,816</u>	<u>10,156</u>
Total liabilities and deferred inflows of resources	<u>36,004,599</u>	<u>670,136</u>	<u>346,295</u>	<u>3,026,463</u>	<u>40,047,493</u>	<u>1,151,622</u>
NET POSITION						
Net investment in capital assets	64,520,282	7,831,635	2,307,770	38,843,337	113,503,024	-
Unrestricted	3,839,369	718,962	584,356	9,767,837	14,910,524	2,230,328
Total net position	<u>\$ 68,359,651</u>	<u>\$ 8,550,597</u>	<u>\$ 2,892,126</u>	<u>\$ 48,611,174</u>	<u>\$128,413,548</u>	<u>\$ 2,230,328</u>

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

Park City Municipal Corporation
Reconciliation of Proprietary Funds Net Position
To the Government-wide Statement of Net Position
June 30, 2019

Net Position of proprietary funds	\$128,413,548
Amounts reported for proprietary funds in the statement of net position are different because:	
Certain internal service fund assets and liabilities included with business-type activities.	83,729
	<hr/>
Net position of business-type activities	<u><u>\$128,497,277</u></u>

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

Park City Municipal Corporation
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities				Governmental Activities	
	Water Fund	Stormwater Fund	Golf Course Fund	Transportation and Parking Fund	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 18,606,759	\$ 1,572,044	\$ 1,131,283	\$ 11,113,961	\$ 32,424,047	\$ 4,261,216
Miscellaneous	-	-	302,014	-	302,014	-
Total operating revenues	<u>18,606,759</u>	<u>1,572,044</u>	<u>1,433,297</u>	<u>11,113,961</u>	<u>32,726,061</u>	<u>4,261,216</u>
OPERATING EXPENSES						
Salaries and benefits	2,950,635	1,071,048	713,110	10,365,571	15,100,364	1,105,619
Supplies, maintenance and services	4,372,840	117,184	403,566	7,025,551	11,919,141	1,879,130
Energy and utilities	986,418	53,631	68,535	1,166,673	2,275,257	1,088,415
Depreciation and amortization	3,494,887	155,839	222,469	2,889,259	6,762,454	-
Total operating expenses	<u>11,804,780</u>	<u>1,397,702</u>	<u>1,407,680</u>	<u>21,447,054</u>	<u>36,057,216</u>	<u>4,073,164</u>
Operating income (loss)	<u>6,801,979</u>	<u>174,342</u>	<u>25,617</u>	<u>(10,333,093)</u>	<u>(3,331,155)</u>	<u>188,052</u>
NONOPERATING REVENUES (EXPENSES)						
Taxes and special assessments	-	-	-	6,128,331	6,128,331	-
Intergovernmental	-	-	60,000	-	60,000	-
Investment income	371,806	21,577	21,933	166,584	581,900	-
Miscellaneous	166,985	-	-	-	166,985	-
Gain on sale of capital assets	(726,800)	-	-	10,679	(716,121)	-
Interest expense	(997,342)	-	(1,271)	-	(998,613)	-
Total nonoperating revenues (expenses)	<u>(1,185,351)</u>	<u>21,577</u>	<u>80,662</u>	<u>6,305,594</u>	<u>5,222,482</u>	<u>-</u>
Income (loss) before contributions and transfers	5,616,628	195,919	106,279	(4,027,499)	1,891,327	188,052
Capital contributions	2,088,783	-	-	4,376,198	6,464,981	-
Transfers in	-	-	25,000	-	25,000	-
Transfers out	(1,515,221)	(75,000)	(106,046)	(977,397)	(2,673,664)	-
Change in net position	<u>6,190,190</u>	<u>120,919</u>	<u>25,233</u>	<u>(628,698)</u>	<u>5,707,644</u>	<u>188,052</u>
Total net position - beginning	62,169,461	8,429,678	2,866,893	49,239,872	122,705,904	2,042,276
Total net position - ending	<u>\$ 68,359,651</u>	<u>\$ 8,550,597</u>	<u>\$ 2,892,126</u>	<u>\$ 48,611,174</u>	<u>\$128,413,548</u>	<u>\$ 2,230,328</u>

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

Park City Municipal Corporation
Reconciliation of the Change in Net Position of Proprietary Funds to the Statement of Activities
For the Year Ended June 30, 2019

Net changes in net position - total proprietary funds	\$5,707,644
Amounts reported for proprietary fund activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. Internal service fund net income of \$188,052 less amount allocated to governmental activities of \$104,323 and reversal of prior year allocation of \$152,920.	(69,191)
Change in net position of business-type activities	\$5,638,453

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

Park City Municipal Corporation
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities
	Water Fund	Stormwater Fund	Golf Course Fund	Transportation and Parking Fund	Internal Service Funds		
\$	18,254,863	\$ 1,557,043	\$ 1,420,916	\$ 9,475,133	\$ 30,707,955	\$ 4,260,893	
	(2,884,391)	(865,360)	(775,140)	(10,353,642)	(14,878,533)	(1,033,900)	
	(4,915,539)	(178,143)	(507,477)	(9,236,696)	(14,837,855)	(2,988,859)	
	10,454,933	513,540	138,299	(10,115,205)	991,567	238,134	
	-	-	25,000	-	25,000	-	
	(800,221)	(75,000)	(106,046)	(977,397)	(1,958,664)	-	
	-	-	-	6,049,389	6,049,389	-	
	(800,221)	(75,000)	(81,046)	5,071,992	4,115,725	-	
	2,088,783	-	60,000	3,231,082	5,379,865	-	
	(7,684,300)	(10,695)	(14,906)	(5,354,954)	(13,064,855)	-	
	(3,255,000)	-	(31,106)	-	(3,286,106)	-	
	(1,255,251)	-	(1,271)	-	(1,256,522)	-	
	(726,800)	-	-	10,679	(716,121)	-	
	166,986	-	-	-	166,986	-	
	(10,665,582)	(10,695)	12,717	(2,113,193)	(12,776,753)	-	
	372,440	21,472	21,917	168,763	584,592	-	
	(372,440)	21,472	21,917	168,763	584,592	-	
	(638,430)	449,317	91,887	(6,987,643)	(7,084,869)	238,134	
	10,751,801	509,480	637,749	7,552,217	19,451,247	2,528,334	
	10,113,371	\$ 938,797	\$ 729,636	\$ 564,574	\$ 12,366,378	\$ 2,766,468	
\$	6,801,979	\$ 174,342	\$ 25,617	\$ (10,333,093)	\$ (3,331,155)	\$ 188,052	
	3,494,887	155,839	222,469	2,889,259	6,762,454	-	
	(715,000)	-	-	-	(715,000)	-	
	48,932	194,024	(61,181)	(50,482)	131,293	76,064	
	197,302	(15,001)	(12,382)	(2,463,833)	(2,293,914)	(323)	
	18,948	-	(9,741)	(126,105)	(116,898)	26,048	
	590,573	(7,328)	(25,636)	(93,362)	464,247	(47,362)	
	13,556	6,207	2,862	47,006	69,631	1,508	
	3,756	5,457	(3,709)	15,405	20,909	(5,853)	
	10,454,933	\$ 513,540	\$ 138,299	\$ (10,115,205)	\$ 991,567	\$ 238,134	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers
Payments to employees
Payments to suppliers
Net cash provided (used) by operating activities

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers from other funds
Transfers to other funds
Transit and resort sales tax
Net cash provided (used) by noncapital financing activities

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Impact fees, contributions and grants
Acquisition and construction of capital assets
Principal paid on capital debt and interfund loan
Interest paid on capital debt and interfund loan
Proceeds from sales of capital assets
Federal subsidy on capital debt
Net cash provided (used) by capital and related financing activities

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received by investing activities
Net cash provided (used) by investing activities
Net increase (decrease) in cash and cash equivalents
Balances - beginning of year
Balances - end of the year

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
Depreciation
Non-cash water interfund transfer to general fund
Pension Expense
Changes in assets and liabilities:
Accounts receivable
Inventory
Accounts and other payables
Accrued liabilities
Compensated absences
Net cash provided (used) by operating activities

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Included in investment income is an increase of \$25,314 in fair value for the year ended June 30, 2019.

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

FIDUCIARY FUND

Custodial Fund - Used to hold deposits and performance bonds from individuals, organizations and other governments.

**Park City Municipal Corporation
Statement of Fiduciary Net Position
June 30, 2019**

	Custodial Funds
ASSETS	
Cash, cash equivalents and investments	\$ 3,329,036
Total assets	3,329,036
 LIABILITIES	
Accounts payable and other liabilities	-
Total liabilities	-
 NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	3,329,036
Total net position	\$ 3,329,036

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

Park City Municipal Corporation
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	Custodial Funds
ADDITIONS	
Contributions from individuals, organizations, and other governments	\$ 2,232,255
Total additions	2,232,255
DEDUCTIONS	
Refunds to individuals, organizations, and other governments	1,271,719
Total deductions	1,271,719
Net increase in fiduciary net position	960,536
Net Position -- beginning of the year	2,368,500
Net Position -- end of the year	\$ 3,329,036

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

**NOTES
TO THE
FINANCIAL
STATEMENTS**

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statement follows.

1. General Information

The Park City Municipal Corporation (the City) is a municipal corporation governed by an elected mayor and five-member Council elected at large with staggered terms. The City was chartered March 15, 1884, under the provisions of the Utah Territorial Government. The Mayor is the administrative authority by statute; however, that responsibility has been delegated to the City Manager by City Ordinance. Therefore, the City operates under a Council-Manager form of government. The City provides the following services as authorized in its charter: public safety (police), highways and streets, cultural and recreational, library, public improvements, planning and zoning, public transportation, public utilities (water and stormwater), golf and general administrative services.

2. Reporting Entity

These financial statements include the City and its component units. The City has considered all potential component units for which it is financially accountable. The criteria to be considered in determining financial accountability have been set forth in the Governmental Accounting Standards Board's (GASB) Statement No. 61. These criteria include (1) substantively the same governing body, (2) the primary government and the component unit have a financial benefit or burden relationship, or (3) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit.

Blended component units, although legally separate entities are so intertwined with the City that they are, in substance, the same as the City. They have the same governing board and provide services almost entirely to the City. They are reported as funds of the City. These are organizations for which the City is financially accountable, and the relationship with the City is significant enough that exclusions would possibly lead to misleading or incomplete financial statements.

Included in this report are the following blended component units:

The Park City Redevelopment Agency (RDA) was legally created by City ordinance pursuant to the Utah Limited Purpose Local Government Entities-Community Development and Renewal Agencies Act. The City Council is designated as the governing body of the RDA. The City has accountability for all fiscal and operating activities of the RDA. The RDA currently has two special revenue funds and two capital projects funds.

The Park City Municipal Building Authority (MBA) governing board is comprised of the same individuals as the City Council and was created to provide a mechanism for financing City facilities. The MBA acquires and/or builds facilities by borrowing money secured by a lease agreement between the City and the Authority. The MBA currently has a capital projects fund. The bond issuance authorizations are approved by the City Council and the legal liability for those bonds remains with the City.

The Park City Housing Authority (HA) governing board is comprised of the same individuals as the City Council and was created to accumulate funds for construction of affordable housing within the City. The City has accountability for all fiscal and operating activities of the HA.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The Park City Water Service District (WSD) governing board is comprised of the same individuals as the City Council and was created to furnish municipal water service within the boundaries of the District. The City has accountability for all fiscal and operating activities of the WSD.

3. Government-wide and Fund Financial Statements

The government-wide financial statements (*i.e.*, the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Certain eliminations have been made as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 for interfund activities. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, internal service fund transactions have been eliminated except interfund services provided and used by business-type activities, which are not eliminated.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

4. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Amounts received or recognized as a receivable at fiscal yearend are included in the financial statements as taxes receivable and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are recognized as revenues in the year for which they are levied. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It is used to account for all financial resources of the City not accounted for by a separate, specialized fund.

The Sales Tax Revenue and Refunding Bonds Debt Service Fund and the General Obligation Debt Service Fund are used to account for the accumulation of resources for the payment of sales tax revenue bonded debt and general obligation debt.

The Capital Improvements Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, the Redevelopment Agencies or Municipal Building Authority).

The City reports the following major enterprise funds:

The Water Fund operates the water distribution system for residents of the City.

The Stormwater Fund operates the storm drain system for residents of the City.

The Transportation and Parking fund accounts for the operations of the City's public transportation (bus and trolley) system and paid parking system.

The Golf Fund accounts for the operations of the City's golf course.

Additionally, the City reports the following fund types:

Special Revenue Funds are used to account for specific revenue sources that are restricted to expenditures for specific purposes. The City currently has the Lower Park Avenue Redevelopment Agency and the Main Street Redevelopment Agency special revenue funds. These funds account for redevelopment activities that are supported by property tax increment.

Internal Service Funds are used to account for the central financing of goods or services provided to various departments of the City or other governments on a cost-reimbursement basis. The City currently has two internal service funds. The fleet services fund provides vehicle storage, repair and maintenance. The self-insurance fund was established to allow the City to supplement its regular insurance coverage as further explained in Note K – Risk Management.

Custodial Funds are used to account for the assets held by the City as a fiduciary activity. Custodial funds do not involve measurement of results of operations. The City currently has one custodial fund. The Park City Custodial Fund is used to hold deposits and performance bonds.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

5. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash, Cash Equivalents and Investments - Cash and investment management in the City is administered by the City Treasurer in accordance with the Utah Money Management Act, Section 51-7 of the Utah Code (see Note B). The City complies with GASB 72, *Fair Value Measurement and Application*. The statement requires certain investments to be reported at fair value and the change in fair value to be recognized as an increase or decrease to investment assets and investment income. The City’s investment in the State Treasurer’s Pool has a fair value approximately equal to the value of the pool shares. This pool is administered by the State of Utah and is regulated by the Money Management Council under provisions of the Utah State Money Management Act.

Capital Assets - Capital assets, which include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government included all assets with acquisition dates as far back as June 30, 1980. Most of the City’s infrastructure assets were valued at historical cost (when available) or estimated historical cost through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Donated capital assets, donated works of art and similar items are recorded at acquisition value at the date of donation.

Art represents a collection of the City and is therefore not depreciated. Property, plant, equipment and intangible assets of the primary government are depreciated or amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-75
Public domain infrastructure	20-30
System infrastructure	20-30
Vehicles, equipment and intangibles	3-25

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Inventories and prepaid items - Inventories of supplies for the proprietary fund types consist principally of items used in repairing and maintaining the water distribution system and transportation equipment. Supplies inventories are valued at cost using the weighted average method. Inventory held for retail sale in the Golf Fund is valued at lower-of-cost or market using the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Long-term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts and gains and losses on bond refunding, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Gains and losses on bond refunding are reported as deferred inflows and outflows. Bond issuance costs are expensed in the period in which they are incurred. The unamortized bond premiums/discounts at June 30, 2019 for governmental activities were \$16,347,745 and \$711,488 for business-type activities and proprietary funds. In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 current expenditures.

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.

Compensated Absences - Accumulated unpaid vacation is accrued based on the years of service of each employee. Vacation is accumulated on a monthly basis and is fully vested when earned. The maximum amount of accumulated accrued vacation hours is determined by the length of service of each employee according to the following schedule:

0 to 5 years	192 hours
5 to 10 years	240 hours
10 plus years	288 hours

Accumulated vacation cannot exceed these limits at the end of any calendar year and any vacation in excess of this amount is forfeited. At retirement, death, or termination in good standing, all unpaid vacation that has been accrued, up to the above limits, is paid. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Deferred Outflows of Resources or Deferred Inflows of Resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports the deferred charge on refunding in the government-wide statement of net position and the proprietary fund statement of net position. The deferred charge on refunding resulted from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the government-wide statement of net position and the proprietary fund statement of net position report deferred outflows of resources related to pensions.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has items which qualify for reporting in this category. The governmental funds report unavailable revenue from property taxes and notes receivable. The government-wide statement of net position reports deferred inflows from property taxes, pension related items and deferred gain on refunding of debt. Property taxes are deferred and recognized as an inflow of resources in the following fiscal year to correspond with the period in which the taxes are levied. The deferred gain on refunding resulted from the difference in the carrying value of the refunded debt and its reacquisition price. The proprietary fund statement of net position reports items related to pensions.

Net Position Flow Assumption – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance – Fund balances presented in the governmental fund financial statements represent the difference between assets and liabilities. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the type of restrictions imposed on the use of funds. The City evaluated each of its funds at June 30, 2019, and classified fund balances into the following five categories:

Nonspendable - Amounts that cannot be spent because they are (1) not in spendable form, such as prepaid items, inventories and long-term receivables for which the payment of proceeds are not restricted or committed with respect to the nature of the specific expenditures of that fund or (2) legally or contractually required to be maintained intact.

Restricted - Amounts that are restricted by external parties such as creditors or imposed by grants, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The City has legislative restrictions on amounts collected and reported in the City's various governmental funds. As a result, these restrictions have been classified as restricted for capital projects, debt service and drug and tobacco enforcement.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (ordinance) of the entity's "highest level of decision-making authority", which the City considers to be the Park City Municipal City Council. Commitments may be changed by the government by taking the same action that imposed the constraint initially.

Assigned - Amounts that have been allocated by action of the Park City Municipal City Council through a resolution in which the City's intent is to use the funds for a specific purpose, but that do not meet the criteria to be classified as restricted or committed.

Unassigned - Amounts that constitute the residual balances that have no restrictions placed upon them. If restrictions exceed available resources only deficit amounts are reported in the unassigned category. The general fund is the only fund that reports a positive unassigned balance.

The City reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available. The City reduces committed amounts first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The City does not have a minimum fund balance policy. *Utah Code* 10-6-116(4) requires that a minimum fund balance of 5.0 percent of total revenues be maintained in the general fund.

Restricted Assets – Certain proceeds of the City's Water Revenue and Refunding Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the proprietary funds' statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

Proceeds of the City's 2004 and 2013A Series General Obligation Bonds in the amount of \$5,099,028 are classified as restricted assets as well as impact fees of \$1,885,973 and B and C road funds of \$209,634. Bond proceeds are restricted to acquiring and preserving undeveloped park and recreational land and to acquire, construct, improve and modify pathways, roads and related improvements for use by pedestrians and cyclists. The "reserve fund" account with a balance at June 30, 2019 of \$11,543 is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account.

Proceeds of the City's 2015, 2017 and 2019 Sales Tax Revenue Bonds are classified as restricted assets on the governmental funds balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "construction fund" account with a balance at June 30, 2019 of \$24,504,653 is used to report those proceeds of revenue bond issuances that are restricted for the purpose of financing the cost associated with improvements and acquisition of open space. The "reserve fund" account with a balance at June 30, 2019 of \$641,434 is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account.

Water development fees are charged to new customers to pay for the cost of increasing the capacity of the water system to meet the additional demand created by the connection of new customers. The use of water development fees is legally restricted.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

6. Budgets

State law requires the City Council to prepare and adopt budgets for all governmental and proprietary funds. The City Manager submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the proposed sources of revenues. Between May 1 and June 30, the City Council reviews and adjusts the City Manager's proposed budget. On or before June 30, a public hearing is held and the budget is legally adopted through passage of an ordinance. Budgets are adopted below individual department levels, but control of budget appropriations is exercised, under state law, at the department level (General Government, Public Safety, Public Works and Library and Recreation).

After the budget is adopted, transfers of any unexpended appropriation amount between line items within a major category are to be initiated and approved by each respective department. Transfers between major categories and between programs within the same department and fund are to be initiated by the respective departments and approved by the City Manager. Transfers between capital improvement projects within the same fund are to be initiated by the individual designated as responsible for the project and approved by the City Manager. Transfers that will result in a total change in the appropriation for a project of more than 20.0 percent or if a project would be eliminated by the transfer must be approved by the City Council. The City Council may reduce or increase the budget of any fund by ordinance during the budget year. The City Council must hold a public hearing to increase a fund's budget before it can pass the ordinance. Utah State law prohibits the appropriation of unassigned general fund balance until it exceeds the sum of 5.0 percent of the budgeted general fund revenues. Until unassigned fund balance is greater than the above amount, it cannot be budgeted but is used to provide working capital until tax revenue is received, meet emergency expenditures and cover unanticipated deficits.

When the unassigned fund balance is greater than 25.0 percent of actual revenues, the excess must be appropriated to capital projects determined to be in the best long-term interest of the City. During the year, the General Fund budget was increased by \$587,552 under the guidelines described above. The supplemental appropriation was due to personnel expense increases.

Budgets are prepared on the modified accrual basis of accounting according to accounting principles generally accepted in the United States (GAAP) for governmental funds. Budgets are not prepared for the custodial fund since this fund is comprised only of deposits and performance bonds held by the City. Encumbrance accounting is used by the City.

Each year the capital projects fund adjusted budget is comprised of new appropriations from the current year and unexpended appropriations from the prior year, since unexpended capital projects appropriations do not automatically lapse at yearend. Major capital project fund budgets included \$40,482,030 and non-major capital project fund budgets included \$4,974,305 for a total of \$45,456,335 of prior-year unexpended capital projects appropriations. The adjusted capital projects fund budget represents the amount available for expenditures in the current year. Future projects and appropriations that are to come from funds available in future years are not reflected in the current year budget.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

7. Implementation of New GASB Pronouncements

In November 2016 the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes standards of accounting and financial reporting for certain asset retirement obligations (AROs). A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. Statement No. 83 is effective for reporting periods beginning after June 15, 2018. Implementation of this Statement did not have a significant impact on the City's financial statements.

In January 2017 the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 is effective for periods beginning after December 15, 2019. The City adopted GASB No. 84 for the fiscal year ended June 30, 2018. Implementation of this Statement did not have a significant impact on the City's financial statements.

In June 2017 the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. The City is currently evaluating the impact of this Statement on the financial statements when implemented.

In March 2018 the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The City adopted GASB No. 88 for the fiscal year ended June 30, 2018. Implementation of this Statement had no effect on the City's financial statements.

In June 2018 the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements of Statement No. 89 are effective for periods beginning after December 15, 2019. The City adopted GASB No. 89 for the fiscal year ended June 30, 2018. Implementation of this Statement did not have a significant impact on the City's financial statements.

In August 2018 the GASB issued Statement No. 90, *Majority Equity Interests*. This Statement addresses the reporting of a majority equity interest in a legally separate organization that requires that such majority equity interest be reported as an investment. The requirements of this Statement are effective for periods beginning after December 15, 2018. The City adopted GASB No. 90 for the fiscal year ended June 30, 2018. Implementation of this Statement had no effect on the City's financial statements.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

In May, 2019 the GASB issued Statement No. 91 *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The requirements of Statement No. 91 are effective for periods beginning after December 15, 2020. The City adopted GASB No. 91 for the fiscal year ended June 30, 2019. Implementation of this Statement had no effect on the City’s financial statements.

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Each fund type’s portion of this pool is displayed on the basic financial statements as “cash, cash equivalents and investments”. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with original maturities of three months or less meet this definition. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund. The following is a summary of cash, cash equivalents and investments at June 30, 2019:

	Government-Wide Statement of Net Position			Fund Financials	
	Governmental Activities	Business-Type Activities	Total	Fiduciary Fund Statement of Net Position	Total
Held by city-unrestricted	\$ 61,639,465	\$ 7,129,242	\$ 68,768,707	\$ 3,329,036	\$ 72,097,743
Held by city-restricted	7,194,635	-	7,194,635	-	7,194,635
Total held by city	\$ 68,834,100	\$ 7,129,242	\$ 75,963,342	\$ 3,329,036	\$ 79,292,378
Held by fiscal agent	\$ 25,157,630	\$ 5,237,136	\$ 30,394,766	\$ -	\$ 30,394,766

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

As of June 30, 2019, the City had the following deposits and investments, including \$3,329,036 held in a custodial capacity for others:

Held by city:	Investments maturities		
Investment Type	Fair Value	1 year or less	1-5 years
Debt securities			
Federal National Mortgage Association	\$ 449,252	\$ 449,252	\$ -
Federal Home Loan Mortgage Corporation	1,944,226	747,945	1,196,281
Federal Home Loan Bank	249,543	-	249,543
Corporate Bonds	2,488,839	1,000,082	1,488,757
	5,131,860	\$ 2,197,279	\$ 2,934,581
Other investments			
State treasurer's investment pool	71,697,581	\$ 71,697,581	
Total investments	76,829,441		
Deposits			
Cash deposits checking-net of outstanding checks	1,725,962		
Cash deposits money market/savings	727,355		
Cash on hand	9,620		
Total deposits	2,462,937		
Total cash, cash equivalents and investments held by city	79,292,378		
Held by fiscal agent:			
State treasurer's investment pool	30,394,766		
Total cash, cash equivalents and investments	\$ 109,687,144		

Deposits – State law requires that City deposits be with a “qualified depository” as defined by the Utah Money Management Act (UMMA). “Qualified depository” includes any depository institution that has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and deposits are: (1) Uncollateralized, (2) Collateralized with securities held by the pledging financial institution, or (3) Collateralized with securities held by the pledging financial institution’s trust department or agent but not in the depositor government’s name. As of June 30, 2019, the City’s deposits had a carrying value of \$2,455,441 and a bank balance of \$2,548,686. Of the above bank balance, \$250,000 was covered by federal depository insurance. The City does not have a deposit policy for custodial credit risk. However, Utah State law does not require deposits to be insured or collateralized.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

Investments –The City’s investment policies are also governed by the UMMA. Public treasurers may use investment advisers to conduct investment transactions on behalf of public treasurers as permitted by statute, Rules of the Money Management Council and local ordinance or policy. Investment advisers must be certified by the Director of the Utah State Division of Securities of the Department of Commerce (the "Director") and meet the requirements of the Utah Money Management Act (Rule 15 of the State Money Management Council). The UMMA mandates that investment transactions be conducted only through qualified depositories, certified dealers or directly with issuers of the investment securities. Broker/dealers and agents who desire to become certified dealers must be certified by the Director and meet the requirements of the Utah Money Management Act. (Rule 16 of the State Money Management Council). The Utah Money Management Council issues a quarterly list of certified investment advisers, certified dealers and qualified depositories authorized by state statute to conduct transactions with public treasurers. All securities purchased through a certified investment adviser or certified dealer are required to be delivered to the custody of the City Treasurer or to the City's safekeeping bank or trust company.

Fair Value of Investments: The City 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:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2019 the City had the following recurring fair value measurements:

<u>Investments by fair value level</u>	June 30, 2019	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt securities				
Federal National Mortgage Association	\$ 449,252	\$ 449,252	\$ -	\$ -
Federal Home Loan Mortgage Corporation	1,944,226	1,944,226	-	-
Federal Home Loan Bank	249,543	249,543	-	-
Corporate Bonds	2,488,839	2,488,839	-	-
Utah Public Treasurers' Investment Fund	71,697,581	-	71,697,581	-
Total debt securities	<u>\$ 76,829,441</u>	<u>\$ 5,131,860</u>	<u>\$ 71,697,581</u>	<u>\$ -</u>

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities. The Utah Public Treasurers’ Investment Fund classified in Level 2 is valued by application of the June 30, 2019 fair value factor, as calculated by the Utah State Treasurer, to the City’s average daily balance in the Fund.

Custodial Credit Risk for an investment is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either: (1) The counterparty or (2) The counterparty’s trust department or agent but not in the government’s name. For investments in U.S. government agencies and corporate bonds with combined fair value of \$5,131,860 at June 30, 2019, the City uses a qualified depository bank for safekeeping securities for the purpose of settling investment transactions, safekeeping, and collecting those investments. These

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

investments are held by the investment’s counterparty, not in the name of the City but are supported by a safekeeping receipt issued by the City’s bank. The City does not have an investment policy for custodial credit risk.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s investment policy limits the term of investments to a maximum maturity that shall not exceed five years in order to manage its exposure to fair value losses arising from increasing interest rates. The investment policy also specifies that the City’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s investment policy, in compliance with the UMMA limits investments to the following: (1) Negotiable or nonnegotiable deposits of qualified depositories (see definition of qualified depository under “deposits” above). (2) Repurchase agreements with qualified depositories or primary reporting dealers only if these securities are delivered to the custody of the City Treasurer or the City’s safekeeping bank or are conducted with a qualified depository. (3) Commercial paper which is classified as "first tier" by two nationally recognized statistical rating organizations. (4) Obligations of the United States Treasury, including Treasury Bills, Treasury Notes, and United States Treasury Bonds. (5) Obligations other than mortgage pools and other mortgage derivative products issued by or fully guaranteed as to principal and interest by the following agencies of the United States in which a market is made by a primary reporting government securities dealer: Federal Farm Credit Banks, Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Agriculture Mortgage Corporation, and the Tennessee Valley Authority. (6) The Utah State Treasurer’s Investment Pool. (7) Publicly traded fixed rate corporate obligations rated “A” or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations. (8) Tax anticipation and general obligation bonds of the state or a county, an incorporated city or town, a school district or other political subdivision of the State of Utah.

The City’s rated debt investments as of June 30, 2019, are shown in the table below:

	Fair Value	Quality Ratings		
		AAA	AA	A
<u>Primary government:</u>				
Debt securities				
Federal National Mortgage Association	\$ 449,252	\$ 449,252	\$ -	\$ -
Federal Home Loan Mortgage Corporation	1,944,226	1,944,226	-	-
Federal Home Loan Bank	249,543	249,543	-	-
Corporate Bonds	2,488,839	-	451,059	2,037,780

The Utah State Treasurer’s Investment Pool is not rated and is not registered with the U.S. Securities and Exchange Commission as an investment company. The fair value of the position of the Utah State Treasurer’s Investment Pool is approximately equal to the value of the pool shares. All investments of the Utah State Treasurer’s Investment Pool must comply with the UMMA and Rules of the State Money Management Council. The Pool invests primarily in money market securities including time certificates of deposit and top-rated domestic commercial paper. No more than 5.0 percent of the pool may be invested with a single issuer. Investment activity of the State Treasurer is reviewed periodically by the Utah Money Management Council and is audited by the Utah State Auditor. Pool

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

deposits are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy authorizes investments to be made in accordance with the UMMA and further specifies that with the exception of U.S. Treasury securities and authorized pools, no more than 50.0 percent of the City's total investment portfolio will be invested in a single security type. None of the City's investments exceed this limit.

NOTE C – NOTES RECEIVABLE

Notes receivable of the governmental fund types at June 30, 2019 include various affordable housing and employee mortgage assistance loans with interest rates ranging from 0% to 5.0%. The following is a schedule of future principal and interest payments required under the terms of the notes receivable as of June 30, 2019:

<u>Fiscal year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 749,970	\$ 1,127	\$ 751,097
2021	5,225	872	6,097
2022	5,493	604	6,097
2023	3,192	368	3,560
2024	3,059	216	3,275
2025	1,417	60	1,477
Total	<u>\$ 768,356</u>	<u>\$ 3,247</u>	<u>\$ 771,603</u>

NOTE D – CAPITAL ASSETS

Depreciation expense was charged to functions for the year ended June 30, 2019 as follows:

Governmental activities:

General government	\$ 3,077,103
Public safety	368,231
Public works	1,007,485
Library and recreation	1,336,235
Total governmental activities depreciation expense	<u>\$ 5,789,054</u>

Business-type activities:

Water	\$ 3,494,887
Stormwater	155,839
Transportation and parking	2,889,259
Golf course	222,469
Total business-type activities depreciation expense	<u>\$ 6,762,454</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE D – CAPITAL ASSETS, Continued

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Transfers	Additions	Deletions	Balance June 30, 2019
Governmental activities:					
Capital assets, not being depreciated:					
Land and water rights	\$ 177,825,381	\$ -	\$ 64,290,608	\$ -	\$ 242,115,989
Construction in progress	13,820,885	-	6,197,640	(7,744,532)	12,273,993
Art	730,119	-	50,000	-	780,119
Total capital assets, not being depreciated	<u>192,376,385</u>	<u>-</u>	<u>70,538,248</u>	<u>(7,744,532)</u>	<u>255,170,101</u>
Capital assets, being depreciated:					
Buildings	45,283,758	-	2,030,934	(695)	47,313,997
Improvements other than building	41,441,787	-	239,682	-	41,681,469
Vehicles and equipment	13,397,090	15,817	1,269,426	(313,847)	14,368,486
Infrastructure	114,648,613	-	1,794,532	-	116,443,145
Intangibles	8,604,531	-	223,250	-	8,827,781
Total capital assets, being depreciated	<u>223,375,779</u>	<u>15,817</u>	<u>5,557,824</u>	<u>(314,542)</u>	<u>228,634,878</u>
Less accumulated depreciation for:					
Buildings	(15,010,039)	-	(1,275,244)	695	(16,284,588)
Improvements other than building	(21,634,317)	-	(1,193,888)	-	(22,828,205)
Vehicles and equipment	(8,122,107)	(15,817)	(1,317,694)	261,305	(9,194,313)
Infrastructure	(91,487,266)	-	(1,999,565)	-	(93,486,831)
Intangibles	(359,365)	-	(2,663)	-	(362,028)
Total accumulated depreciation	<u>(136,613,094)</u>	<u>(15,817)</u>	<u>(5,789,054)</u>	<u>262,000</u>	<u>(142,155,965)</u>
Total capital assets, being depreciated, net	<u>86,762,685</u>	<u>-</u>	<u>(231,230)</u>	<u>(52,542)</u>	<u>86,478,913</u>
Governmental activities capital assets, net	<u>\$ 279,139,070</u>	<u>\$ -</u>	<u>\$ 70,307,018</u>	<u>\$ (7,797,074)</u>	<u>\$ 341,649,014</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land and water rights	\$ 22,245,188	\$ -	\$ -	\$ -	\$ 22,245,188
Construction in progress	14,182,778	-	8,387,244	(4,826,467)	17,743,555
Art	109,214	-	-	-	109,214
Total capital assets, not being depreciated	<u>36,537,180</u>	<u>-</u>	<u>8,387,244</u>	<u>(4,826,467)</u>	<u>40,097,957</u>
Capital assets, being depreciated:					
Buildings	23,060,646	-	3,180,682	-	26,241,328
Improvements other than building	111,445,162	-	2,185,879	(1,048,734)	112,582,307
Vehicles and equipment	32,590,801	(15,817)	4,949,088	(632,482)	36,891,590
Intangibles	86,455	-	-	-	86,455
Total capital assets, being depreciated	<u>167,183,064</u>	<u>(15,817)</u>	<u>10,315,649</u>	<u>(1,681,216)</u>	<u>175,801,680</u>
Less accumulated depreciation for:					
Buildings	(7,178,602)	-	(667,970)	-	(7,846,572)
Improvements other than building	(48,772,130)	-	(3,219,692)	321,934	(51,669,888)
Vehicles and equipment	(14,095,315)	15,817	(2,868,512)	573,225	(16,374,785)
Intangibles	(59,880)	-	(6,280)	-	(66,160)
Total accumulated depreciation	<u>(70,105,927)</u>	<u>15,817</u>	<u>(6,762,454)</u>	<u>895,159</u>	<u>(75,957,405)</u>
Total capital assets, being depreciated, net	<u>97,077,137</u>	<u>-</u>	<u>3,553,195</u>	<u>(786,057)</u>	<u>99,844,275</u>
Business-type activities capital assets, net	<u>\$ 133,614,317</u>	<u>\$ -</u>	<u>\$ 11,940,439</u>	<u>\$ (5,612,524)</u>	<u>\$ 139,942,232</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2019:

	Beginning Balance July 1, 2018	Additions	Reductions	Amortization	Ending Balance June 30, 2019	Due Within One Year
Governmental activities:						
General obligation bonds:						
2008 series-principal	\$ 4,675,000	\$ -	\$ (4,675,000)	\$ -	\$ -	\$ -
2008 series-premium/discount	22,264	-	(22,264)	-	-	-
2009 series-principal	5,400,000	-	(820,000)	-	4,580,000	850,000
2009 series-premium/discount	73,435	-	-	(12,561)	60,874	-
2010B series-principal	3,065,000	-	(400,000)	-	2,665,000	410,000
2010B series-premium	40,924	-	-	(5,977)	34,947	-
2013A series-principal	5,090,000	-	(440,000)	-	4,650,000	455,000
2013A series-premium	62,205	-	-	(6,318)	55,887	-
2014 series-principal	725,000	-	(725,000)	-	-	-
2014 series-premium	28,943	-	-	(28,943)	-	-
2017 series-principal	23,435,000	-	(1,280,000)	-	22,155,000	1,335,000
2017 series-premium	2,655,595	-	-	(195,264)	2,460,331	-
2019 series-principal	-	48,290,000	-	-	48,290,000	2,860,000
2019 series-premium	-	6,827,264	-	(146,648)	6,680,616	-
Total general obligation bonds	45,273,366	55,117,264	(8,362,264)	(395,711)	91,632,655	5,910,000
Revenue bonds:						
Sales tax revenue bonds						
2014A refunding-principal	3,075,000	-	(985,000)	-	2,090,000	1,025,000
2014A refunding-premium	227,441	-	-	(76,725)	150,716	-
2014B series-principal	5,375,000	-	-	-	5,375,000	-
2014B series-premium	123,306	-	-	(11,241)	112,065	-
2015 series-principal	9,700,000	-	(665,000)	-	9,035,000	680,000
2015 series-premium	481,458	-	-	(40,222)	441,236	-
2017 series-principal	29,865,000	-	(1,590,000)	-	28,275,000	1,670,000
2017 series-premium	3,156,628	-	-	(225,960)	2,930,668	-
2019 series-principal	-	26,775,000	-	-	26,775,000	1,250,000
2019 series-premium	-	3,495,522	-	(75,117)	3,420,405	-
Total revenue bonds	52,003,833	30,270,522	(3,240,000)	(429,265)	78,605,090	4,625,000
Compensated absences	874,157	671,240	(690,187)	-	855,210	649,558
Total governmental activities	\$ 98,151,356	\$ 86,059,026	\$ (12,292,451)	\$ (824,976)	\$ 171,092,955	\$ 11,184,558

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

	Beginning Balance July 1, 2018	Additions	Reductions	Amortization	Ending Balance June 30, 2019	Due Within One Year
Business-type activities:						
2009A water revenue	\$ 1,500,000	\$ -	\$ (125,000)	\$ -	\$ 1,375,000	\$ 125,000
2009B water revenue refunding	1,810,000	-	(1,810,000)	-	-	-
2009B water revenue-premium	147,526	-	-	(147,526)	-	-
2009C water revenue	10,135,000	-	-	-	10,135,000	1,900,000
2010 water revenue	6,640,000	-	(825,000)	-	5,815,000	870,000
2010 water revenue-premium	386,370	-	-	(59,704)	326,666	-
2012 water revenue	2,760,000	-	(265,000)	-	2,495,000	280,000
2012 water revenue-premium	186,628	-	-	(20,812)	165,816	-
2012B water revenue refunding	5,525,000	-	-	-	5,525,000	-
2012B water revenue-premium	78,068	-	-	(8,245)	69,823	-
2013A water revenue refunding	1,965,000	-	(230,000)	-	1,735,000	235,000
2013A water revenue-premium/disc.	21,855	-	-	(2,926)	18,929	-
2014 water revenue	4,115,000	-	-	-	4,115,000	-
2014 water revenue-premium	148,950	-	-	(18,695)	130,255	-
Total revenue bonds	<u>35,419,397</u>	<u>-</u>	<u>(3,255,000)</u>	<u>(257,908)</u>	<u>31,906,489</u>	<u>3,410,000</u>
Compensated absences	<u>350,939</u>	<u>297,155</u>	<u>(276,246)</u>	<u>-</u>	<u>371,848</u>	<u>264,096</u>
Total business-type activities	<u>\$ 35,770,336</u>	<u>\$ 297,155</u>	<u>\$ (3,531,246)</u>	<u>\$ (257,908)</u>	<u>\$ 32,278,337</u>	<u>\$ 3,674,096</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. At yearend \$65,418 of internal service fund compensated absences are included in the above amounts. Also, for the governmental activities compensated absences are liquidated by the general fund.

The City has complied with all revenue bond covenants.

General Obligation Bonds

On June 16, 2009, the City issued General Obligation Bonds Series 2009 in the amount of \$13,500,000 plus a net premium/discount of \$186,966. A portion of the proceeds was used to refund \$1,695,000 of the City's General Obligation Bonds Series 1999, plus \$12,852 interest. Bond proceeds of approximately \$4,000,000 were issued pursuant to a bond election held on November 7, 2006 to acquire and forever preserve undeveloped park and recreational land and approximately \$7,800,000 were issued pursuant to a bond election held November 6, 2007 to acquire, construct, improve and modify pathways, roads and related improvements for use by pedestrians and cyclists. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

On April 30, 2010, the City issued federally taxable General Obligation Bonds Series 2010B Build America Bonds with direct pay subsidy in the par amount of \$6,000,000, a premium of \$89,739 and issuance costs of \$109,974. Bond proceeds were issued pursuant to a bond election held on November 7, 2006 to acquire and forever preserve undeveloped park and recreational land. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

General Obligation Bonds, Continued

The debt service requirements for the bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2009 Dated June 16, 2009 \$13,500,000 @ 3.00% to 4.00% per annum paid semi- annually (Nov. & May)		Series 2010B Dated April 30, 2010 \$6,000,000 @ 1.10% to 5.25% per annum paid semi- annually (Nov. & May)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2020	\$ 850,000	\$ 173,516	\$ 410,000	\$ 131,335
2021	880,000	143,340	425,000	112,475
2022	915,000	111,220	435,000	92,287
2023	950,000	76,450	450,000	71,190
2024	985,000	39,400	465,000	48,915
2025	-	-	480,000	25,200
Total	4,580,000	543,926	2,665,000	481,402
Plus unamortized premium/discount	60,874	-	34,947	-
Total	<u>\$ 4,640,874</u>	<u>\$ 543,926</u>	<u>\$ 2,699,947</u>	<u>\$ 481,402</u>

On August 28, 2013, the City issued General Obligation Bonds Series 2013A in the par amount of \$7,170,000, a premium of \$92,774 and issuance costs of \$98,614. Pursuant to a special bond election held on November 6, 2007, the proceeds of the bonds were used to acquire, construct, improve and modify pathways, roads and related improvements for use by pedestrians and cyclists. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

The debt service requirements for the bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2013A Dated August 28, 2013 \$7,170,000 @ 2.00% to 3.25% per annum paid semi- annually (Nov. & May)	
	PRINCIPAL	INTEREST
2020	\$ 455,000	\$ 129,413
2021	465,000	120,313
2022	480,000	109,850
2023	500,000	97,850
2024	515,000	84,100
2025	530,000	69,938
2026	550,000	54,036
2027	565,000	37,537
2028	590,000	19,175
Total	4,650,000	722,212
Plus unamortized premium/discount	55,887	-
Total	<u>\$ 4,705,887</u>	<u>\$ 722,212</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

General Obligation Bonds, Continued

On June 6, 2017, the City issued General Obligation Bonds Series 2017 in the amount of \$25,000,000 plus a premium of \$2,863,698 and bond issuance costs of \$155,239 pursuant to a bond election held on November 8, 2016. The proceeds of the bonds were used to acquire, improve and forever preserve open space, park and recreational land located in Bonanza Flats. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

On March 5, 2019, the City issued General Obligation Bonds Series 2019 in the par amount of \$48,290,000, a premium of \$6,827,264 and issuance costs of \$215,508. The proceeds of the bonds were used to currently refund \$4,290,000 principal of the City's General Obligation Bonds Series 2008, plus \$67,993 interest. For government-wide reporting, the gain on refunding is reported as a deferred inflow of resources and amortized over the life of the bond. Repayments are made from property tax revenues and recorded in the Park City General Obligation Debt Service Fund.

The debt service requirements for the bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2017 Dated June 6, 2017 \$25,000,000 @ 3.00% to 5.00% per annum paid semi- annually (Feb. & August)		Series 2019 Dated March 5, 2019 \$48,290,000 @ 3.00% to 5.00% per annum paid semi- annually (Feb. & August)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2020	\$ 1,335,000	\$ 910,350	\$ 2,860,000
2021	1,385,000	843,600	2,795,000	2,081,900
2022	1,440,000	774,350	2,945,000	1,942,150
2023	1,500,000	702,350	3,090,000	1,794,900
2024	1,560,000	627,350	3,245,000	1,640,400
2025	1,625,000	549,350	3,405,000	1,478,150
2026	1,685,000	468,100	2,730,000	1,307,900
2027	1,755,000	383,850	2,870,000	1,171,400
2028	1,825,000	296,100	3,015,000	1,027,900
2029	1,900,000	241,350	3,165,000	877,150
2030	1,975,000	184,350	3,320,000	718,900
2031	2,055,000	125,100	3,490,000	552,900
2032	2,115,000	63,450	3,625,000	413,300
2033	-	-	3,810,000	232,050
2034	-	-	3,925,000	117,750
Total	22,155,000	6,169,650	48,290,000	17,371,521
Plus unamortized premium	2,460,331	-	6,680,616	-
Total	<u>\$ 24,615,331</u>	<u>\$ 6,169,650</u>	<u>\$ 54,970,616</u>	<u>\$ 17,371,521</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

Sales Tax Revenue and Refunding Bonds

On September 11, 2014, the City issued Sales Tax Revenue Refunding Bonds, Series 2014A in the amount of \$6,725,000 plus a premium of \$518,996. The proceeds from the Series 2014A Revenue Refunding Bonds plus \$67,358 of City funds were used to refund \$7,130,000 of the Sales Tax Revenue Bonds Series 2005A, plus \$71,574 interest. For government-wide reporting, the gain on refunding is reported as a deferred inflow of resources and amortized over the life of the bond.

On September 11, 2014, the City issued Sales Tax Revenue Bonds, Series 2014B in the amount of \$5,375,000 plus a premium of \$166,022. The proceeds from the sale of the Series 2014B Sales Tax Revenue Bonds were used for the purpose of financing the cost associated with improvements and acquisition of open space.

The debt service requirements for the bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2014A, \$6,725,000 @ 2.00%-4.00% paid semiannually		Series 2014B, \$5,375,000 @3.00%-3.25% paid semiannually	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2020	\$ 1,025,000	\$ 62,300	\$ -
2021	1,065,000	21,300	-	164,912
2022	-	-	605,000	164,912
2023	-	-	625,000	146,763
2024	-	-	640,000	128,013
2025	-	-	660,000	108,813
2026	-	-	680,000	89,013
2027	-	-	700,000	68,613
2028	-	-	720,000	47,612
2029	-	-	745,000	24,212
Total	2,090,000	83,600	5,375,000	1,107,775
Plus unamortized premium	150,716	-	112,065	-
Total	<u>\$ 2,240,716</u>	<u>\$ 83,600</u>	<u>\$ 5,487,065</u>	<u>\$ 1,107,775</u>

On May 12, 2015, the City issued Sales Tax Revenue Bonds, Series 2015 in the amount of \$11,600,000 plus a premium of \$607,524. The proceeds from the sale of the bonds were used for the purpose of financing the cost associated with improvements and acquisition of open space.

On November 11, 2017, the City issued Sales Tax Revenue Bonds, Series 2017 in the amount of \$31,940,000 plus a premium of \$3,287,871. The proceeds from the sale of the bonds were used for the purpose of financing the acquisition and construction of affordable housing units; land acquisition; parking, plaza and walkway improvements; road improvements; open space acquisition; and parks and community center improvements.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

Sales Tax Revenue and Refunding Bonds, Continued

The debt service requirements for the bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2015, \$11,600,000 @ 2.00% - 4.00% paid semiannually		Series 2017, \$31,940,000 @ 2.85% - 5.00% paid semiannually	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2020	\$ 680,000	\$ 320,125	\$ 1,670,000	\$ 1,099,352
2021	710,000	292,925	1,755,000	1,015,853
2022	735,000	264,525	1,780,000	989,527
2023	765,000	235,125	1,870,000	900,527
2024	795,000	204,525	1,965,000	807,028
2025	820,000	180,675	2,060,000	708,778
2026	845,000	156,075	2,165,000	605,777
2027	880,000	122,275	2,275,000	497,528
2028	905,000	95,875	2,385,000	383,777
2029	930,000	68,725	2,480,000	288,378
2030	970,000	31,525	2,555,000	213,977
2031	-	-	2,620,000	147,548
2032	-	-	2,695,000	76,807
Total	<u>9,035,000</u>	<u>1,972,375</u>	<u>28,275,000</u>	<u>7,734,857</u>
Plus unamortized premium	<u>441,236</u>	<u>-</u>	<u>2,930,668</u>	<u>-</u>
Total	<u>\$ 9,476,236</u>	<u>\$ 1,972,375</u>	<u>\$ 31,205,668</u>	<u>\$ 7,734,857</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

Sales Tax Revenue and Refunding Bonds, Continued

On February 21, 2019 the City issued Sales Tax Revenue Bonds, Series 2019 in the amount of \$26,775,000 plus a premium of \$3,495,522. The proceeds from the sale of the bonds were used for the purpose of financing a portion of the cost of a revolving program of acquiring and constructing affordable housing units, parking and plaza improvements, road improvements, open space acquisition, and park, recreation and community center improvements.

The debt service requirements for the bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2019 Dated February 21, 2019 \$26,775,000 @ 3.00% to 5.00% paid semiannually	
	PRINCIPAL	INTEREST
	2020	\$ 1,250,000
2021	1,325,000	1,081,375
2022	1,400,000	1,013,250
2023	1,475,000	941,375
2024	1,550,000	865,750
2025	1,600,000	811,000
2026	1,650,000	753,750
2027	1,750,000	668,750
2028	1,825,000	579,375
2029	1,925,000	485,625
2030	2,025,000	386,875
2031	2,125,000	293,750
2032	2,200,000	207,250
2033	2,300,000	117,250
2034	2,375,000	35,625
Total	26,775,000	9,386,750
Plus unamortized premium/discount	3,420,405	-
Total	\$ 30,195,405	\$ 9,386,750

The Series 2014A, 2014B, 2015, 2017 and 2019 Bonds are special limited obligations of the City, payable solely from and secured solely by a pledge of revenues from (1) 100 percent of the revenues received by the City from the local sales and use tax levied by the City pursuant to the Utah Local Sales and Use Tax Act, Title 59, Chapter 12, Part 2, Utah Code and (2) 100 percent of the revenues received by the City from the resort communities tax levied by the City pursuant to Title 59, Chapter 12, Part 4 of the Utah Code. The bonds do not constitute a pledge of the ad valorem taxing power or the full faith and credit of the City. More detailed information about pledged-revenue coverage is presented in Schedule 18 on page 124 of this report.

The Series 2017 and 2019 Bonds are additionally payable solely from and secured solely by a pledge of revenues from 100 percent of the revenues received by the City from the municipal transient room tax levied by the City pursuant to Title 59, Chapter 12, Part 3A, Utah Code.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

Water Revenue Refunding Bonds

On December 14, 2012, the City issued the par amount of \$5,525,000 in Water Revenue and Refunding Bonds Series 2012B plus a premium of \$123,766. The premium was deferred and amortized over the life of the bond using the effective interest method. The bond proceeds were used to refund \$390,000 principal of outstanding Water Revenue Bonds Series 2006 plus interest of \$5,650. New money in the amount of \$4,600,000 was received to finance the construction of culinary water system improvements. The bonds bear interest at 2.25 percent paid semiannually. The bonds incurred bond issuance costs of \$100,848, which were recognized as an expense in the period incurred. Repayments on the debt are made from the net revenues of the Water Fund.

On February 21, 2013, the City issued the par amount of \$3,045,000 in Water Revenue and Refunding Bonds Series 2013 A and B plus a premium of \$37,518. The premium was deferred and amortized over the life of the bond using the effective interest method. The bond proceeds were used to refund \$3,029,000 principal of outstanding Water Revenue Bonds Series 2006 plus interest of \$63,609. The bonds bear interest at 2.00 percent paid semiannually. The bonds incurred bond issue costs of \$74,516, which were recognized as an expense in the period incurred. Repayments on the debt are made from the net revenues of the Water Fund.

The debt service requirements for the water refunding bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	SERIES 2012B Dated December 14, 2012 \$5,525,000 @ 2.25%		SERIES 2013A Dated February 21, 2013 \$3,045,000 @ 2.00%	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2020	\$ -	\$ 124,313	\$ 235,000
2021	-	124,312	240,000	27,600
2022	-	124,313	245,000	22,750
2023	-	124,312	245,000	17,850
2024	-	124,313	250,000	12,900
2025	-	124,312	255,000	7,850
2026	-	124,313	265,000	2,650
2027	2,525,000	95,906	-	-
2028	3,000,000	33,750	-	-
Total	5,525,000	999,844	1,735,000	123,950
Plus unamortized premium/discount	69,823	-	18,929	-
Total	<u>\$ 5,594,823</u>	<u>\$ 999,844</u>	<u>\$ 1,753,929</u>	<u>\$ 123,950</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

Water Revenue Bonds

On July 14, 2009, the City issued the par amount of \$2,500,000 in Taxable Water Revenue Bonds Series 2009A to finance the construction of drinking water system improvements. The bonds bear no interest and the principal payment of \$125,000 is paid annually beginning July 15, 2010 and ending July 15, 2029. Repayments on the debt are made from the net revenues of the Water Fund. The outstanding balance at June 30, 2019 is \$1,375,000.

On September 29, 2009, the City issued the par amount of \$10,135,000 in Taxable Water Revenue Bonds Series 2009C Build America Bonds with issuer subsidy to finance the construction of culinary water system improvements. The bonds bear interest at 4.70 percent to 5.25 percent paid semiannually. Repayments on the debt are made from the net revenues of the Water Fund.

On February 10, 2010, the City issued the par amount of \$12,200,000 in Water Revenue Bonds Series 2010 plus a premium of \$886,911. The premium was deferred and amortized over the life of the bond on an effective interest basis. The proceeds were used to purchase water rights from Jordanelle Special Service District. The bonds bear interest at 2.0 percent to 5.0 percent paid semiannually. Repayments on the debt are made from the net revenues of the Water Fund.

The debt service requirements for these bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2009C Dated September 29, 2009 \$10,135,000 @ 4.70% to 5.25%		Series 2010 Dated February 10, 2010 \$12,200,000 @ 2.00% to 5.00%	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2020	\$ 1,900,000	\$ 508,637	\$ 870,000
2021	1,960,000	419,338	910,000	179,600
2022	2,025,000	323,298	950,000	142,400
2023	2,090,000	221,035	1,000,000	103,400
2024	2,160,000	113,400	1,015,000	63,100
2025	-	-	1,070,000	21,400
Total	10,135,000	1,585,708	5,815,000	729,450
Plus unamortized premium	-	-	326,666	-
Total	<u>\$ 10,135,000</u>	<u>\$ 1,585,708</u>	<u>\$ 6,141,666</u>	<u>\$ 729,450</u>

On May 31, 2012, the City issued the par amount of \$4,160,000 in Water Revenue Bonds Series 2012 plus a premium of \$313,211 to finance the construction of water system infrastructure. The premium was deferred and amortized over the life of the bond on an effective interest basis. The bonds bear interest at 2.00% to 4.00% paid semiannually. Repayments on the debt are made from net revenues of the Water Fund.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

Water Revenue Bonds, Continued

On June 25, 2014, the City issued the par amount of \$4,115,000 in Water Revenue Bonds Series 2014 plus a premium of \$223,986 to finance construction of water system infrastructure. The premium was deferred and amortized over the life of the bond on an effective interest basis. The bonds bear interest at 3.25% paid semiannually. The bonds incurred bond issue costs of \$93,218, which were recognized as an expense in the period incurred. Repayments on the debt are made from net revenues of the Water Fund.

The debt service requirements for these bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2012 Dated May 31, 2012 \$4,160,000 @ 2.00% to 4.00%		Series 2014 Dated June 25, 2014 \$4,115,000 @ 3.25%	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2020	\$ 280,000	\$ 78,250	\$ -
2021	290,000	69,850	-	133,737
2022	300,000	61,150	-	133,738
2023	310,000	52,150	-	133,738
2024	315,000	42,850	-	133,738
2025	325,000	33,400	2,350,000	133,738
2026	335,000	23,650	1,765,000	57,362
2027	340,000	13,600	-	-
Total	2,495,000	374,900	4,115,000	859,788
Plus unamortized premium	165,816	-	130,255	-
Total	<u>\$ 2,660,816</u>	<u>\$ 374,900</u>	<u>\$ 4,245,255</u>	<u>\$ 859,788</u>

Redevelopment Agency Capital Projects Funds and Bonds

The City maintains special revenue and capital project funds for the Main Street Redevelopment Agency and the Lower Park Avenue Redevelopment Agency. For the fiscal year ended June 30, 2019, the tax increment collected by the Main Street Redevelopment Agency was \$262,601 and the tax contributions from other governments were \$879,143. The tax increment collected by the Lower Park Avenue Redevelopment Agency was \$664,751 and the tax contributions from other governments were \$2,225,471. The tax increment paid to another taxing agency by the Main Street Redevelopment Agency and by the Lower Park Avenue Redevelopment Agency was \$240,086 and \$509,724, respectively.

During the fiscal year, the Lower Park Avenue Redevelopment Agency expended \$126,684 for site improvements and \$127,847 for economic development. The Main Street Redevelopment Agency expended \$208,223 for site improvements and \$921 for economic development.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

The annual debt service requirements for all long-term debt outstanding as of June 30, 2019 by activity are as follows:

Fiscal Year ending June 30,	Governmental Activities		Business-Type Activities
	General Obligation Bonds	Revenue Bonds	
Principal			
2020	\$ 5,910,000	\$ 4,625,000	\$ 3,410,000
2021	5,950,000	4,855,000	3,525,000
2022	6,215,000	4,520,000	3,645,000
2023	6,490,000	4,735,000	3,770,000
2024	6,770,000	4,950,000	3,865,000
2025-2029	26,690,000	28,000,000	12,855,000
2030-2034	24,315,000	19,865,000	125,000
Total	82,340,000	71,550,000	31,195,000
Plus unamortized premium/discount			
	9,292,655	7,055,090	711,489
Total	\$ 91,632,655	\$ 78,605,090	\$ 31,906,489
Interest			
2020	\$ 3,359,385	\$ 2,792,440	\$ 1,096,838
2021	3,301,628	2,576,365	954,436
2022	3,029,857	2,432,215	807,648
2023	2,742,740	2,223,791	652,485
2024	2,440,165	2,005,316	490,301
2025-2029	8,007,136	6,744,624	671,932
2030-2034	2,407,800	1,510,606	-
Total	\$ 25,288,711	\$ 20,285,357	\$ 4,673,640

Defeasance of Debt

On March 5, 2019 the City issued \$4,290,000 in General Obligation Bonds Series 2019 with an average interest rate of 4.34 percent. The bond proceeds were used for a current refunding of \$4,675,000 of outstanding General Obligation Bonds Series 2008 with an average interest rate of 4.20 percent. An aggregate amount of \$4,772,659 (representing \$4,290,000 of proceeds together with a premium of \$482,659) currently refunded the General Obligation Bonds Series 2008. In addition, the City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) to the City of approximately \$322,235. The refunding also decreased the City's total debt service payments over the next five years by approximately \$257,521. For government-wide reporting the reacquisition price of the Series 2019 bonds was less than the net carrying amount of the 2008 Series bonds resulting in a gain on refunding of \$385,000. The gain on refunding was recorded as a deferred inflow of resources and amortized over the five-year life of the debt.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS

General Information about the Pension Plan

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

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Public Employees Contributory Retirement System (Contributory System);
- Public Safety Retirement System (Public Safety System) is a multiple-employer, cost-sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple-employer, cost-sharing, public employee retirement system;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple-employer, cost-sharing, public employee 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 Systems, are members of the Tier 2 Retirement System.

The 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 (Board), whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. The Systems are a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. The Systems issue 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.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

Benefits provided: The Systems provide retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final average salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
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	2.00% per year all years	Up to 4.00%
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 4.00%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.50% per year up to 20 years; 2.00% per year over 20 years	Up to 2.50% or 4.00% depending upon employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.50%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.50%

* 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 increases not met may be carried forward to subsequent years.

Contribution Rate Summary

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 Systems' 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.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

Contribution rates as of June 30, 2019 are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Contributory System			
11 Local Government Div - Tier 1	6.00	14.46	N/A
111 Local Government Div - Tier 2*	N/A	15.54	1.15
Noncontributory System			
15 Local Government Div - Tier 1	N/A	18.47	N/A
Public Safety System			
Contributory			
122 Tier 2 DB Hybrid Public Safety*	N/A	23.09	0.74
Noncontributory			
43 Other Div A with 2.50% COLA	N/A	34.04	N/A
Tier 2 Defined Contribution Only*			
211 Local Government	N/A	6.69	10.00
222 Public Safety	N/A	11.83	12.00

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

For the fiscal year ended June 30, 2019, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 1,486,998	\$ N/A
Contributory System	118,253	49,068
Public Safety System	703,630	-
Tier 2 Public Employees Systems	1,391,549	-
Tier 2 Public Safety and Firefighter	47,136	-
Tier 2 DC Only System	85,220	N/A
Tier 2 DC Public Safety and Firefighter System	8,158	N/A
Total Contributions	<u>\$ 3,840,944</u>	<u>\$ 49,068</u>

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

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

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

At June 30, 2019, the City reported no net pension asset and a net pension liability of \$14,568,026.

	Measurement Date: December 31, 2018				Proportionate Share December 31, 2018	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share			
Noncontributory System	\$ -	\$ 8,933,726	1.2132077	%	1.1793561	0.0338516
Contributory System	-	1,791,243	4.4140715		4.2822288	0.1318427
Public Safety System	-	3,548,166	1.3792220		1.4076471	(0.0284251)
Tier 2 Public Employees System	-	291,045	0.6795699		0.6412973	0.0382726
Tier 2 Public Safety and Firefighter	-	3,846	0.1535009		0.2907906	(0.1372897)
	\$ -	\$ 14,568,026				

The net pension asset and liability were measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2018 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 Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$5,020,343. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 118,710	\$ 395,639
Changes in assumptions	1,681,232	5,370
Net difference between projected and actual earnings on pension plan investments	3,157,471	-
Changes in proportion and differences between contributions and proportionate share of contributions	511,079	113,432
Contributions subsequent to the measurement date	1,966,162	-
Total	\$ 7,434,654	\$ 514,441

\$1,966,162 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal yearend, but subsequent to the measurement date of December 31, 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

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:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2019 \$	2,204,770
2020	745,014
2021	421,900
2022	1,502,915
2023	10,110
Thereafter	69,341

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

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$2,585,957. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 114,900	\$ 166,623
Changes in assumptions	1,196,776	-
Net difference between projected and actual earnings on pension plan investments	1,859,007	-
Changes in proportion and differences between contributions and proportionate share of contributions	299,520	84,369
Contributions subsequent to the measurement date	744,235	-
Total	<u>\$ 4,214,438</u>	<u>\$ 250,992</u>

\$744,235 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal yearend, but subsequent to the measurement date of December 31, 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

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:

<u>Year Ended December 31,</u>	Deferred Outflows (Inflows) of Resources
2019 \$	1,426,838
2020	647,454
2021	264,116
2022	880,801
2023	-
Thereafter	-

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

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$414,331. The City reported deferred outflows of resources and deferred inflows of resources related 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	588,684	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	60,438	-
Total	<u>\$ 649,122</u>	<u>\$ -</u>

\$60,438 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal yearend, but subsequent to the measurement date of December 31, 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

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:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2019 \$	233,177
2020	13,821
2021	59,047
2022	282,639
2023	-
Thereafter	-

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$1,244,451. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 168,858
Changes in assumptions	407,848	-
Net difference between projected and actual earnings on pension plan investments	612,292	-
Changes in proportion and differences between contributions and proportionate share of contributions	106,562	29,063
Contributions subsequent to the measurement date	353,067	-
Total	<u>\$ 1,479,769</u>	<u>\$ 197,921</u>

\$353,067 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal yearend, but subsequent to the measurement date of December 31, 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

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:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2019	\$ 509,733
2020	57,877
2021	70,526
2022	290,645
2023	-
Thereafter	-

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

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$752,570. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,043	\$ 60,153
Changes in assumptions	72,949	5,229
Net difference between projected and actual earnings on pension plan investments	94,777	-
Changes in proportion and differences between contributions and proportionate share of contributions	93,175	-
Contributions subsequent to the measurement date	780,449	-
Total	<u>\$ 1,043,393</u>	<u>\$ 65,382</u>

\$780,449 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal yearend, but subsequent to the measurement ate of December 31, 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

These contributions will be recognized as a reduction of the net pension liability in the upcoming 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:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2019	\$ 33,286
2020	24,337
2021	26,624
2022	46,697
2023	9,042
Thereafter	57,576

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$23,034. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,767	\$ 5
Changes in assumptions	3,659	141
Net difference between projected and actual earnings on pension plan investments	2,711	-
Changes in proportion and differences between contributions and proportionate share of contributions	11,822	-
Contributions subsequent to the measurement date	27,973	-
Total	<u>\$ 47,932</u>	<u>\$ 146</u>

\$27,973 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal yearend, but subsequent to the measurement date of December 31, 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

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:

<u>Year Ended December 31,</u>	Deferred Outflows (Inflows) of Resources
2019 \$	1,736
2020	1,525
2021	1,587
2022	2,133
2023	1,068
Thereafter	11,765

Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries. The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the five- year period ending December 31, 2016.

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:

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

Asset Class	<u>Expected Return Arithmetic Basis</u>		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40.00 %	6.15 %	2.46 %
Debt securities	20.00	0.40	0.08
Real assets	15.00	5.75	0.86
Private equity	9.00	9.95	0.89
Absolute return	16.00	2.85	0.46
Cash and cash equivalents	-	-	-
Totals	100.00 %		4.75 %
	Inflation		2.50 %
	Expected arithmetic nominal return		7.25 %

The 6.95 percent assumed investment rate of return is comprised of an inflation rate of 2.50 percent, a real return of 4.45 percent that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.95 percent. 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 Systems' 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. The discount rate remained unchanged at 6.95 percent.

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 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.95 percent) or 1 percentage point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 18,309,316	\$ 8,933,726	\$ 1,126,336
Contributory System	3,802,515	1,791,243	98,168
Public Safety System	6,955,031	3,548,166	782,540
Tier 2 Public Employees System	1,165,983	291,045	(384,188)
Tier 2 Public Safety and Firefighter System	29,009	3,846	(15,410)
Total	\$ 30,261,854	\$ 14,568,026	\$ 1,607,446

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

Pension plan fiduciary net position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued Systems’ financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Systems’ Board and are generally supplemental plans to the basic retirement benefits of the 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 Systems’ financial report.

The City participates in the following Defined Contribution Savings Plans with the Systems:

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

Employee and employer contributions to the Systems Defined Contribution Savings Plans for fiscal year ended June 30, 2019 were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
401(k) Plan			
Employer Contributions	\$ 298,209	\$ 272,906	\$ 224,693
Employee Contributions	-	-	-
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	15,920	16,770	17,105
Traditional IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	-	50	1,050

NOTE G - DEFINED CONTRIBUTION PLANS

Section 401(a) defined contribution money purchase plan

The City sponsors a defined contribution plan under Internal Revenue Code Section 401(a) for all full-time City employees not covered by the Public Safety Retirement System for employers with Social Security coverage.

The ICMA Retirement Corporation (ICMA) administers this plan. The City's total payroll in the fiscal year ended June 30, 2019 was \$27,218,360. Of that amount, \$6,555,251 was eligible to participate in this plan. The City participated at a rate of 0.50 percent, under City resolution for the year ended June 30, 2019 for employees covered by the State Contributory System retirement plan, 0.50 percent for employees covered by the State Noncontributory System retirement plan, and 18.47 percent under State Statue for a limited number of employees that are exempt from the State plan. During the year ended June 30, 2019 contributions totaling \$32,086 or 0.49 percent of covered payroll were made by the City. Employer contributions are fully vested in one year. All contributions were made by the due dates. The 401(a) defined contribution monies are not available to the City or its general creditors. Therefore, no assets or liabilities of the 401(a) defined contribution plan are reflected in the City’s financial statements.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE G - DEFINED CONTRIBUTION PLANS, Continued

Section 457 deferred compensation plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. The City's total payroll in the fiscal year ended June 30, 2019 was \$27,218,360 and the City's covered payroll eligible for this plan totaled \$20,887,679. The City participates in employer benefits of \$46.15 per pay period for those employees who have chosen single health insurance coverage and match the employees' voluntary contribution amount at fifty cents on the dollar to a maximum contribution of \$900. Contributions totaling \$363,861 or 1.74 percent of covered payroll were made by the City and voluntary contributions totaling \$888,024 or 4.25 percent of covered payroll were made by employees. All contributions were made by the due dates.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of participants and their beneficiaries, except that expenses and taxes may be paid from the Trust. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair value of the deferred account for each participant. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Investments are managed by the plan's administrator under one of seven investment options, or a combination thereof. The choice of the investment option(s) is made by the participants. All of the assets and income of the 457 Plan are held in investment fund trusts by ICMA for the exclusive benefit of the participants or their beneficiaries rather than as assets of the employer. As ICMA is the fiduciary of these assets, the City is no longer required to report the assets.

Loans or notes between the City and the defined contribution plans

There are no securities, loans or notes of the City included in the plans' assets.

NOTE H - COMMITMENTS AND CONTINGENCIES

There are several pending lawsuits in which the City is involved. The City Attorney estimates the potential claims against the City resulting from such litigation not covered by insurance would not materially affect the financial position of the City.

Commitments for major construction and capital improvements projects at June 30, 2019 are as follows:

Capital Projects Funds	\$5,759,278
Enterprise Funds	\$7,057,632

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE I – INTERGOVERNMENTAL REVENUES

Intergovernmental revenues were received by governmental fund types for the year ended June 30, 2019. They consist of the following:

State of Utah Class "C" road allotments	\$	357,940
State contributions		104,338
County contributions		1,298,240
Federal contributions		3,969,045
Fire District		357,934
School District		2,153,679
Total		\$ 8,241,176

NOTE J – INTERFUND LOANS

Due to cash flow needs of the Golf Fund to purchase new golf carts, the sum of \$125,000 was advanced from the General Fund on April 1, 2017. The advance bears interest at 1.75 percent paid monthly for forty-eight months. The annual repayment requirement for the advance at June 30, 2019 was as follows:

Fiscal Year Ending June 30,	PRINCIPAL	INTEREST
2020	\$ 31,654	\$ 723
2021	24,107	176
Total	\$ 55,761	\$ 899

NOTE K – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1989, the City established a Self Insurance Fund (an internal service fund) to account for and finance its uninsured risk of loss. Under this program, the Self Insurance Fund provides coverage for up to a maximum of \$250,000 per occurrence for general liability, automobile and errors and omissions. The City purchases commercial insurance for claims in excess of coverage provided by the Self Insurance Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Liabilities are recorded for any claim or judgment when information available prior to issuance of the financial statements indicates it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Unpaid claims as of June 30, 2017		28,680
Incurred claims		151,053
Claim payments		143,138
Unpaid claims as of June 30, 2018		36,595
Incurred claims		292,073
Claim payments		263,311
Unpaid claims as of June 30, 2019		\$ 65,357

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE L – BUDGET RECONCILIATION

A reconciliation of the original 2018-2019 budget, to the final legally adopted budget for all governmental fund types net of transfers approved in June 2019 is as follows:

	Original Budget		Increase (Decrease)		Budget as Revised
General Fund:					
Revenues	\$ 35,977,134	\$	810,867	\$	36,788,001
Expenditures	34,315,664		587,551		34,903,215
Special Revenue Funds:					
Revenues	\$ 3,655,792	\$	449,814	\$	4,105,606
Expenditures	1,299,041		(2,000)		1,297,041
Debt Service Funds:					
Revenues	\$ 6,088,571	\$	-	\$	6,088,571
Expenditures	11,078,100		-		11,078,100
Capital Projects Funds:					
Revenues	\$ 79,753,707	\$	25,829,608	\$	105,583,315
Expenditures	67,351,294		70,918,724		138,270,018

NOTE M – INTERFUND TRANSFERS

Fund Financial Statements

Transfers were made to and from several funds during the course of the year ended June 30, 2019. An interfund transfer is a legally authorized transfer between funds in which one fund is responsible for the initial receipt of funds and another fund is responsible for the actual disbursement. The General Fund transferred \$1,073,700 to the Equipment Replacement Capital Projects Fund for future replacement of rolling stock and computer equipment. Several funds transferred a total of \$5,344,141 to the Sales Tax Revenue Bond Debt Service Fund to support principal and interest payments on debt. The Sales Tax Revenue Bond Debt Service Fund transferred \$11,993,364 of net bond proceeds to the Capital Improvements Fund for construction project costs. The General Obligation Bond Debt Service Fund transferred \$50,094,149 of net bond proceeds to the Capital Improvements Fund for capital project costs. Transfers to the General Fund were comprised of: \$1,515,221 from the Water Fund, \$75,000 from the Stormwater Fund, \$977,397 from the Transportation and Parking Fund and \$106,046 from the Golf Fund for administrative expenses for the year ended June 30, 2019.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE M – INTERFUND TRANSFERS, Continued

	Transfers into:					Business- Type Activities	Total	
	Major Funds				Nonmajor Funds			Golf Course Fund
	General Fund	Capital Improvement Fund	Sales Tax Revenue & Refunding - DSF	Sales Tax Revenue & Refunding - DSF				
<u>Transfers out from:</u>								
Governmental activities								
Major funds:								
General fund	\$ -	\$ 2,357,042	\$ 161,703	\$ 1,073,700	\$ 25,000	\$ 3,617,445		
Capital improvement fund	-	-	3,669,062	-	-	3,669,062		
Sales tax rev & refund - DSF	-	11,993,364	-	-	-	11,993,364		
General obligation - DSF	-	50,094,149	-	-	-	50,094,149		
Nonmajor funds:								
Other funds	-	-	1,513,376	2,299,125	-	3,812,501		
Business-type activities								
Water fund	1,515,221	-	-	-	-	1,515,221		
Stormwater fund	75,000	-	-	-	-	75,000		
Transportation and parking	977,397	-	-	-	-	977,397		
Golf course fund	106,046	-	-	-	-	106,046		
Total	\$ 2,673,664	\$ 64,444,555	\$ 5,344,141	\$ 3,372,825	\$ 25,000	\$ 75,860,185		

Government-Wide Financial Statements

Per GASB Statement No. 34, all interfund transfers within governmental activities and business-type activities are eliminated.

NOTE N - TAXES

Before June 15 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. All property taxes levied by the City are assessed and collected by Summit and Wasatch Counties. Property taxes are levied on January 1 on real property values assessed as of the same date. Taxes are due November 30 and delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15 of the following year, a lien is attached to the property and the amount of taxes and penalties bear interest from January 1 until paid.

If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

Sales and resort taxes are collected by the State Tax Commission and remitted to the City monthly. Franchise taxes are collected by the telephone, natural gas, electric utilities, cable television and sewer companies and remitted to the City periodically.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE O – UNAVAILABLE REVENUE

Fund Financial Statements

At June 30, 2019, the following unavailable revenues were recorded in the fund financial statements as deferred inflows of resources because the funds were not available to finance expenditures of the current period.

	General	Debt Service - Park City General Obligation	Capital Projects - Capital Improvement Fund	Other Governmental Funds	Total
Miscellaneous loans/ receivable	\$ 55,761	\$ -	\$ 768,356	\$ -	\$ 824,117
Property tax levied- not yet collected	10,092,652	9,279,385	-	4,491,789	23,863,826
	<u>\$ 10,148,413</u>	<u>\$ 9,279,385</u>	<u>\$ 768,356</u>	<u>\$ 4,491,789</u>	<u>\$ 24,687,943</u>

NOTE P – CONDUIT DEBT

On May 29, 2015, the City issued \$18,885,000 of 2015 Industrial Revenue Refunding Bonds on behalf of the United States Ski and Snowboard Association (USSA), a nonprofit corporation. The bonds refunded \$18,695,000 of the 2007 Multi-Mode Variable Rate Revenue Bonds issued on December 18, 2007, on behalf of USSA. The bonds bear interest at a variable rate and mature June 1, 2040. The bonds were used to partially finance the construction of The USSA Center of Excellence, an athletic training and office facility located in Park City. The bonds are secured by a pledge of revenues under the Bond Indenture. Neither the City’s General Fund nor the full faith and credit of the City are pledged for the payment of principal or interest on the bonds. Since the bonds do not constitute a debt of the City, they are not reported in the accompanying financial statements. The principal balance of outstanding bonds was \$16,620,876 at June 30, 2019.

NOTE Q – POLLUTION REMEDIATION

GAAP addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. GASB 49 identifies the obligating events, which require the City to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

The Environmental Protection Agency (USEPA) and UDEQ have been investigating and evaluating mine sites within the Park City area since the early 1980’s. In 1988, pursuant to approval of USEPA, Park City Municipal Corporation enacted the Landscaping and Maintenance of Soil Cover Ordinance for lots within the City limits. In general, the landscaping and soil maintenance cover requirements mandated a 6-inch clean top soil cap in order to contain the underlying mine related material. The general objective of these measures was to isolate potentially contaminated material from the surface and minimize direct contact. On April 30, 2004, the City implemented an Environmental Management System (EMS) to further strengthen the Soils Ordinance Program on a long-term basis. The EMS Soils Ordinance Boundary contains pollution remediation obligations of Park City Municipal Corporation pursuant to this local ordinance, which is an obligating event pursuant to GASB 49. The City plans to conduct remediation of 48 acres of land in accordance with the Utah Department of Environmental

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE Q – POLLUTION REMEDIATION, Continued

Quality Clean-up Program. The estimated cost to remediate these 48 acres is \$1,272,000 and is recorded as a liability of the City. The estimate of \$1,272,000 is measured at current value using the expected cash flow technique, which measures the liability as the sum of probability-weighted amounts in a range of possible estimated amounts. This technique uses all expectations about possible cash flows. The pollution remediation obligation is an estimate subject to changes resulting from price increases or reductions, technology, or changes in applicable laws and regulations.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

Schedule of Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
Park City Municipal Corporation, Utah
Utah Retirement Systems
Last 10 Calendar Years ¹

	As of calendar year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of its covered employee payroll
Noncontributory System	2014	1.1057757 %	\$ 4,801,538	\$ 8,969,083	53.50 %	90.20 %
	2015	1.1629907	6,580,767	8,900,339	73.94	87.80
	2016	1.1028763	7,081,816	8,404,365	84.26	87.30
	2017	1.1793561	5,167,113	8,457,558	61.09	91.90
	2018	1.2132077	8,933,726	8,284,921	107.83	87.00
Contributory System	2014	1.7202131	496,184	921,380	53.90	94.00
	2015	2.1367876	1,501,851	910,458	164.96	85.70
	2016	3.5528544	1,165,731	852,469	136.75	92.90
	2017	4.2822288	348,463	868,933	40.10	98.20
	2018	4.4140715	1,791,243	826,181	216.81	91.20
Public Safety System	2014	1.0325635	1,298,534	1,628,847	79.70	90.50
	2015	1.1316373	2,027,047	1,850,090	109.56	87.10
	2016	1.3348476	2,708,774	2,154,360	125.73	86.50
	2017	1.4076471	2,208,117	2,326,902	94.90	90.20
	2018	1.3792220	3,548,166	2,335,379	151.93	84.70
Tier 2 Public Employees System	2014	0.4811751	(14,582)	2,361,287	(0.60)	103.50
	2015	0.6083725	(1,328)	3,930,779	(0.03)	100.20
	2016	0.5779839	64,474	4,739,934	1.36	95.10
	2017	0.6412973	56,541	6,278,394	0.90	97.40
	2018	0.6795699	291,045	7,931,286	3.67	90.80
Tier 2 Public Safety and Firefighter System	2014	0.5580685	(8,256)	230,513	(3.60)	120.50
	2015	0.4334431	(6,333)	258,047	(2.45)	110.70
	2016	0.4276917	(3,713)	353,369	(1.05)	103.60
	2017	0.2907906	(3,365)	307,120	(1.10)	103.00
	2018	0.1535009	3,846	205,685	1.87	95.60

¹ Table represents data available since implementation of GASB Statement 68 and will increase to ten years over time.

Schedule of Required Supplementary Information
Schedule of Contributions
Park City Municipal Corporation, Utah
Utah Retirement Systems
Last 10 Fiscal Years ¹

	As of fiscal year ended June 30,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll ²
Noncontributory System	2014	\$ 1,463,515	\$ 1,463,515	\$ -	\$ 8,593,869	17.03 %
	2015	1,593,052	1,593,052	-	8,676,643	18.36
	2016	1,583,281	1,583,281	-	8,630,571	18.35
	2017	1,559,571	1,559,571	-	8,480,620	18.39
	2018	1,553,648	1,553,648	-	8,429,027	18.43
	2019	1,486,998	1,486,998	-	8,084,781	18.39
Contributory System	2014	118,386	118,386	-	891,460	13.28
	2015	124,015	124,015	-	857,642	14.46
	2016	126,506	126,506	-	874,871	14.46
	2017	128,811	128,811	-	890,811	14.46
	2018	121,856	121,856	-	842,711	14.46
	2019	118,253	118,253	-	817,793	14.46
Public Safety System	2014	444,956	444,956	-	1,579,083	28.18
	2015	487,710	487,710	-	1,613,195	30.23
	2016	602,057	602,057	-	2,018,519	29.83
	2017	703,564	703,564	-	2,326,004	30.25
	2018	696,730	696,730	-	2,306,955	30.20
	2019	703,630	703,630	-	2,321,728	30.31
Tier 2 Public Employees System ³	2014	274,597	274,597	-	1,962,810	13.99
	2015	447,904	447,904	-	2,998,019	14.94
	2016	652,227	652,227	-	4,374,424	14.91
	2017	830,304	830,304	-	5,568,772	14.91
	2018	1,051,865	1,051,865	-	6,961,378	15.11
	2019	1,391,549	1,391,549	-	8,954,624	15.54
Tier 2 Public Safety and Firefighter System ³	2014	43,142	43,142	-	206,915	20.85
	2015	46,309	46,309	-	205,361	22.55
	2016	75,876	75,876	-	337,225	22.50
	2017	79,353	79,353	-	352,678	22.50
	2018	54,182	54,182	-	240,064	22.57
	2019	47,136	47,136	-	204,142	23.09
Tier 2 Public Employees DC Only System ³	2014	2,308	2,308	-	41,356	5.58
	2015	14,096	14,096	-	209,757	6.72
	2016	23,903	23,903	-	357,294	6.69
	2017	36,006	36,006	-	538,211	6.69
	2018	63,003	63,003	-	941,754	6.69
	2019	85,220	85,220	-	1,273,841	6.69
Tier 2 Public Safety and Firefighter DC Only System ³	2014	-	-	-	-	-
	2015	3,007	3,007	-	25,417	11.83
	2016	6,153	6,153	-	52,009	11.83
	2017	6,895	6,895	-	58,283	11.83
	2018	7,618	7,618	-	64,392	11.83
	2019	8,158	8,158	-	68,956	11.83

¹ Table represents data available since implementation of GASB Statement 68 and will increase to ten years over time.

² Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

³ 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.

Park City Municipal Corporation, Utah
Notes to Required Supplementary Information
For the year ended June 30, 2019

Note 1. Changes in Assumptions

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

**SUPPLEMENTARY
INFORMATION**

NONMAJOR GOVERNMENTAL FUNDS

Lower Park Avenue Redevelopment Agency and Main Street Redevelopment Agency Special Revenue Funds - Special revenue funds are used to account for specific revenue sources that are restricted, committed or assigned to expenditures for particular purposes. These special revenue funds account for the agencies' redevelopment activities which are supported by property tax increment revenue.

Lower Park Avenue Redevelopment Agency Capital Projects Fund - Accounts for the acquisition or construction of capital projects in the Lower Park Avenue Redevelopment area.

Main Street Redevelopment Agency Capital Projects Fund - Accounts for capital projects in the Main Street Redevelopment area.

Municipal Building Authority Capital Projects Fund - The Municipal Building Authority is a legally separate organization that is a mechanism for financing needed City facilities. The Authority acquires and/or builds facilities by borrowing money secured by a lease agreement between the City and the Authority.

Equipment Replacement Capital Improvements Fund - Accounts for the accumulation of resources for the future replacement of fixed assets such as computers, vehicles and heavy equipment.

**Park City Municipal Corporation
Combining Balance Sheet
Nonmajor Governmental funds
June 30, 2019**

	Special Revenue Funds				Capital Projects Funds					
	Lower Park Avenue Redevelopment Special Revenue Fund	Main Street Redevelopment Special Revenue Fund	Total Nonmajor Special revenue funds	Lower Park Avenue Redevelopment Capital Projects Fund	Main Street Redevelopment Capital Projects Fund	Building Authority Capital Projects Fund	Municipal Improvement Fund	Equipment Replacement Capital Fund	Total Nonmajor Capital projects funds	Total Nonmajor Governmental Funds
ASSETS										
Cash, cash equivalents and investments	\$ 1,638,303	\$ 902,043	\$ 2,540,346	\$ 1,782,012	\$ 838,599	\$ 442,400	\$ 1,928,005	\$ 4,991,016	\$ 7,531,362	
Taxes	3,194,662	1,305,111	4,499,773	-	-	-	-	-	4,499,773	
Accounts receivable	577	182	759	308	145	77	-	530	1,289	
Total assets	\$ 4,833,542	\$ 2,207,336	\$ 7,040,878	\$ 1,782,320	\$ 838,744	\$ 442,477	\$ 1,928,005	\$ 4,991,546	\$ 12,032,424	
LIABILITIES										
Accounts payable	\$ 31,882	\$ -	\$ 31,882	\$ 1,325	\$ -	\$ -	\$ 15,916	\$ 17,241	\$ 49,123	
Total liabilities	31,882	-	31,882	1,325	-	-	15,916	17,241	49,123	
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue-property tax	3,191,789	1,300,000	4,491,789	-	-	-	-	-	4,491,789	
Total deferred inflow of resources	3,191,789	1,300,000	4,491,789	-	-	-	-	-	4,491,789	
Total liabilities and deferred inflows of resources	3,223,671	1,300,000	4,523,671	1,325	-	-	15,916	17,241	4,540,912	
FUND BALANCES										
Committed:										
Capital projects funds	-	-	-	1,780,995	838,744	442,477	1,912,089	4,974,305	4,974,305	
Economic development	1,609,871	907,336	2,517,207	-	-	-	-	-	2,517,207	
Total fund balances	\$ 1,609,871	\$ 907,336	\$ 2,517,207	\$ 1,780,995	\$ 838,744	\$ 442,477	\$ 1,912,089	\$ 4,974,305	\$ 7,491,512	
Total liabilities and fund balances	\$ 4,833,542	\$ 2,207,336	\$ 7,040,878	\$ 1,782,320	\$ 838,744	\$ 442,477	\$ 1,928,005	\$ 4,991,546	\$ 12,032,424	

Park City Municipal Corporation
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental funds
For the Year Ended June 30, 2019

	Special Revenue Funds			Capital Projects Funds					Total Nonmajor Governmental funds
	Lower Park Avenue Redevelopment Special Revenue Fund	Main Street Redevelopment Special Revenue Fund	Total Nonmajor Special Revenue funds	Lower Park Avenue Redevelopment Capital Projects Fund	Main Street Redevelopment Capital Projects Fund	Municipal Building Authority Capital Projects Fund	Equipment Replacement Capital Improvements Fund	Total Nonmajor Capital Projects funds	
REVENUES									
Taxes and special assessments	\$ 664,751	\$ 262,601	\$ 927,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 927,352
Intergovernmental	2,225,471	879,143	3,104,614	-	-	-	-	-	3,104,614
Investment income	44,995	26,614	71,609	39,920	23,354	11,147	-	74,421	146,030
Total revenues	2,935,217	1,168,358	4,103,575	39,920	23,354	11,147	-	74,421	4,177,996
EXPENDITURES									
Capital outlay	-	-	-	126,684	208,223	-	1,227,248	1,562,155	1,562,155
Economic development	637,571	241,007	878,578	-	-	-	-	-	878,578
Total expenditures	637,571	241,007	878,578	126,684	208,223	-	1,227,248	1,562,155	2,440,733
Excess (deficiency) of revenues over expenditures	2,297,646	927,351	3,224,997	(86,764)	(184,869)	11,147	(1,227,248)	(1,487,734)	1,737,263
OTHER FINANCING SOURCES (USES)									
Sale of capital assets	-	-	-	-	-	-	74,891	74,891	74,891
Transfers in	-	-	-	1,547,125	752,000	-	1,073,700	3,372,825	3,372,825
Transfers out	(1,547,125)	(752,000)	(2,299,125)	(708,215)	(805,161)	-	-	(1,513,376)	(3,812,501)
Total other financing sources (uses)	(1,547,125)	(752,000)	(2,299,125)	838,910	(53,161)	-	1,148,591	1,934,340	(364,785)
Net change in fund balances	750,521	175,351	925,872	752,146	(238,030)	11,147	(78,657)	446,606	1,372,478
Fund balances - beginning	859,350	731,985	1,591,335	1,028,849	1,076,774	431,330	1,990,746	4,527,699	6,119,034
Fund balances - ending	\$ 1,609,871	\$ 907,336	\$ 2,517,207	\$ 1,780,995	\$ 838,744	\$ 442,477	\$ 1,912,089	\$ 4,974,305	\$ 7,491,512

Park City Municipal Corporation
Sales Tax Revenue and Refunding Bonds Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 341,062	\$ 341,062
Total revenues	-	-	341,062	341,062
EXPENDITURES				
Debt service:				
Interest	1,794,465	1,794,465	2,110,324	(315,859)
Principal retirement	3,240,000	3,240,000	3,240,000	-
Bond issuance costs	-	-	259,074	(259,074)
Total debt service	5,034,465	5,034,465	5,609,398	(574,933)
Total expenditures	5,034,465	5,034,465	5,609,398	(574,933)
Excess (deficiency) of revenues over expenditures	(5,034,465)	(5,034,465)	(5,268,336)	(233,871)
OTHER FINANCING SOURCES (USES)				
Debt issuance	-	-	26,775,000	26,775,000
Premium on debt issuance	-	-	3,495,522	3,495,522
Transfers in	5,020,466	4,427,841	5,344,141	916,300
Transfers out	-	-	(11,993,364)	(11,993,364)
Total other financing sources (uses)	5,020,466	4,427,841	23,621,299	19,193,458
Net change in fund balances	(13,999)	(606,624)	18,352,963	18,959,587
Fund balances - beginning	2,362,332	7,191,000	7,396,947	205,947
Fund balances - ending	<u>\$ 2,348,333</u>	<u>\$ 6,584,376</u>	<u>\$ 25,749,910</u>	<u>\$ 19,165,534</u>

Park City Municipal Corporation
General Obligation Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 6,036,374	\$ 6,036,374	\$ 6,036,374	\$ -
Investment income	-	-	2,575	2,575
Miscellaneous	52,197	52,197	48,857	(3,340)
Total revenues	<u>6,088,571</u>	<u>6,088,571</u>	<u>6,087,806</u>	<u>(765)</u>
EXPENDITURES				
Debt service:				
Interest	1,683,635	1,683,635	1,635,254	48,381
Principal retirement	4,360,000	4,360,000	8,340,000	(3,980,000)
Bond issuance costs	-	-	270,383	(270,383)
Total debt service	<u>6,043,635</u>	<u>6,043,635</u>	<u>10,245,637</u>	<u>(4,202,002)</u>
Total expenditures	<u>6,043,635</u>	<u>6,043,635</u>	<u>10,245,637</u>	<u>(4,202,002)</u>
Excess (deficiency) of revenues over expenditures	<u>44,936</u>	<u>44,936</u>	<u>(4,157,831)</u>	<u>(4,202,767)</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance	-	-	44,000,000	44,000,000
Refunding bonds issued	-	-	4,290,000	4,290,000
Premium on debt issuance	-	-	6,344,605	6,344,605
Premium on refunding bonds	-	-	482,659	482,659
Transfers out	-	-	(50,094,149)	(50,094,149)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,023,115</u>	<u>5,023,115</u>
Net change in fund balances	44,936	44,936	865,284	820,348
Fund balances - beginning	678,567	694,322	671,466	(22,856)
Fund balances - ending	<u>\$ 723,503</u>	<u>\$ 739,258</u>	<u>\$ 1,536,750</u>	<u>\$ 797,492</u>

Park City Municipal Corporation
Capital Improvements Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 9,540,207	\$ 9,540,207	\$ 11,017,088	\$ 1,476,881
Intergovernmental	2,040,000	8,469,000	1,009,043	(7,459,957)
Investment income	20,000	20,000	1,276,689	1,256,689
Impact fees	373,000	373,000	620,441	247,441
Rental and other	173,000	173,000	3,500	(169,500)
Miscellaneous	307,500	307,500	426,527	119,027
Total revenues	<u>12,453,707</u>	<u>18,882,707</u>	<u>14,353,288</u>	<u>(4,529,419)</u>
EXPENDITURES				
Capital outlay:				
Land and building acquisition	61,038,968	64,447,113	58,495,184	5,951,929
Street and storm drain improvements	1,261,150	1,812,463	789,787	1,022,676
Building renovation and construction	1,857,709	26,419,334	6,625,138	19,794,196
Improvements other than building	1,055,480	35,602,485	2,576,802	33,025,683
City parks and cemetery improvements	100,000	781,511	3,147	778,364
Equipment	555,387	787,715	81,291	706,424
Total capital outlay	<u>65,868,694</u>	<u>129,850,621</u>	<u>68,571,349</u>	<u>61,279,272</u>
Total expenditures	<u>65,868,694</u>	<u>129,850,621</u>	<u>68,571,349</u>	<u>61,279,272</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(53,414,987)</u>	<u>(110,967,914)</u>	<u>(54,218,061)</u>	<u>56,749,853</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance	60,300,000	79,700,608	-	(79,700,608)
Sale of capital assets	1,000,000	1,000,000	166,791	(833,209)
Transfers in	2,357,042	2,357,042	64,444,555	62,087,513
Transfers out	<u>(3,345,387)</u>	<u>(2,752,762)</u>	<u>(3,669,062)</u>	<u>(916,300)</u>
Total other financing sources (uses)	<u>60,311,655</u>	<u>80,304,888</u>	<u>60,942,284</u>	<u>(19,362,604)</u>
Net change in fund balances	6,896,668	(30,663,026)	6,724,223	37,387,249
Fund balances - beginning	<u>39,816,947</u>	<u>67,307,997</u>	<u>40,952,442</u>	<u>(26,355,555)</u>
Fund balances - ending	<u>\$ 46,713,615</u>	<u>\$ 36,644,971</u>	<u>\$ 47,676,665</u>	<u>\$ 11,031,694</u>

Park City Municipal Corporation
Lower Park Avenue Redevelopment Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 595,212	\$ 712,032	\$ 664,751	\$ (47,281)
Intergovernmental	1,818,580	2,209,674	2,225,471	15,797
Investment income	-	-	44,995	44,995
Total revenues	<u>2,413,792</u>	<u>2,921,706</u>	<u>2,935,217</u>	<u>13,511</u>
EXPENDITURES				
Economic development	814,041	812,041	637,571	174,470
Total expenditures	<u>814,041</u>	<u>812,041</u>	<u>637,571</u>	<u>174,470</u>
Excess of revenues over expenditures	<u>1,599,751</u>	<u>2,109,665</u>	<u>2,297,646</u>	<u>187,981</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,641,125)	(1,547,125)	(1,547,125)	-
Total other financing sources (uses)	<u>(1,641,125)</u>	<u>(1,547,125)</u>	<u>(1,547,125)</u>	<u>-</u>
Net change in fund balances	(41,374)	562,540	750,521	187,981
Fund balances - beginning	216,231	287,032	859,350	572,318
Fund balances - ending	<u>\$ 174,857</u>	<u>\$ 849,572</u>	<u>\$ 1,609,871</u>	<u>\$ 760,299</u>

Park City Municipal Corporation
Main Street Redevelopment Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 324,160	\$ 310,797	\$ 262,601	\$ (48,196)
Intergovernmental	917,840	873,103	879,143	6,040
Investment income	-	-	26,614	26,614
Total revenues	<u>1,242,000</u>	<u>1,183,900</u>	<u>1,168,358</u>	<u>(15,542)</u>
EXPENDITURES				
Economic development	485,000	485,000	241,007	243,993
Total expenditures	<u>485,000</u>	<u>485,000</u>	<u>241,007</u>	<u>243,993</u>
Excess of revenues over expenditures	<u>757,000</u>	<u>698,900</u>	<u>927,351</u>	<u>228,451</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(752,000)	(752,000)	(752,000)	-
Total other financing sources (uses)	<u>(752,000)</u>	<u>(752,000)</u>	<u>(752,000)</u>	<u>-</u>
Net change in fund balances	5,000	(53,100)	175,351	228,451
Fund balances - beginning	270,447	465,052	731,985	266,933
Fund balances - ending	<u>\$ 275,447</u>	<u>\$ 411,952</u>	<u>\$ 907,336</u>	<u>\$ 495,384</u>

Park City Municipal Corporation
Lower Park Avenue Redevelopment Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 39,920	\$ 39,920
Total revenues	-	-	39,920	39,920
EXPENDITURES				
Capital outlay:				
Land and building acquisition	-	16,024	9,064	6,960
Street and storm drain improvements	-	39,845	-	39,845
Building renovation and construction	-	2,500,753	43,338	2,457,415
Improvements other than building	5,000	1,827,095	72,567	1,754,528
City parks and cemetery improvements	100,000	453,941	1,715	452,226
Total capital outlay	105,000	4,837,658	126,684	4,710,974
Total expenditures	105,000	4,837,658	126,684	4,710,974
Excess (deficiency) of revenues over expenditures	(105,000)	(4,837,658)	(86,764)	4,750,894
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	6,000,000	6,000,000	-	(6,000,000)
Transfers in	1,641,125	1,547,125	1,547,125	-
Transfers out	(708,215)	(708,215)	(708,215)	-
Total other financing sources (uses)	6,932,910	6,838,910	838,910	(6,000,000)
Net change in fund balances	6,827,910	2,001,252	752,146	(1,249,106)
Fund balances - beginning	61,453	20,686,640	1,028,849	(19,657,791)
Fund balances - ending	\$ 6,889,363	\$ 22,687,892	\$ 1,780,995	\$ (20,906,897)

Park City Municipal Corporation
Main Street Redevelopment Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 23,354	\$ 23,354
Total revenues	-	-	23,354	23,354
EXPENDITURES				
Capital outlay:				
Improvements other than building	52,000	559,903	203,477	356,426
Equipment	-	16,464	4,746	11,718
Total capital outlay	52,000	576,367	208,223	368,144
Total expenditures	52,000	576,367	208,223	368,144
Excess (deficiency) of revenues over expenditures	(52,000)	(576,367)	(184,869)	391,498
OTHER FINANCING SOURCES (USES)				
Transfers in	752,000	752,000	752,000	-
Transfers out	(805,161)	(805,161)	(805,161)	-
Total other financing sources (uses)	(53,161)	(53,161)	(53,161)	-
Net change in fund balances	(105,161)	(629,528)	(238,030)	391,498
Fund balances - beginning	598,590	676,511	1,076,774	400,263
Fund balances - ending	\$ 493,429	\$ 46,983	\$ 838,744	\$ 791,761

Park City Municipal Corporation
Municipal Building Authority Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 11,147	\$ 11,147
Total revenues	-	-	11,147	11,147
Excess of revenues over expenditures	-	-	11,147	11,147
Net change in fund balances	-	-	11,147	11,147
Fund balances - beginning	419,900	423,914	431,330	7,416
Fund balances - ending	\$ 419,900	\$ 423,914	\$ 442,477	\$ 18,563

Park City Municipal Corporation
Equipment Replacement Capital Improvements Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Capital outlay:				
Equipment	\$ 1,325,600	\$ 3,005,371	\$ 1,227,248	\$ 1,778,123
Total capital outlay	1,325,600	3,005,371	1,227,248	1,778,123
Total expenditures	1,325,600	3,005,371	1,227,248	1,778,123
Excess (deficiency) of revenues over expenditures	(1,325,600)	(3,005,371)	(1,227,248)	1,778,123
OTHER FINANCING SOURCES				
Sale of capital assets	-	-	74,891	74,891
Transfers in	1,073,700	1,073,700	1,073,700	-
Total other financing sources	1,073,700	1,073,700	1,148,591	74,891
Net change in fund balances	(251,900)	(1,931,671)	(78,657)	1,853,014
Fund balances - beginning	100,855	1,202,711	1,990,746	788,035
Fund balances - ending	\$ (151,045)	\$ (728,960)	\$ 1,912,089	\$ 2,641,049

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing and operations of services provided to various City departments and other governments, on a cost-reimbursement basis. Included are:

Fleet Services Fund: Fleet Services Fund accounts for the cost of storage, repair and maintenance of City-owned vehicles.

Self-Insurance Fund: Self-Insurance Fund accounts for the establishment of a self-insurance program.

Park City Municipal Corporation
Combining Statement of Net Position
Internal service funds
June 30, 2019

	Fleet Services Fund	Self- Insurance Fund	Total Nonmajor Internal service funds
ASSETS			
Current assets:			
Cash, cash equivalents and investments	\$ 1,156,635	\$ 1,609,833	\$ 2,766,468
Accounts receivable	66,041	31,542	97,583
Inventories	217,522	-	217,522
Total current assets	<u>1,440,198</u>	<u>1,641,375</u>	<u>3,081,573</u>
Noncurrent assets:			
Vehicles and equipment	47,450	-	47,450
Accumulated depreciation and amortization	(47,450)	-	(47,450)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>1,440,198</u>	<u>1,641,375</u>	<u>3,081,573</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	300,377	-	300,377
Total deferred outflows of resources	<u>300,377</u>	<u>-</u>	<u>300,377</u>
Total assets and deferred outflows of resources	<u>\$ 1,740,575</u>	<u>\$ 1,641,375</u>	<u>\$ 3,381,950</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 83,740	\$ 292,811	\$ 376,551
Accrued liabilities	11,934	-	11,934
Compensated absences	49,687	-	49,687
Total current liabilities	<u>145,361</u>	<u>292,811</u>	<u>438,172</u>
Noncurrent liabilities:			
Net pension liability	687,563	-	687,563
Compensated absences	15,731	-	15,731
Total noncurrent liabilities	<u>703,294</u>	<u>-</u>	<u>703,294</u>
Total liabilities	<u>848,655</u>	<u>292,811</u>	<u>1,141,466</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	10,156	-	10,156
Total deferred inflows of resources	<u>10,156</u>	<u>-</u>	<u>10,156</u>
Total liabilities and deferred inflows of resources	<u>858,811</u>	<u>292,811</u>	<u>1,151,622</u>
NET POSITION			
Restricted for:			
Unrestricted	881,764	1,348,564	2,230,328
Total net position	<u>\$ 881,764</u>	<u>\$ 1,348,564</u>	<u>\$ 2,230,328</u>

Park City Municipal Corporation
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal service funds
For the Year Ended June 30, 2019

	Fleet Services Fund	Self- Insurance Fund	Total Internal service funds
OPERATING REVENUES			
Charges for services	\$ 2,949,000	\$ 1,312,216	\$ 4,261,216
Total operating revenues	<u>2,949,000</u>	<u>1,312,216</u>	<u>4,261,216</u>
OPERATING EXPENSES			
Salaries and benefits	1,105,619	-	1,105,619
Supplies, maintenance and services	751,834	1,127,296	1,879,130
Energy and utilities	1,088,415	-	1,088,415
Total operating expenses	<u>2,945,868</u>	<u>1,127,296</u>	<u>4,073,164</u>
Operating income	<u>3,132</u>	<u>184,920</u>	<u>188,052</u>
Change in net position	3,132	184,920	188,052
Total net position - beginning	878,632	1,163,644	2,042,276
Total net position - ending	<u>\$ 881,764</u>	<u>\$ 1,348,564</u>	<u>\$ 2,230,328</u>

Park City Municipal Corporation
Statement of Cash Flows
Internal service funds
For the Year Ended June 30, 2019

	Fleet Services Fund	Self- Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 2,971,536	\$ 1,289,357	\$ 4,260,893
Payments to employees	(1,033,900)	-	(1,033,900)
Payments to suppliers	(1,929,853)	(1,059,006)	(2,988,859)
Net cash provided by operating activities	<u>7,783</u>	<u>230,351</u>	<u>238,134</u>
Net increase in cash and cash equivalents	7,783	230,351	238,134
Balances - beginning of year	1,148,852	1,379,482	2,528,334
Balances - end of the year	<u>\$ 1,156,635</u>	<u>\$ 1,609,833</u>	<u>\$ 2,766,468</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating Income	\$ 3,132	\$ 184,920	\$ 188,052
Adjustments to reconcile operating income to net cash provided by operating activities:			
Pension Expense	76,064	-	76,064
Changes in assets and liabilities:			
Accounts receivable	22,536	(22,859)	(323)
Inventory	26,048	-	26,048
Accounts and other payables	(115,652)	68,290	(47,362)
Accrued liabilities	1,508	-	1,508
Compensated absences	(5,853)	-	(5,853)
Net cash provided by operating activities	<u>\$ 7,783</u>	<u>\$ 230,351</u>	<u>\$ 238,134</u>

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the City's overall financial health.

Contents	Page
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Net Position by Component	106
Changes in Net Position	107
Fund Balances of Governmental Funds	109
Changes in Fund Balances of Governmental Funds	110
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, property tax, in addition to other types of tax revenues.	
General Government Tax Revenues by Source	111
Assessed Value of Taxable Property Excluding Fee-In-Lieu	112
Assessed Value of Taxable Property Including Fee-In-Lieu	113
Taxable Retail Sales by Category	114
Direct and Overlapping Property Tax Rates	115
Direct and Overlapping Sales Tax Rates	116
Principal Property Taxpayers	117
City Tax Revenue Collected by County	118
Property Tax Levies and Collections	119
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Ratios of Outstanding Debt by Type	120
Ratios of General Bonded Debt Outstanding	121
Direct and Overlapping Governmental Activities Debt	122
Legal Debt Margin Information	123
Pledged-Revenue Coverage	124
Water Fund Refunding and Revenue Bonds	125
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Demographic and Economic Statistics	126
Principal Employers	127
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Full-time Equivalent City Government Employees by Function	128
Population Statistics	129
Transient Room Capacity as a Percentage of Population	130
Historical Pledged Taxes	131
Operating Indicators by Function	132
Capital Asset Statistics by Function	133
Schedule of Insurance in Force	134
Five-Year Financial Summaries	135

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

Schedule 1
 Park City Municipal Corporation, Utah
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012 (1)	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019
Governmental activities										
Net investment in capital assets	\$ 126,232,311	\$ 133,919,927	\$ 136,071,293	\$ 142,887,371	\$ 150,053,024	\$ 159,315,342	\$ 169,437,708	\$ 182,684,418	\$ 190,028,413	\$ 200,327,763
Restricted	6,608,983 (2)	3,809,948 (2)	681,918 (2)	709,082 (2)	6,913,237 (2)	7,465,730 (2)	6,361,175 (2)	6,378,214 (2)	6,661,816 (2)	7,253,575 (2)
Unrestricted	41,854,555 (2)	40,012,341 (2)	44,244,057 (2)	42,172,072 (2)	31,428,170 (2)	30,764,855 (2)	36,189,936 (2)	32,920,698 (2)	45,040,731 (2)	50,175,273 (2)
Total governmental activities net position	\$ 174,695,849	\$ 177,742,216	\$ 180,997,268	\$ 185,768,525	\$ 188,394,431	\$ 197,545,927	\$ 211,988,819	\$ 221,983,330	\$ 241,730,960	\$ 257,756,611
Business-type activities										
Net investment in capital assets	\$ 45,544,573	\$ 51,237,710	\$ 56,867,717	\$ 57,738,180	\$ 58,889,312	\$ 61,064,884	\$ 64,172,905	\$ 91,043,049	\$ 104,256,756	\$ 113,503,024
Restricted	3,489,981 (2)	2,213,200 (2)	449,859 (2)	- (2)	- (2)	- (2)	- (2)	- (2)	- (2)	- (2)
Unrestricted	18,796,898 (2)	19,158,199 (2)	22,278,717 (2)	24,037,966 (2)	25,691,399 (2)	29,215,116 (2)	27,577,761 (2)	26,506,386 (2)	18,602,068 (2)	14,994,253 (2)
Total business-type activities net position	\$ 67,831,452	\$ 72,609,109	\$ 79,596,293	\$ 81,776,146	\$ 84,580,711	\$ 90,280,000	\$ 91,750,666	\$ 117,549,435	\$ 122,858,824	\$ 128,497,277
Primary government										
Net investment in capital assets	\$ 171,776,884	\$ 185,157,637	\$ 192,939,010	\$ 200,625,551	\$ 208,942,336	\$ 220,380,226	\$ 233,610,613	\$ 273,727,467	\$ 294,285,169	\$ 313,830,787
Restricted	10,098,964	6,023,148	1,131,777	709,082	6,913,237	7,465,730	6,361,175	6,378,214	6,661,816	7,253,575
Unrestricted	60,651,453	59,170,540	66,522,774	66,210,038	57,119,569	59,979,971	63,767,697	59,427,084	63,642,799	65,169,526
Total primary government net position	\$ 242,527,301	\$ 250,351,325	\$ 260,593,561	\$ 267,544,671	\$ 272,975,142	\$ 287,825,927	\$ 303,739,485	\$ 339,532,765	\$ 364,589,784	\$ 386,253,888

Notes:
 (1) Restated.
 (2) Reclassified long-term debt related to net assets restricted for debt service and capital projects out of unrestricted net assets.

Schedule 2
Park City Municipal Corporation, Utah
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012 (1)	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019
Expenses										
Governmental activities:										
General government	\$ 15,424,562	\$ 13,876,694	\$ 16,418,511	\$ 15,410,428	\$ 17,971,342	\$ 19,233,343	\$ 19,676,565	\$ 21,909,746	\$ 21,793,758	\$ 23,755,044
Public safety	4,410,647	4,523,175	4,749,019	5,005,854	5,023,548	5,270,197	5,705,960	6,254,164	6,736,639	6,747,797
Public works	8,186,146	7,539,516	7,120,275	7,225,061	7,053,923	6,967,243	7,088,647	7,263,125	7,209,164	6,929,871
Library and recreation	3,252,784	3,146,783	3,707,452	4,194,025	4,408,912	4,618,338	5,671,823	5,843,178	5,729,489	5,729,844
Interest on long-term debt	2,213,998	2,039,807	1,812,222	1,588,388	1,552,101	1,285,952	1,456,433	1,366,939	2,537,159	3,558,891
Total governmental activities expenses	33,488,137	31,125,975	33,807,479	33,423,756	36,009,826	37,375,073	39,599,428	42,637,152	44,003,209	46,721,147
Business-type activities:										
Water	9,220,606	9,168,368	9,828,676	10,980,949	11,678,822	11,870,125	12,934,161	13,086,302	13,314,440	13,578,235
Stormwater	-	-	-	-	-	-	-	1,162,202 (10)	921,138	1,470,837
Transportation and parking	9,406,997	8,433,607	9,243,798	9,608,636	10,378,982	10,804,211	11,801,545	13,848,109	19,435,515	22,521,490
Golf course	1,182,865	1,291,645	1,394,404	1,415,478	1,441,498	1,512,330	1,541,601	1,546,036	1,711,826	1,488,121
Total business-type activities expenses	19,810,468	18,893,620	20,466,878	22,005,063	23,499,302	24,186,666	26,277,307	29,642,649	35,382,919	39,058,683
Total primary government expenses	\$ 53,298,605	\$ 50,019,595	\$ 54,274,357	\$ 55,428,819	\$ 59,509,128	\$ 61,561,739	\$ 65,876,735	\$ 72,279,801	\$ 79,386,128	\$ 85,779,830
Program Revenues										
Governmental activities:										
Charges for services	\$ 1,535,425	\$ 1,959,149	\$ 2,072,172	\$ 2,388,214	\$ 3,907,142	\$ 4,718,626	\$ 3,734,852	\$ 3,668,799	\$ 4,724,514	\$ 5,647,186
General government	2,550	2,700	6,593	12,313	100	-	3,996	9,685	2,880	10
Public safety	201,643	219,843	222,708	246,390	190,022	224,820	200,761	174,917	189,117	129,171
Library and recreation	1,107,536	836,328	1,142,700	1,287,791	1,309,934	1,210,362	1,295,132	1,253,491	1,356,186	1,203,836
Operating grants and contributions	88,142	126,759	151,111	350,352	165,147	121,866	145,704	187,166	161,075	195,542
Capital grants and contributions	8,827,676	649,032	1,476,472	1,073,924	1,879,881	2,479,239	3,24,650	2,652,254	9,028,885	1,608,966
Total governmental activities program revenues	11,762,972	3,793,811	5,071,756	5,338,984	7,452,226	8,754,913	5,705,095	7,946,312	15,462,657	8,784,711
Business-type activities:										
Charges for services	7,370,380	8,416,666	9,915,490	12,242,653	13,171,473	14,176,728	15,205,729	17,237,175	17,924,616	18,606,759
Water	-	-	-	-	-	-	-	979,419 (10)	1,277,767	1,572,044
Stormwater	3,842,616	3,495,838	3,487,939	3,977,883	3,895,008	4,255,752	4,497,989	5,227,316	9,789,087	11,113,961
Transportation and parking	843,621	878,237	1,033,286	1,102,133	1,056,248	1,105,882	1,139,839	1,153,794	1,203,560	1,131,283
Golf course	3,219,683	-	3,681,732	-	1,649,174	1,602,990	-	2,813,864	2,307,083	-
Operating grants and contributions	4,449,296	6,367,580	4,856,335	2,373,881	3,353,572	4,186,198	1,956,426	14,612,663	2,439,682	6,524,981
Capital grants and contributions	19,725,596	19,158,321	22,974,782	19,696,550	23,125,475	25,327,550	22,799,983	42,024,201	34,941,795	38,949,028
Total business-type activities program revenues	31,488,568	22,952,132	28,046,538	25,055,534	30,577,701	34,082,463	28,505,078	49,970,513	50,404,452	47,733,739
Net (expense)/revenue										
Governmental activities	\$ (21,725,165)	\$ (27,332,164)	\$ (28,735,723)	\$ (28,064,772)	\$ (28,557,600)	\$ (28,620,160)	\$ (33,894,333)	\$ (34,690,840)	\$ (28,540,552)	\$ (37,936,436)
Business-type activities	(84,872)	2,647,001	2,507,904	(2,308,513)	(373,827)	1,140,884	(3,477,324)	12,381,552	(441,124)	(109,655)
Total primary government net expense	\$ (21,810,037)	\$ (27,067,463)	\$ (26,227,819)	\$ (30,373,285)	\$ (28,931,427)	\$ (27,479,276)	\$ (37,371,657)	\$ (22,309,288)	\$ (28,981,676)	\$ (38,046,091)

Schedule 2, Continued
 Park City Municipal Corporation, Utah
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012 (1)	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property tax, levied for general purposes	\$ 11,921,879	\$ 12,442,798	\$ 13,797,851	\$ 13,587,385	\$ 12,772,297	\$ 12,809,892	\$ 14,755,299	\$ 14,350,265	\$ 14,686,693	\$ 15,499,965
Property tax, levied for debt service	4,009,000	4,570,315	4,580,904	4,577,873	5,082,714	5,321,592	3,723,453	4,220,158	6,432,184	6,036,374
General sales and use tax	3,990,274	3,966,554	4,125,435	4,187,472	4,347,534	4,731,904	5,180,094	5,620,687	5,915,331	6,403,710
Franchise tax	2,774,319	2,906,982	2,816,070	3,037,407	3,158,716	3,061,207	3,183,820	3,194,392	3,147,847	3,230,881
Resort tax	4,483,804	5,022,250	5,443,231	5,983,636	9,151,788	10,066,040	11,154,870	12,253,267	14,491,767	16,741,000
Investment earnings	753,587	399,928	283,191	258,657	348,090	261,735	434,588	582,208	1,122,856	2,297,088
Miscellaneous	1,124,367	1,022,968	944,093	1,203,599	1,594,150	804,286	492,730	4,856,960	1,776,504	2,963,178
Gain/Loss on sale of capital assets	-	215,705	-	-	-	-	1,328,784	-	-	74,891
Transfers	(1,132,821)	(168,969)	-	-	-	715,000	715,000	(7,534,613)	715,000	715,000
Total governmental activities	27,924,409	30,378,531	31,990,775	32,836,029	36,455,289	37,771,656	40,970,638	37,543,324	48,288,182	53,962,087
Business-type activities:										
General sales and use tax	3,127,767	3,503,440	3,798,125	3,868,264	4,019,133	4,398,879	4,877,098	5,233,194	5,617,865	6,128,331
Investments earnings	339,629	438,221	247,058	196,237	358,535	367,709	327,289	402,924	372,627	581,900
Miscellaneous	362,277	402,326	434,097	423,865	497,745	506,817	458,603	456,419	475,021	(247,123)
Transfers	1,132,821	1,689,969	-	-	-	(715,000)	(715,000)	7,534,613	(715,000)	(715,000)
Total business-type activities	4,962,494	4,512,956	4,479,280	4,488,366	4,875,413	4,558,405	4,947,990	13,027,150	5,750,513	5,748,108
Total primary government	\$ 32,886,903	\$ 34,891,487	\$ 36,470,055	\$ 37,324,395	\$ 41,330,702	\$ 42,330,061	\$ 45,918,628	\$ 51,170,474	\$ 54,038,695	\$ 59,710,195
Change in Net Position										
Governmental activities	\$ 6,199,244	(2)	\$ 3,255,052	\$ 4,771,257	\$ 7,897,689	(4)	\$ 9,151,496	\$ 2,852,484	(11)	\$ 19,747,630
Adjustment to governmental activities net position	-	-	-	-	(5,271,783)	(5)	7,366,587	(9)	7,142,027	(13)
Business-type activities	4,877,622	4,777,657	6,987,184	2,179,853	4,501,586	5,699,289	1,470,666	(8)	26,008,702	(12)
Adjustment to business-type activities net position	-	-	-	-	(1,697,021)	(5)	-	-	(209,933)	(13)
Total primary government	\$ 11,076,866	\$ 7,824,024	\$ 10,242,236	\$ 6,951,110	\$ 5,430,471	(6)	\$ 15,913,558	\$ 35,793,280	\$ 25,057,019	\$ 21,664,104

Notes:

- (1) Restated.
- (2) Increase in governmental activities net position is due to increases in capitalizable grants and contributions.
- (3) Decrease in governmental activities net position is due to decreases in capitalizable grants and contributions.
- (4) Increase in governmental activities net position is due to increases in resort tax collected.
- (5) Fiscal year 2015 - Implemented GASB 68, Accounting and Financial Reporting for Pensions, required restatement of fiscal year 2014.
- (6) Increase in total primary government net position is due to restatement of fiscal year 2014 for the implementation of GASB 68.
- (7) Decrease in governmental activities net position is due to increased expenses in general government and decreases in capital grants and contributions.
- (8) Decrease in business-type activities net position is due to increased expenses in water and transportation and decreases in capital grants and contributions.
- (9) Fiscal year 2017 - Capital asset adjustment, required restatement of fiscal year 2016.
- (10) Stormwater fund was added in fiscal year 2017.
- (11) Decrease in governmental activities net position is due to increased capital outlay.
- (12) Increase in business-type activities net position is due to increases in capitalizable grants and contributions.
- (13) Fiscal year 2018 - Capital asset adjustment, required restatement of fiscal year 2017.
- (14) Increase in governmental activities net position is due to increases in capitalizable grants and contributions and increases in tax revenues.
- (15) Decrease in business-type activities net position is due to decreases in capitalizable grants and contributions.

Schedule 3
 Park City Municipal Corporation, Utah
 Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund	\$ 3,894,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, undesignated	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	-	-	-	-	494,360
Interfund loan	-	-	-	-	-	-	-	-	86,867	55,761
Inventory	-	-	-	-	-	-	-	-	50,719	30,226
Unassigned	-	4,209,020	4,011,625	5,515,127	6,670,716	6,836,193	6,779,674	7,497,277	7,730,233	8,705,419
Restricted - Drug and tobacco enforcement	-	31,258	36,517	47,776	46,402	47,201	48,640	59,674	57,571	58,940
Total general fund	\$ 3,894,972	\$ 4,240,278	\$ 4,048,142	\$ 5,562,903	\$ 6,717,118	\$ 6,883,394	\$ 6,828,314	\$ 7,556,951	\$ 7,925,390	\$ 9,344,706
All other governmental funds										
Reserved										
Major capital projects funds-capital projects	\$ 6,608,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Major debt service funds-capital projects	1,115,930	-	-	-	-	-	-	-	-	-
Major debt service	3,880	-	-	-	-	-	-	-	-	-
Nonmajor debt service funds-debt service	680,861	-	-	-	-	-	-	-	-	-
Unreserved, designated										
Major capital projects funds	26,618,929	(1)	-	-	-	-	-	-	-	-
Nonmajor capital projects funds	1,948,358	-	-	-	-	-	-	-	-	-
Major debt service funds	1,084,351	-	-	-	-	-	-	-	-	-
Nonmajor debt service funds	203,868	-	-	-	-	-	-	-	-	-
Unreserved, undesignated										
Major capital projects funds	6,496,859	-	-	-	-	-	-	-	-	-
Major debt service funds	-	-	-	-	-	-	-	-	-	-
Nonmajor capital projects funds	1,215,873	-	-	-	-	-	-	-	-	-
Restricted for:										
Capital projects	-	4,490,602	(2)	708,350	6,866,835	12,779,745	7,872,086	7,545,300	12,804,288	31,699,288
Debt service	-	1,489	2,410	817	952	88,037	2,496	3,816	11,900	652,977
Assigned:										
Capital projects funds	-	34,536,547	-	-	-	-	-	-	-	-
Debt service funds	-	1,537,118	-	-	-	-	-	-	-	-
Committed:										
Capital projects funds	-	-	31,635,190	31,470,751	32,340,968	29,882,740	34,849,188	28,665,290	38,875,896	45,456,335
Debt service funds	-	-	1,713,903	1,480,633	1,557,901	2,236,514	1,816,767	1,778,077	1,856,470	2,129,030
Special revenue funds	-	-	-	-	-	-	516,758	785,600	1,591,335	2,517,207
Total all other governmental funds	\$ 45,977,892	\$ 40,565,756	\$ 34,612,763	\$ 33,660,551	\$ 40,766,656	\$ 44,987,036	\$ 45,057,295	\$ 38,778,083	\$ 55,139,889	\$ 82,454,837

Notes:
 (1) Designated fund balance includes a transfer from the general fund to the capital projects improvement fund per the City's budget, as follows: fiscal year 2008-transfer of \$4.8M; fiscal year 2009-transfer of \$2.8M; fiscal year 2010-transfer of \$1.6M.
 (2) Fiscal year 2011 - Implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Schedule 4
 Park City Municipal Corporation, Utah
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes and special assessments	\$ 27,038,657	\$ 28,939,586	\$ 30,705,261	\$ 31,399,695	\$ 34,486,284	\$ 33,269,379	\$ 35,194,462	\$ 36,830,205	\$ 41,592,343	\$ 44,639,085
Licenses and permits	808,055	1,067,438	1,166,721	1,446,142	2,611,576	3,025,886	2,462,374	2,464,561	3,390,668	3,899,003
Intergovernmental	690,912	775,791	627,433	1,404,276	1,818,822	5,346,423	3,288,064	4,044,959	6,214,905	4,345,873
Charges for services	1,705,148	1,526,455	1,910,119	2,017,593	2,194,197	2,071,230	2,119,339	2,115,794	2,225,204	2,837,729
Fines and forfeitures	40,562	28,833	29,404	35,342	21,648	14,206	26,902	42,834	35,327	23,108
Investment income	753,587	399,928	283,191	258,657	348,090	261,735	434,588	582,208	1,122,856	2,297,089
Impact fees	109,553	191,521	133,421	201,235	397,737	817,666	425,365	308,786	432,381	620,441
Rental and other miscellaneous	2,843,770	2,104,193	2,366,777	1,476,317	1,912,540	2,873,179	1,546,004	5,041,320	2,496,363	1,500,515
Total revenues	33,990,244	35,033,745	37,222,327	38,239,257	43,790,894	47,679,704	45,497,098	51,430,667	57,510,047	60,162,813
Expenditures										
General government	9,926,208	10,717,351	11,260,367	11,381,542	12,086,576	13,653,938	14,604,316	15,005,872	16,235,727	16,175,897
Public safety	4,118,458	4,266,143	4,498,776	4,687,516	4,684,672	4,953,544	5,349,433	5,970,451	6,392,525	6,360,284
Public works	4,366,909	4,422,633	4,718,003	4,835,958	4,643,828	4,718,959	4,878,647	5,194,880	5,648,653	5,935,423
Library and recreation	2,608,012	2,534,737	2,839,500	3,164,535	3,361,464	3,495,302	3,824,435	4,080,211	4,237,835	4,367,960
Debt Service										
Principal retirement	5,955,275	5,349,796	5,424,637	4,664,880	5,220,496	18,086,533	5,118,024	4,850,000	8,625,000	11,580,000
Interest	2,065,562	2,066,631	1,835,199	1,661,003	1,616,778	1,528,829	1,788,808	1,615,725	2,827,016	3,745,578
Bond issuance costs	137,262	51,663	-	-	123,931	503,979	-	155,239	223,553	529,457
Arbitrage rebate	31,874	-	-	-	-	-	-	-	-	-
Capital outlay	33,827,783	12,847,882	17,073,402	8,517,860	13,923,767	26,614,261	11,953,996	51,844,299	39,052,752	70,133,504
Economic development	-	-	-	-	-	405,435	951,268	864,697	870,588	878,578
Total expenditures	63,037,343	42,256,836	47,649,884	38,913,294	45,661,512	73,960,780	48,468,927	89,581,374	84,113,649	119,706,681
Revenues (under) expenditures	(29,047,099)	(7,223,091)	(10,427,557)	(674,037)	(1,870,618)	(26,281,076)	(2,971,829)	(38,150,707)	(26,603,602)	(59,543,868)
Other financing sources (uses)										
Debt issuance	6,092,683	-	-	-	7,170,000	16,975,000	-	25,000,000	31,940,000	75,065,000
Refunding bonds issued	2,025,000	1,525,000	-	-	1,930,000	10,110,000	-	-	-	4,290,000
Payment to refunded bondholders	-	(2,655,000)	-	-	(1,930,000)	-	-	-	-	(4,290,000)
Payment to refunded bond escrow agent	(2,055,334)	-	-	-	-	-	-	-	-	-
Premium on debt issuance	89,739	-	-	-	92,774	773,546	-	2,863,698	3,287,871	9,840,127
Premium on refunding bonds	59,922	33,592	-	-	50,769	673,841	-	-	-	482,659
Payment received on note	-	-	-	-	1,375,000	-	-	-	-	-
Discount on debt issuance	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	4,155,231	1,124,436	2,290,798	17,586	146,554	23,811	755,648	2,363,887	5,553,794	241,682
Transfers in	12,836,826	6,595,012	6,424,043	4,731,710	10,978,139	19,728,745	11,965,394	36,237,414	44,274,635	75,835,185
Transfers out	(10,706,871)	(4,466,779)	(4,432,413)	(3,512,710)	(9,682,298)	(17,617,211)	(9,734,034)	(33,864,867)	(41,722,453)	(73,186,521)
Total other financing sources	12,497,196	2,156,261	4,282,428	1,236,586	10,130,938	30,667,732	2,987,008	32,600,132	43,333,847	88,278,132
Net change in fund balances	\$(16,549,903)	\$(5,066,830)	\$(6,145,129)	\$ 562,549	\$ 8,260,320	\$ 4,386,656	\$ 15,179	\$(5,550,575)	\$ 16,730,245	\$ 28,734,264
Debt Service as a percentage of noncapital expenditures	23.7% (1)	22.5% (1)	20.5% (1)	18.9% (1)	19.0% (1)	38.3% (1)	16.9% (1)	15.9% (1)	24.4% (1)	29.5%

Notes:
 (1) Restated.

Schedule 5
Park City Municipal Corporation, Utah
General Government Tax Revenues by Source (1)
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales and Use Tax</u>	<u>Franchise Tax</u>	<u>Resort Tax (2)</u>	<u>Total</u>
2010	\$ 11,750,185	\$ 3,990,274	\$ 2,774,319	\$ 4,483,804	\$ 22,998,582
2011	13,217,398	3,966,554	2,906,982	5,022,250	25,113,184
2012	14,545,369	4,125,435	2,816,070	5,443,231	26,930,105
2013	14,601,807	4,187,472	3,037,407	5,561,728	27,388,414
2014	14,361,738	4,347,534	3,158,716	5,756,046	27,624,034
2015	14,590,197	4,731,904	3,061,207	6,278,858	28,662,166
2016	14,832,024	5,180,094	3,185,820	6,952,171	30,150,109
2017	14,953,711	5,620,687	3,194,392	7,327,065	31,095,855
2018	17,107,856	5,915,331	3,147,847	8,032,584	34,203,618
2019	17,336,112	6,403,710	3,230,881	8,723,912	35,694,615

Change:

2010-2019	47.5%	60.5%	16.5%	94.6%	55.2%
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Note:

- (1) Includes general fund, capital improvement fund and debt service funds.
- (2) Fiscal years 2011 through 2018 have been restated to include the full amount of the Resort Tax received.

Schedule 6
Park City Municipal Corporation, Utah
Assessed Value of Taxable Property Excluding Fee-In-Lieu
Summit and Wasatch Counties Combined (1)
Last Ten Calendar Years
(in thousands of dollars)

<u>Calendar Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Miscellaneous Property</u>	<u>Total Assessed Value</u>	<u>Total Estimated Actual Value of Taxable Property</u>	<u>Total Direct Tax Rate</u>
2009	\$ 6,026,603	\$ 543,548	\$ 351,478	\$ 6,921,629	\$ 8,028,606	0.002148 %
2010	5,501,360	552,927	344,217	6,398,504	7,261,898	0.002130
2011	5,858,428	781,086	457,203	7,096,717	7,941,327	0.002236
2012	5,821,784	770,866	417,491	7,010,141	7,826,836	0.002197
2013	5,937,313	678,855	401,319	7,017,488	7,835,845	0.002131
2014	6,274,164	679,149	389,160	7,342,473	8,215,313	0.002067
2015	6,740,782	689,374	390,248	7,820,404	8,748,413	0.001972
2016	7,112,582	739,074	376,177	8,227,833	9,195,067	0.001884
2017	7,491,154	780,964	375,229	8,647,347	9,658,862	0.002059
2018	8,380,192	857,857	89,161	9,327,210	10,436,645	0.001934

Source: Utah State Tax Commission, Property Tax Division

Note:

(1) Starting in 2013 the City uses the Utah State Tax Commission as the source to obtain more accurate information, data was updated for all years shown for comparison.

Schedule 7
Park City Municipal Corporation, Utah
Assessed Value of Taxable Property Including Fee-In-Lieu
Summit and Wasatch Counties Combined (2)
Last Ten Calendar Years
(in thousands of dollars)

<u>Calendar Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Miscellaneous Property</u>	<u>Fee-In-Lieu Value</u>	<u>Total Assessed Value</u>
2009	\$ 6,026,603	\$ 543,548	\$ 351,478	\$ 11,815	\$ 6,933,444
2010	5,501,360	552,927	344,217	13,509	6,412,013
2011	5,858,428	781,086	457,203	12,755 (1)	7,109,472
2012	5,821,784	770,866	417,491	13,179	7,023,320
2013	5,937,313	678,855	401,319	13,820	7,031,308
2014	6,274,164	679,149	389,160	14,560	7,357,033
2015	6,740,782	689,374	390,248	14,252	7,834,656
2016	7,112,582	739,074	376,177	14,809	8,242,642
2017	7,491,154	780,964	375,229	14,814	8,662,161
2018	8,380,192	857,857	89,161	17,484	9,344,694

Source: Utah State Tax Commission, Property Tax Division

Notes:

- (1) The State's method of calculating the Fee-In-Lieu was changed in 2011, previous years were recalculated using the new formula.
- (2) Starting in 2013 the City uses the Utah State Tax Commission as the source to obtain more accurate information, data was updated for all years shown for comparison.

Schedule 8
Park City Municipal Corporation, Utah
Taxable Retail Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Apparel stores	\$ 19,710	\$ 21,833	\$ 25,919	\$ 24,069	\$ 22,927	\$ 25,777	\$ 35,245	\$ 34,510	\$ 65,299	\$ 67,912
Food stores	60,784	60,269	64,592	67,066	56,238	57,809	60,862	64,630	67,490	65,618
Sporting goods, hobby, book and music	29,779	35,891	40,163	38,638	40,609	40,524	43,363	45,380	47,282	48,461
Home furnishings and appliances	12,363	21,785	21,745	20,849	12,394	12,730	12,735	14,806	12,250	17,707
Building materials and farm tools	4,871	2,735	2,704	2,819	3,654	3,652	5,695	6,199	4,750	5,000
Miscellaneous retail stores	23,798	26,427	26,894	27,985	25,884	29,162	30,691	31,403	13,044	16,331
All other outlets	6,953	3,698	3,484	3,674	4,452	4,329	4,283	5,240	1,989	3,314
Total	\$ 158,258	\$ 172,638	\$ 185,501	\$ 185,100	\$ 166,158	\$ 173,983	\$ 192,874	\$ 202,168	\$ 212,104	\$ 224,343
City direct sales tax rate	2.40 %	2.40 %	2.40 %	2.40 %	2.90 %	2.90 %	2.90 %	2.90 %	3.15 %	3.15 %

Source: Utah State Tax Commission website: Taxable Sales by Major City

Note:

(1) 2008 - Sporting goods, hobby, book and music, previously classified in Miscellaneous retail stores, became a significant amount and was separated into a new category.

Schedule 9
 Park City Municipal Corporation, Utah
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years

Calendar Year	City Direct Rates				Overlapping Rates							Total Levy for Park City Residents	
	General Obligation				Summit County Levy	State Assessment/Collecting	Weber Basin		Park City		Summit Co.		
	Basic Rate	Debt Service	Total Direct				Basin Water	City Fire	City School	Mosquito Abatement			

2009	0.001327	0.000821	0.002148	0.000746	0.000202	0.000188	0.000849	0.004018	0.000034	0.008185
2010	0.001389	0.000741	0.002130	0.000895	0.000228	0.000207	0.001070	0.004360	0.000040	0.008930
2011	0.001383	0.000853	0.002236	0.000924	0.000241	0.000217	0.001161	0.004405	0.000040	0.009224
2012	0.001431	0.000766	0.002197	0.000943	0.000239	0.000215	0.000987	0.004924	0.000041	0.009546
2013	0.001385	0.000746	0.002131	0.000909	0.000226	0.000210	0.000950	0.004630	0.000040	0.009096
2014	0.001248	0.000819	0.002067	0.000826	0.000222	0.000199	0.000907	0.004770	0.000038	0.009029
2015	0.001362	0.000610	0.001972	0.000767	0.000205	0.000199	0.000841	0.004461	0.000035	0.008480
2016	0.001304	0.000580	0.001884	0.000726	0.000191	0.000187	0.000793	0.004220	0.000033	0.008034
2017	0.001237	0.000822	0.002059	0.000680	0.000183	0.000174	0.000742	0.003951	0.000031	0.007820
2018	0.001202	0.000732	0.001934	0.000831	0.000169	0.000164	0.000726	0.004408	0.000030	0.008262

Source: Summit County property tax notices.

Note: The City's basic property tax rate may be increased only by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

Schedule 10
Park City Municipal Corporation, Utah
Direct and Overlapping Sales Tax Rates
Last Ten Calendar Years

<u>Calendar Year</u>	<u>City Direct Rate</u>	<u>Summit County</u>	<u>State of Utah</u>	<u>Total</u>
2010	2.40 %	0.35 %	4.70 %	7.45 %
2011	2.40	0.35	4.70	7.45
2012	2.40	0.35	4.70	7.45
2013	2.90 (1)	0.35	4.70	7.95
2014	2.90	0.35	4.70	7.95
2015	2.90	0.35	4.70	7.95
2016	2.90	0.35	4.70	7.95
2017	3.15 (2)	0.60 (3)	4.70	8.45
2018	3.15	0.85 (4)	4.70	8.70
2019	3.15	1.05 (5)	4.85	9.05

Source: Utah State Tax Commission

Notes:

- (1) Includes 0.50 percent Additional Resort Communities Sales and Use Tax implemented in calendar year 2013.
- (2) Includes 0.25 percent Additional Mass Transit Tax implemented in calendar year 2017.
- (3) Includes 0.25 percent County Option Transportation Tax implemented in calendar year 2017.
- (4) Includes 0.25 percent County Transportation Infrastructure Tax implemented in calendar year 2018.
- (5) Includes 0.20 percent County Option for Public Transit Tax implemented in calendar year 2019.

Schedule 11
Park City Municipal Corporation, Utah
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Talisker Empire Pass Hotel LLC (Montage)	\$ 179,040,000	1	1.95 %	\$ 42,115,280	4	0.41 %
Marriott Ownership Resorts	115,931,590	2	1.26	118,569,950	1	2.09
DVP LLC	41,000,000	3	0.45	24,398,804	-	-
SR Silver Lake LLC	38,350,000	4	0.42	-	-	-
VR CPC Holdings Inc. (Vail Resorts)	33,596,220	5	0.37	43,668,615	3	0.64
Deer Valley Resort	26,261,770	6	0.29	41,821,370	-	-
Chateaux at Silver Lake	21,900,400	7	0.24	-	-	-
Redus Park City LLC	20,461,040	8	0.22	-	-	-
Silver Lake Development Corp.	19,540,360	9	0.21	-	-	-
HA Daisy Yoonhee Trustee	16,630,000	10	0.18 (1)	-	-	-
Flagstaff Residences, LLC	-	-	-	65,201,000	2	0.28
Silver Baron Partners	-	-	-	22,497,735	5	0.19
Lookout Developers	-	-	-	18,980,000	6	0.18
Paladin Development	-	-	-	18,000,000	7	0.16
Powder Development Company	-	-	-	15,050,255	8	0.12
Totals	\$ 512,711,380		5.58 %	\$ 410,303,009		4.07 %

Source: Summit County Treasurer and Park City Finance Department.

Notes:
(1) Per Summit County, this is an accumulation of 98 properties.

Schedule 12
 Park City Municipal Corporation, Utah
 City Tax Revenue Collected by County
 Last Ten Calendar Years

Tax Year End 12/31	Original Levy (1)	Adjusted Levy	Collected Within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount (2)	Percent of Adjusted Levy		Amount (2)	Percent of Net Levy
Summit County							
2009	\$ 12,401,579	\$ 12,194,585	\$ 11,379,638	\$ 93.32 %	\$ 814,947	\$ 12,194,585	100.00 %
2010	12,984,657	12,918,445	12,060,672	93.36	839,167	12,899,839	99.86
2011	12,750,981	14,170,463	13,579,302	95.83	568,229	14,147,531	99.84
2012	14,655,626	14,650,150	13,275,742	90.62	1,368,069 (3)	14,643,811	99.96
2013	14,236,860	14,370,289	13,637,854	94.90	720,856	14,358,710	99.92
2014	14,451,389	14,602,592	13,714,698	93.92	879,744	14,594,442	99.94
2015	14,747,175	14,862,169	14,731,910	99.12	111,730	14,843,640	99.88
2016	14,856,934	14,971,905	14,908,200	99.57	44,179	14,952,379	99.87
2017	17,140,149	17,267,842	17,167,415	99.42	58,523	17,225,938	99.76
2018	17,403,473	17,509,422	17,342,944	99.05	-	17,342,944	99.05
Wasatch County							
2009	\$ 346,442	\$ 287,560	\$ 287,560	\$ 100.00 %	\$ -	\$ 287,560	100.00 %
2010	723,334	711,980	711,980	100.00	-	711,980	100.00
2011	568,568	521,424	521,424	100.00	-	521,424	100.00
2012	586,238	583,467	583,467	100.00	-	583,467	100.00
2013	608,641	605,996	605,996	100.00	-	605,996	100.00
2014	611,098	611,098	611,098	100.00	-	611,098	100.00
2015	588,597	580,842	580,842	100.00	-	580,842	100.00
2016	582,082	581,989	570,597	98.04	-	570,597	98.04
2017	639,263	640,331	633,356	98.91	-	633,356	98.91
2018	626,749	624,919	608,868	97.43	-	608,868	97.43

Source: Summit and Wasatch County Annual Financial Reports.

Notes:

- (1) Excludes redevelopment agencies valuation.
- (2) Total Collection amounts do not include any fee-in-lieu payments.
- (3) Increase was due to miscoding, by Summit County, of a large portion of Flagstaff Annexation, which was corrected in calendar year 2013, and property taxes paid.

Schedule 13
Park City Municipal Corporation, Utah
Property Tax Levies and Collections (1)
Last Ten Calendar Years

<u>Calendar Year Ended December 31,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Calendar Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2009	\$ 12,482,145	\$ 11,667,198	93.47 %	\$ 814,947	\$ 12,482,145	100.00 %
2010	13,630,425	12,772,652	93.71	839,167	13,611,819	99.86
2011	14,691,887	14,100,726	95.98	568,229	14,668,955	99.84
2012	15,233,617	13,859,209	90.98	1,368,069 (2)	15,227,278	99.96
2013	14,976,285	14,243,850	95.11	720,856	14,964,706	99.92
2014	15,213,690	14,325,796	94.16	879,744	15,205,540	99.95
2015	15,443,011	15,312,752	99.16	111,730	15,424,482	99.88
2016	15,553,894	15,478,797	99.52	44,179	15,522,976	99.80
2017	17,908,173	17,800,771	99.40	58,523	17,859,294	99.73
2018	18,134,341	17,951,812	98.99	-	17,951,812	98.99

Source: Summit and Wasatch County Annual Financial Reports, and Park City Finance Department form Schd 12.

Notes:

- (1) Includes general fund and debt service funds.
- (2) Increase was due to miscoding, by Summit County, of a large portion of Flagstaff Annexation, which was corrected in calendar year 2013, and property taxes paid.

Schedule 14
Park City Municipal Corporation, Utah
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities			
	General Obligation Bonds (1)	Redevelopment Bonds	Sales Tax Increment Bonds (1)	Municipal Building Authority	Contracts Payable	Water Bonds (1)	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2010	\$ 39,375,000 (3)	\$ 2,655,000	\$ 11,835,000	\$ 844,981	\$ 469,385	\$ 41,236,000 (4)	\$ 96,415,366	4.17 %	\$ 11,869
2011	36,135,000	-	11,915,000 (5)	244,981	404,589	39,677,000	88,376,570	3.87	11,635
2012	32,810,000	-	10,130,000	-	334,933	42,246,000 (6)	85,520,933	3.52	11,332
2013	29,385,000	-	8,965,000	-	2,760,053	44,810,000 (7)	85,920,053	3.17	11,156
2014	32,615,000 (8)	-	7,765,000	-	2,679,557	46,215,000 (9)	89,274,557	3.20	11,339
2015	28,850,000 (10)	-	23,115,000 (11)	-	93,024	43,425,000	95,483,024	3.21	11,849
2016	25,635,000	-	21,305,000	-	-	40,545,000	87,485,000	4.19	10,763
2017	47,335,000 (12)	-	19,755,000	-	-	37,565,000	104,655,000	3.93	12,611
2018	42,390,000	-	48,015,000 (13)	-	-	34,450,000	124,855,000	3.51	14,903
2019	82,340,000 (14)	-	71,550,000 (15)	-	-	31,195,000	185,085,000	2.37	22,353

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) Presented net of original issuance discounts and premiums.
- (2) See Schedule 20 for personal income and population data.
- (3) The City issued GO Bonds Series 2010 for \$8.0 million in fiscal year 2010.
- (4) The City issued Water Revenue Bonds Series 2009 and 2010 for \$37.9 million in fiscal year 2010.
- (5) The City issued Sales Tax Bonds Series 2010 for \$1.5 million in fiscal year 2011.
- (6) The City issued Water Revenue Bonds Series 2012 for \$4.2 million in fiscal year 2012.
- (7) The City issued Water Revenue Bonds Series 2012B, 2013A and 2013B for \$8.6 million in fiscal year 2013.
- (8) The City issued GO Bonds Series 2013 for \$9.1 million in fiscal year 2014.
- (9) The City issued Water Revenue Bonds Series 2014 for \$4.1 million in fiscal year 2014.
- (10) The City issued GO Bonds Series 2014 for \$3.4 million in fiscal year 2015.
- (11) The City issued Sales Tax Bonds Series 2014A for \$6.7 million, Series 2014B for \$5.4 million, and Series 2015 for \$11.6 million in fiscal year 2015.
- (12) The City issued GO Bonds Series 2017 for \$27.8 million in fiscal year 2017.
- (13) The City issued Sales Tax Bonds Series 2017 for \$31.9 million, in fiscal year 2018.
- (14) The City issued GO Bonds Series 2019 for \$48.3 million in fiscal year 2019.
- (15) The City issued Sales Tax Bonds Series 2019 for \$26.8 million, in fiscal year 2019.

Schedule 15
Park City Municipal Corporation, Utah
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt			Percentage of Actual Property Value (2)	Per Capita (3)
	General Obligation Bonds (1)	Redevelopment Bonds	Total		
2010	\$ 39,375,000	\$ 2,655,000	\$ 42,030,000	0.52 %	\$ 5,174
2011	36,135,000	-	36,135,000	0.50	4,757
2012	32,810,000	-	32,810,000	0.42	4,347
2013	29,385,000	-	29,385,000	0.38	3,815
2014	32,615,000	-	32,615,000	0.42	4,143
2015	28,850,000	-	28,850,000	0.36	3,580
2016	25,635,000	-	25,635,000	0.30	3,154
2017	47,335,000	-	47,335,000	0.55	5,704
2018	42,390,000	-	42,390,000	0.44	5,060
2019	82,340,000	-	82,340,000	0.79	9,944

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) Presented net of original issuance discounts and premiums.
- (2) See Schedule 6 for property value data.
- (3) See Schedule 20 for population and personal income data.

Schedule 16
Park City Municipal Corporation, Utah
Direct and Overlapping Governmental Activities Debt (2)
As of June 30, 2019

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable to Park City (1)</u>	<u>Estimated Amount Applicable to Park City</u>
Debt repaid with property taxes			
Snyderville Basin Recreation District Tax District	\$ 28,490,000	11.47 %	\$ 3,267,803
Wasatch County	1,345,000	3.96	53,262
Wasatch County School District	101,422,323	3.96	4,016,324
Weber Basin Water Conservancy District	11,650,000	14.63	1,704,395
Other debt			
Summit County	28,111,000	44.50	12,509,395
Wasatch County	6,985,000	3.96	276,606
Subtotal, overlapping debt			21,827,786
City direct debt			<u>153,890,000</u>
Total direct and overlapping			<u>\$ 175,717,786</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Utah State Tax Commission. Debt outstanding data provided by each governmental unit.

Notes:

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.
- (2) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Park City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Schedule 17
 Park City Municipal Corporation, Utah
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 242,939,444	\$ 273,828,091	\$ 266,103,174	\$ 269,015,017	\$ 280,699,514	\$ 293,698,934	\$ 312,816,159	\$ 329,113,324	\$ 345,893,884	\$ 373,088,393
Total net debt applicable to limit	39,375,000	36,135,000	32,810,000	29,385,000	32,615,000	28,850,000	25,635,000	47,335,000	42,390,000	82,340,000
Legal debt margin	\$ 203,564,444	\$ 237,693,091	\$ 233,293,174	\$ 239,630,017	\$ 248,084,514	\$ 264,848,934	\$ 287,181,159	\$ 281,778,324	\$ 303,503,884	\$ 290,748,393
Total net debt applicable to the limit as a percentage of debt limit	16.21%	13.20%	12.33%	10.92%	11.62%	9.82%	8.19%	14.38%	12.26%	22.07%

Legal Debt Margin Calculation for Fiscal Year 2019

Total assessed value	\$ 9,327,209,835
Debt limit - 4.0% of total assessed value	\$ 373,088,393
Amount of debt applicable to debt limits:	
General Obligation Bonds 2009, 2010B, 2013A, 2017 and 2019	82,340,000
Less: Amount available for repayment of general obligation bonds	-
Total net debt applicable to limit	82,340,000
Legal debt margin	\$ 290,748,393

Notes: Under Utah State Law, Park City's outstanding general obligation debt should not exceed 4.0 percent of total assessed property value. The general obligation debt subject to the limitation may be offset by resources set aside for the repayment of the principal that are externally restricted.

Schedule 18
Park City Municipal Corporation, Utah
Pledged-Revenue Coverage
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Sales Tax Increment Bonds</u>				<u>Coverage</u>
	<u>Sales Tax Increment</u>	<u>Debt Service</u>			
		<u>Principal</u>	<u>Interest</u>		
2010	\$ 8,474,078	\$ 1,400,000	\$ 528,962	4.4	
2011	8,988,804	1,445,000	501,680	4.6	
2012	9,568,666	1,785,000	465,813	4.3	
2013	9,749,200	1,165,000	401,587	6.2	
2014	10,103,580	1,200,000	359,863	6.5	
2015	11,010,762	8,350,000	383,012	1.3	
2016	12,132,265	1,810,000	782,290	4.7	
2017	12,947,752	1,550,000	705,380	5.7	
2018	13,947,915	3,680,000	1,351,082	2.8	
2019	15,127,622	3,240,000	2,110,324	2.8	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. See Schedule 19 for information on water revenue bond coverage.

Schedule 19
Park City Municipal Corporation, Utah
Water Fund Refunding and Revenue Bonds
Schedule of Net Revenues to Aggregate Debt Service
As of June 30, 2019

Coverage Ratio
Actual Minimum

Net revenues (change in net position)	\$ 6,190,191		
Add			
Excluded transfer to general fund	1,515,221		
Depreciation and amortization	3,494,887		
Bond interest expense	<u>1,144,869</u>		
Revenues pledged to debt	<u>12,345,168</u>	2.81	1.20

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009A Water Bonds-DEQ	\$ 125,000	\$ 2,500	\$ 127,500
2009B Water Revenue and Refunding Bonds	1,810,000	88,994	1,898,994
2009C Water Revenue Bonds	-	510,902	510,902
2010 Water Revenue Bonds	825,000	203,266	1,028,266
2012 Water Revenue Bonds	265,000	67,321	332,321
2012B Water Revenue and Refunding Bonds	-	118,332	118,332
2013 A and B Water Revenue and Refunding Bonds	230,000	36,147	266,147
2014 Water Revenue Bonds	<u>-</u>	<u>117,407</u>	<u>117,407</u>
	\$ 3,255,000	\$ 1,144,869	\$ 4,399,869

Less water development fees and capital contributions collected in fiscal year 2019 (2,088,783)

Net revenues less development fees and capital contributions \$ 10,256,385 **2.33** **1.00**

Year	Net Revenue (Loss)	Gross Revenues (Less Development Fees) Available for Debt Service	Total Debt Service	Coverage	Gross Revenue Available for Debt Service	Debt	Coverage
2010	\$ (863,388)	\$ 1,544,407	\$ 849,263	1.82	\$ 2,159,954	\$ 849,263	2.54
2011	372,687	3,408,046	3,004,182	1.13	3,856,339	3,004,182	1.28
2012	928,730	4,262,970	3,000,782	1.42	4,765,325	3,000,782	1.59
2013	2,256,909	6,115,611	4,069,154	1.50	6,827,075	4,069,154	1.68
2014	3,644,383	6,603,287	4,124,483	1.60	8,314,345	4,124,483	2.02
2015	5,862,508	7,781,536	4,254,867	1.83	11,530,762	4,254,867	2.71
2016	3,074,564	7,474,148	4,247,871	1.76	8,657,335	4,247,871	2.04
2017	4,972,598	9,821,604	4,245,164	2.31	10,912,626	4,245,164	2.57
2018	5,484,037	10,299,731	4,245,644	2.43	11,555,071	4,245,644	2.72
2019	6,190,191	10,256,385	4,399,869	2.33	12,345,168	4,399,869	2.81

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Schedule 20
Park City Municipal Corporation, Utah
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars) (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate (1)</u>
2010	8,123	\$ 2,311,000	\$ 63,832	35.5	4,563	7.1 %
2011	7,596	2,281,691	61,719	37.4	4,351	6.6
2012	7,547	2,503,395	68,524	35.7	4,400	6.0
2013	7,702	2,730,934	72,643	37.4	4,421	4.0
2014	7,873	2,944,020	77,468	34.9	4,630	3.1
2015	8,058	3,177,339	82,558	38.8	4,739	3.2
2016	8,128	3,784,040	96,766	38.5	4,763	3.4
2017	8,299	4,110,805	102,053	40.4	4,891	3.1
2018	8,378	4,380,364	108,675	40.6	4,824	2.9
2019	8,280	4,380,364	108,675	40.3	4,780	2.7

Sources:

Utah Department of Workforce Services
Park City School District
Park City Chamber & Visitors Bureau
Summit County Annual Financial Reports

Note:

(1) Applies to Summit County.

Schedule 21
Park City Municipal Corporation, Utah
Principal Employers
Current Year and Nine Years Ago

Employer	2019 (1)			2010 (2)		
	Yearly Maximum Employees	Yearly Minimum Employees	Percentage of Total City Employment (3)	Yearly Maximum Employees	Yearly Minimum Employees	Percentage of Total City Employment (3)
Royal Street of Utah ET AL (Deer Valley Resort)	2999	2,000	12.33 %	2,300	200	17.38 %
Park City Mountain Resort	1999	1000	8.22	1250	155	8.69
Montage Hotels & Resorts, LLC	999	500	2.58	430	290	3.72
Park City School District	780	728	3.21	785	604	7.16
Stein Eriksen Lodge	627	522	2.66	487	405	4.44
Park City Municipal Corporation	647	512	4.11	-	-	-
IHC/Park City Surgical Center	499	250	2.05	-	-	-
High West Saloon, LLC	249	100	1.02	-	-	-
Hotel Park City	249	100	1.02	-	-	-
United States Ski & Snowboard Association	249	100	1.02	-	-	-
Premier Resorts of Utah	-	-	-	460	250	4.24
Park City Marriott (Olympia Park Hotel)	-	-	-	215	110	1.99
Jan's	-	-	-	190	55	1.75
Marriott Resorts	-	-	-	148	125	1.49
Fresh Market (Albertson's)	-	-	-	140	60	1.30
Total	9,297	5,812	38.23 %	6,405	2,254	52.16 %

Notes:

- (1) Current numbers are from respective employers and Utah Department of Workforce Services.
- (2) Prior year's numbers are from Summit County and Utah Department of Workforce Services.
- (3) Percentage is based on the maximum number of employees in the range divided by the total labor force of Summit County.

Schedule 22
Park City Municipal Corporation, Utah
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Full-time Equivalent Employees										
General government										
Executive	4.5	4.5	5.1	5.5	5.1	4.0	4.0	4.1	4.6	6.0 (7)
Finance	6.8	6.8	6.8	6.8	6.7	6.7	6.7	6.7	6.6	6.2
Human resources	7.0	6.9	6.9	5.3	5.1	5.1	5.1	5.1	5.1	6.3
Budget, debt and grants	2.0	2.0	2.0	1.3	3.0	3.3	3.3	3.3	3.3	3.5
Planning	7.0	6.0	7.0	7.0	8.0	9.0	9.2	9.7	10.0	10.2
Building	15.8	14.8	13.0	13.0	13.0	15.0	16.0	17.3	17.6	19.2
Engineering	3.0	3.0	2.8	2.7	2.8	2.8	4.0	4.3	4.8	5.5
Legal	7.8	7.8	7.8	7.0	7.0	7.0	7.0	7.0	7.0	7.1
Sustainability	6.0 (1)	6.0	9.8	9.7	10.9	11.3	11.3	12.3	13.8	12.8
I.T.	-	9.8 (2)	9.8	10.8	9.5	9.5	9.5	9.5	8.5	8.5
Other	14.9	5.5	5.0	5.1	5.0	6.0	6.0	6.0	6.0	7.5
Public safety										
Police	35.2	34.9	34.0	33.9	34.6	34.0	34.0	36.5	41.1	41.3
Communication center	10.0	10.0	10.0	10.4	10.4	10.4	10.4	10.4	2.5	-
Other	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Public works										
Transit	76.3	81.8	82.5	82.9	80.8	77.2	75.6	75.7	107.8 (6)	123.8 (6)
Fleet services	8.0	8.0	8.0	8.0	8.0	9.4	9.8	9.8	9.9	10.1
Parking	-	-	-	-	7.8 (3)	8.0	8.2	8.2	10.5	12.5
Street maintenance	16.7	17.5	17.5	17.5	17.4	17.3	17.0	14.8	15.3	15.3
Parks and cemetery	17.2	17.3	18.8	18.2	18.2	18.6	19.0	19.0	19.0	19.0
Administration	2.5	-	-	-	-	-	-	-	-	-
Other	10.7	9.6	9.6	9.6	9.0	9.0	9.0	9.0	9.0	9.0
Library and recreation										
Library	11.2	11.2	11.4	11.4	11.4	11.4	11.9	12.3	13.0	13.5
Golf	6.3	5.7	5.5	5.4	5.2	6.0	6.0	7.8	7.8	8.1
Recreation	28.3	27.4	27.3	29.9	29.7	28.2	28.2	29.3	27.8	27.0
Tennis	7.7	6.9	7.4	7.9	4.0	4.7	4.7	4.7	5.2	2.9
Ice	11.4	11.0	11.0	9.0	8.4	11.4	11.3	12.3	11.3	11.3
Water										
Water billing	1.0	1.0	1.0	1.0	1.0	- (4)	-	-	-	-
Water operations	17.5	17.5	17.6	21.9	21.9	23.0	24.4	26.5	27.5	29.5
Stormwater										
Stormwater operations	-	-	-	-	-	-	-	6.1 (5)	6.6	6.6
Total	336.2	334.4	339.1	342.7	345.4	349.8	353.1	369.2	403.1	423.6

Source: Park City Budget Department.

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

- (1) In 2010 the Sustainability Department was taken out of other and listed individually.
- (2) In 2011 the IT Department was taken out of other and listed individually.
- (3) In 2014 the Parking Department was added, until that time it had been outsourced.
- (4) In 2015 Water Billing was combined with Water Operations.
- (5) In 2017 the Stormwater Operations Department was created.
- (6) Significant increase in transit operators and total route miles.
- (7) McPolin Barn FTE transferred to Executive from Recreation.

Schedule 23
Park City Municipal Corporation, Utah
Population Statistics

Census:	Calendar Year	Park City Population	Percent Change from Prior Period	Summit County Population	Percent Change from Prior Period
	1950	2,254	- %	6,745	- %
	1960	1,366	(39.40)	5,673	(15.89)
	1970	1,193	(12.66)	5,879	3.63
	1980	2,823	136.63	10,198	73.46
	1990	4,430	56.93	15,518	52.17
	2000	6,500	46.73	29,736	91.62
	2010	8,123	1.79	40,451	36.03
	2011	7,596	(6.49)	36,324	(10.20)
	2012	7,702	1.40	37,208	2.43
	2013	7,873	2.22	38,003	2.14
	2014	8,058	2.35	39,105	2.90
	2015	8,128	0.87	39,633	1.35
	2016	8,299	2.10	40,307	1.70
	2017	8,378	0.95	41,106	1.98
	2018	8,280	(1.17)	41,933	2.01

Age distribution of 2018 population:

Age	Number	Percent
Under 5 Years	503	6.07 %
5-14	801	9.67
15-24	1,040	12.56
25-34	1,351	16.32
35-44	871	10.52
45-54	1,292	15.60
55-64	1,342	16.21
65-74	841	10.16
75 and over	239	2.89
	8,280	100.00 %

Median age: 40.3

Sources:

U.S. Census Bureau, ACS Demographic and Housing Estimates
 Utah Department of Workforce Services
 Park City Chamber & Visitors Bureau

Schedule 24
Park City Municipal Corporation, Utah
Transient Room Capacity as a Percentage of Population
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Transient Room Capacity (1)</u>	<u>Park City Population</u>	<u>Resort Percentage</u>	
2010	26,736	8,123	329	%
2011	27,178	7,596	358	
2012	27,178	7,547	360	
2013	28,275	7,702	367	
2014	28,275	7,873	359	
2015	28,275	8,058	351	
2016	28,275	8,128	348	
2017	23,119	8,299	279	
2018	27,422	8,378	327	
2019	27,422	8,280	331	

Sources:

Park City Chamber/Visitor Bureau

Note:

(1) In 2019, the City used Park City Chamber/Visitor Bureau data for room capacity and restated all previous year's data for consistency.

Schedule 25
 Park City Municipal Corporation, Utah
 Historical Pledged Taxes
 Last Ten Fiscal Years

Fiscal Year	Pledged Sales & Use Taxes		% Change From Prior Year		Pledged Resort Tax (3)	% Change From Prior Year		Pledged Municipal Room Tax	% Change From Prior Year		Total Pledged Taxes	% Change From Prior Year
	\$	%	\$	%		\$	%		\$	%		
2010	\$ 3,990,274	2.8	\$ 5,978,405	26.9	-	n/a	\$ 9,968,679	-	n/a	\$ 9,968,679	16.0	
2011	3,966,554	(0.6)	6,696,333	12.0	-	n/a	10,662,887	-	n/a	10,662,887	7.0	
2012	4,125,435	4.0	7,257,641	8.4	-	n/a	11,383,076	-	n/a	11,383,076	6.8	
2013	4,187,472	1.5	7,837,545 (1)	8.0	-	n/a	12,025,017	-	n/a	12,025,017	5.6	
2014	4,347,534	3.8	11,070,470 (2)	41.2	-	n/a	15,418,004	-	n/a	15,418,004	28.2	
2015	4,731,904	8.8	12,158,993	9.8	-	n/a	16,890,897	-	n/a	16,890,897	9.6	
2016	5,180,094	9.5	13,472,260	10.8	-	n/a	18,652,354	-	n/a	18,652,354	10.4	
2017	5,620,687	8.5	14,695,621	9.1	-	n/a	20,316,308	-	n/a	20,316,308	8.9	
2018	5,915,331	5.2	15,576,576	6.0	1,592,720 (4)	n/a	23,084,627	1,592,720 (4)	n/a	23,084,627	13.6	
2019	6,403,710	8.3	16,915,887	8.6	2,733,084	71.6	26,052,681	2,733,084	71.6	26,052,681	12.9	

Notes:

- (1) Beginning in fiscal year 2013 the City began reporting 25 percent of the 1.1 percent Resort Communities Tax to transit-related projects and improvements.
- (2) The 0.50 percent Additional Resort Communities Sales and Use Tax implemented in fiscal year 2013, went into effect in fiscal year 2014.
- (3) 2010-2018 restated to include the full Resort Sales and Use Tax applicable to each year.
- (4) The 1.0 percent Municipal Transient Room Tax was implemented on January 1, 2018.

Schedule 26
Park City Municipal Corporation, Utah
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Physical arrests	577	583	468	616	623	516	506	449	426	318
Parking citations	295	102	342	326	219	282	236	291	129	132
Traffic citations	2,044	1,984	963	950	904	454	966	712	697	608
Public works										
Street resurfacing (tons of asphalt)	3,810	5,500	4,616	4,616	5,133	5,526	6,034	5,486	6,500	6,000
Potholes repaired	250	275	235	230	240	210	380	400	200	800
Water										
Number of customers	5,122	5,161	5,171	5,180	5,203	5,226	5,230	5,276	5,331	5,450
New connections	27	26	10	22	37	42	56	56	75	82
Average daily consumption (Tgal)	4,119	4,152	4,915	4,822	4,660	4,430	4,647	4,890	3,475	3,475
Peak daily consumption (Tgal)	8,527	8,120	8,529	8,873	8,820	7,786	7,767	8,660	5,839	5,839
Average monthly billings (3/4" meter)	54.68	54.82	57.61	82.51	86.22	88	83.32	105.87	90.63	111.32
Residential billing rates										
Base rate (per 3/4" meter)	23.36	25.23	28.26	33.35	39.35	44	44.07	44.95	47.65	49.08
Base rate (per 1" meter)	31.54	34.06	45.02	45.02	53.12	59	59.49	60.68	64.32	66.25
Base rate (per 1-1/2" meter)	37.40	40.39	53.38	53.38	62.99	71	70.55	71.96	76.28	78.57
Rate per Tgal (winter months only)	4.09	4.42	5.84	5.84	6.89	8	7.72	5.60	5.94	6.12
Commercial billing rates										
Base rate (per 3/4" meter)	30.37	32.80	43.35	43.35	51.15	57	57.29	58.44	61.95	63.61
Base rate (per 1" meter)	51.39	55.50	73.35	73.35	86.55	97	96.94	98.88	104.81	107.95
Base rate (per 1-1/2" meter)	109.78	118.56	156.69	156.69	184.89	207	207.08	211.22	223.89	230.61
Base rate (per 2" meter)	228.93	247.24	326.75	326.75	385.57	432	431.84	440.48	466.91	480.92
Base rate (per 3" meter)	595.72	643.38	850.30	850.30	1,003.35	1,124	1,123.75	1,146.23	1,215.15	1,251.60
Base rate (per 4" meter)	1,081.61	1,168.14	1,543.82	1,543.82	1,821.71	2,040	2,040.32	2,081.13	2,206.00	2,272.18
Base rate (per 6" meter)	2,039.41	2,202.56	2,910.19	2,910.19	3,434.02	3,846	3,846.10	3,923.02	4,158.40	4,283.15
Base rate (per 8" meter)	3,511.17	3,792.06	5,011.59	5,011.59	5,913.67	6,623	6,623.31	6,755.78	7,161.13	7,375.96
Rate per 1,000 gallons	4.09	4.42	5.84	5.84	6.89	8	7.72	7.87	8.34	8.59
Building activity										
Building permits issued	845	903	984	1,615	1,432	1,289	1,102	999	1,422	1,252
Number of residential units	30	17	24	40	51	119	57	54	66	132
Residential value (in thousands)	13,724	9,429	15,673	21,260	40,646	64,102	30,826	36,092	48,420	97,683
Commercial value (in thousands)	-	8,929	198	173	14,420	17,951	3,663	8,912	40,266	46,236
Parks and recreation										
Racquet club passes	2,263	1,368 (1)	3,304 (2)	5,037	7,038	7,893	7,922	7,067	7,415	7,859
Golf rounds	25,912	25,852	29,282	30,151	30,887	29,269	29,537	30,731	29,484	27,382
Library										
Total volumes borrowed	85,655	89,174	93,626	91,955	79,709 (3)	54,262 (3)	98,930 (4)	111,388	155,683 (5)	193,795 (5)
Circulation per capita	11	12	12	12	10	7	12	13	13	14
Transit										
Total route miles	1,075,422	1,051,995	1,111,456	1,113,567	1,116,067	986,500	1,065,755	1,141,405	1,924,148 (6)	2,159,537
Passengers	1,857,947	1,965,455	1,934,382	1,882,533	1,823,459	1,701,758	1,798,482	2,100,455	2,288,730 (6)	2,659,826

Sources: Various City departments.

Notes: Indicators are not available for the general government function.

- (1) Significant decrease in Racquet club passes, was due to the relocation of the Racquet Club to temporary facilities, during the construction of a new facility.
- (2) New PC MARC facility opened in December 2011, resulting in a large increase in pass sales.
- (3) Significant decrease in Library total volumes borrowed and circulation per capita in 2014 and 2015, was due to the relocation of the Library to temporary facilities, during the renovation of existing facility.
- (4) Significant increase in Library total volumes borrowed and circulation per capita in 2015 and 2016, was due to the completion of the Library renovation.
- (5) Significant increase in Library total volumes borrowed in 2018 due to a change in how electronic material was tracked (count now includes number of units instead of number of titles).
- (6) Significant increase in total route miles in 2018 was due to the addition of several new routes including the Kamas circulator.

Schedule 27
Park City Municipal Corporation, Utah
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Area (sq. miles)	18	18	18	18	18	20	20	20	20	20
Police station	1	1	1	1	1	1	1	1	1	1
Transit buses	40	37	36	36	36	37	37	38	39	47
Public works										
Streets (lane miles)	111	111	111	111	126	126	126	126	126	128
Street lights	530	530	545	545	712	712	712	964	985	985
Water										
Fire hydrants	1,056	1,100	1,105	1,105	1,105	1,081	1,090	1,091	1,104	1,131
Water mains (miles)	127	130	131	132	135	137	140	142	142	142
Storage capacity (Tgal)	14,650	14,650	14,650	13,650	13,650	13,650	13,650	13,650	18,250	18,250
Recreation and culture										
Acreage	223	223	223	223	223	223	223	1,536 (1)	1,580	1,675 (3)
Parks	40	40	40	40	40	40	40	42	42	42
Covered picnic areas	4	4	4	4	4	4	4	6	6	6
Tennis courts	9	9	13	13	14	14	14	14	14	14
Soccer fields	6	6	6	6	6	6	6	6	6	6
Baseball diamonds	10	10	10	10	10	10	10	10	10	10
Library	1	1	1	1	1	1	1	1	1	1
Volumes in library	67,626	71,164	82,291	74,071	85,138	97,160	126,999	117,482	155,683 (2)	193,795 (2)
Golf course	1	1	1	1	1	1	1	1	1	1
Ice Rink	1	1	1	1	1	1	1	1	1	1

Sources: Various City departments.

Notes: Fire protection is provided by the Park City Fire District.

(1) Bonanza Flat (1,350 acres) open space was purchased in fiscal year 2017.

(2) The Library changed the way they track electronic material, resulting in a more accurate number in fiscal year 2018 and 2019.

(3) Treasure Hill (105 acres) open space was purchased in fiscal year 2019.

Schedule 28
 Park City Municipal Corporation, Utah
 Schedule of Insurance in Force
 As of June 30, 2019

<u>COMPANY & COVERAGE TYPE, POLICY #</u>	<u>LIMITS</u>	<u>EXPIRATION</u>	<u>PREMIUM</u>	<u>DEDUCTIBLE</u>
LIBERTY MUTUAL (Property Coverage) YU2-Z51-292161-028	\$ 188,533,800	1/1/2020	\$ 158,157	
All other Perils				\$ 10,000
Flood				500,000
Earthquake				100,000
Data, Programs/Software & Computer Systems				500,000
ST. PAUL/TRAVELERS (Crime Policy) 105540277		1/1/2020	\$ 11,850	
Employee Theft - Per Loss Limit	\$ 525,000			\$ 10,000
Forgery or Alteration	500,000			10,000
Money & Securities (In & Outside)	25,000			10,000
Computer Fraud	500,000			10,000
Funds Transfer Fraud	500,000			10,000
WORKERS COMPENSATION FUND (Workers Compensation) 1638608	\$ 1,000,000	1/1/2020	\$ 136,122	\$ -
STATES RISK RETENTION GROUP (Liability) 3000023-1	\$ 10,000,000	1/1/2020	\$ 164,135	\$ 250,000
(General Liability, Automobile Liability, Employment Practice Liability, Law Enforcement Liability and Public Officials Errors & Omission Liability)				
BEAZLEY (Cyber Insurance) W21274180101	\$ 5,000,000	1/1/2020	\$ 32,746	\$ -
Information Security & Privacy Insurance				
GLOBAL AEROSPACE (Drone Coverage) 9007087	\$ 1,000,000	1/1/2020	\$ 630	\$ - (1)

Notes: Indicators are not available for the general government function.

(1) Drone Coverage added in FY 2019.

Schedule 29
Park City Municipal Corporation, Utah
Five-Year Financial Summaries
Last Five Fiscal Years

	Fiscal Year Ended June 30				
	2019	2018	2017 (1)	2016 (1)	2015
ASSETS					
Cash, cash equivalents and investments held by city	\$ 68,768,707	\$ 66,635,201	\$ 64,906,033	\$ 77,276,957	\$ 74,908,660
Cash, cash equivalents and investments held by fiscal agent	30,394,766	11,398,912	6,380,142	6,690,285	10,554,094
Restricted cash, cash equivalents and investments, other	7,194,635	6,604,245	6,318,540	6,312,535	7,418,529
Receivables:					
Taxes	28,179,289	24,009,992	23,385,693	20,740,471	20,631,203
Accounts	11,479,937	9,079,648	11,928,740	2,553,439	2,166,238
Notes receivable	768,356	1,273,106	1,799,575	314,353	320,284
Inventories	864,724	794,366	665,040	772,836	927,978
Other assets	-	-	-	-	-
Prepays	2,582,703	1,263,500	2,239,181	528,089	515,520
Assets held for resale	-	166,096	-	-	-
Capital assets not being depreciated:					
Land and water rights	264,361,177	200,070,570	178,027,967	129,838,076	130,034,390
Construction in progress	30,017,548	28,003,663	12,273,194	10,931,485	13,018,693
Art	889,333	839,333	827,833	827,833	710,570
Capital assets (net of accumulated depreciation):					
Buildings	49,424,165	46,155,763	43,758,490	42,117,192	43,670,618
Improvements other than buildings	79,765,683	82,480,502	82,274,536	77,669,009	67,613,413
Vehicles and equipment	25,690,978	23,770,469	23,909,704	15,058,504	16,123,836
Infrastructure	22,956,314	23,161,347	25,660,425	29,114,178	25,053,552
Intangibles	8,486,048	8,271,741	5,608,810	5,652,891	5,691,867
Net pension assets	-	3,365	3,713	7,661	22,838
Total assets	631,824,363	533,981,819	489,967,616	426,405,794	419,382,283
Deferred outflows of resources					
Deferred charge on refunding	-	-	-	7,477	15,227
Deferred outflows of resources related to pensions	7,434,656	7,335,717	6,578,882	5,277,742	1,597,998
Total deferred outflows of resources	7,434,656	7,335,717	6,578,882	5,285,219	1,613,225
LIABILITIES					
Accounts payable	\$ 5,966,218	\$ 5,395,183	\$ 10,204,455	\$ 4,243,398	\$ 4,813,660
Accrued liabilities	4,221,062	3,174,630	2,674,359	2,868,301	2,707,660
Long-term debt due within one year:					
Compensated absences	913,654	525,320	534,198	431,558	391,979
Contracts payable	-	-	-	-	93,024
General obligation bonds	5,910,000	4,360,000	4,945,000	3,300,000	3,215,000
Revenue bonds	8,035,000	6,495,000	4,720,000	4,530,000	4,690,000
Long-term debt due in more than one year:					
Compensated absences	313,404	699,776	670,641	681,413	616,886
General obligation bonds	85,722,655	40,913,366	45,540,922	22,709,111	26,083,159
Contracts payable	-	-	-	-	-
Revenue bonds	102,476,579	80,928,230	54,793,151	59,904,698	64,829,343
Net pension liability	14,568,026	7,780,234	11,020,794	10,109,665	6,596,256
Total liabilities	228,126,598	150,271,739	135,103,520	108,778,144	114,036,967
Deferred inflows of resources					
Property taxes	23,863,826	20,046,312	19,785,339	17,605,701	17,553,354
Deferred gain on refunding	500,262	217,783	321,672	425,561	529,450
Deferred inflows of resources related to pensions	514,445	6,025,822	1,803,202	1,142,122	1,049,810
Deferred inflows of resources - unavailable revenue	-	166,096	-	-	-
Total deferred inflows of resources	24,878,533	26,456,013	21,910,213	19,173,384	19,132,614
NET POSITION					
Net investment in capital assets	313,830,787	294,285,169	273,727,467 (3)	233,610,613 (2)	220,380,226
Restricted for:					
Capital projects	7,194,635	6,604,245 (4)	6,318,540 (4)	6,312,535 (4)	7,418,529 (4)
Other	58,940	57,571 (4)	59,674 (4)	48,640 (4)	47,201 (4)
Unrestricted	65,169,526	63,642,799 (4)	59,427,084 (4)	63,767,697 (4)	59,979,971 (4)
Total net position	386,253,888	364,589,784	339,532,765	303,739,485	287,825,927
Total liabilities and deferred inflows of resources and net position	\$ 639,259,019	\$ 541,317,536	\$ 496,546,498	\$ 431,691,013	\$ 420,995,508

Source: Information extracted from the City's fiscal years ended June 30, 2015 through 2019 general purpose financial statements.

Notes:

- (1) Restated.
- (2) Fiscal year 2017 - Capital asset adjustment, required restatement of fiscal year 2016.
- (3) Fiscal year 2018 - Capital asset adjustment, required restatement of fiscal year 2017.
- (4) Reclassified long-term debt related to net assets restricted for debt service and capital projects out of unrestricted net assets.

**SINGLE AUDIT, INTERNAL
CONTROL AND
COMPLIANCE REPORTS**

**Park City Municipal Corporation, Utah
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019**

Federal Grantor Agency or Pass Through Entity	Federal CFDA Number	Grant Number	2019 Expenditures
U.S. Department of Transportation			
Formula Grants for Rural Areas	20.509	UT-2016-006-00	1,972,123
Bus and Bus Facilities	20.526	UT-18-X032	1,919,736
		Subtotal	<u>3,891,859</u>
Department of Homeland Security			
Pass Through Utah Department of Public Safety			
Emergency Management Project Grant	97.042	EMPG-2018-DEM	6,250
Pass Through Summit County			
State Homeland Security Pass Through Grant FY16	97.042	PARP-16HSGP	8,028
			<u>14,278</u>
U.S. Department of Justice			
Pass Through Utah Office for Victims of Crime			
Victim of Crime Act (VOCA) Grant	16.017	16-VOCA-45	14,383
Bureau of Justice Assistance	16.835	2018-BC-BX-0018	48,524
Equitable Sharing Program	16.922	UT-0220500	56,556
		Subtotal	<u>119,463</u>
Total Federal Awards			\$ <u>4,025,600</u>

Park City Municipal Corporation, Utah
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Note 1. Reporting Entity

The accompanying supplementary schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Park City Municipal Corporation (the City). The reporting entity is defined in Note A to the basic financial statements. The schedule includes federal financial assistance received directly from federal agencies as well as passed through other government agencies.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City. Expenditures passed through to subrecipients are presented on the cash basis of accounting and all other expenditures are presented on the accrual basis of accounting.

The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Park City Municipal Corporation, Utah
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019**

Section I - Summary of Auditors' Results:

Financial Statements:

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Noncompliance material to financial statements	None reported

Federal Awards:

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Audit findings required to be reported in accordance with 2 CFR 200.516(a)	None reported

Identification of major programs:

CFDA Number	20.526
Name of Federal Program or Cluster	U.S. Department of Transportation, Bus and Bus Facilities
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	Yes

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States

None reported

Section III – Findings and questioned costs for federal awards, including audit findings required by 2 CFR 200.516(a)

None reported

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Members of the City Council
Park City Municipal Corporation, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park City Municipal Corporation (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 23, 2019.

Internal Control over Financial Reporting. In planning and performing our audit of the basic financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report. The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "PwC Bawler Taylor & Kern". The signature is written in a cursive, flowing style.

Salt Lake City, Utah
December 23, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Members of the City Council
Park City Municipal Corporation, Utah

We have audited the compliance of the Park City Municipal Corporation (the City) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2019. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility. The City's management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility. Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Major Federal Program. In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the City's major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance. The City's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over

compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance. We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 23, 2019, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such 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. The 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Salt Lake City, Utah
December 23, 2019

Independent Auditors' Report on Compliance and on Internal Control over Compliance as Required by the *State Compliance Audit Guide*

To the Honorable Mayor and Members of the City Council
Park City Municipal Corporation

Report on Compliance

We have audited Park City Municipal Corporation's (the City) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2019.

State compliance requirements were tested for the year ended June 30, 2019 in the following areas:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Restricted Taxes and Other Related Restricted Revenue
- Open and Public Meetings Act
- Public Treasurer's Bond

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on Compliance

In our opinion, Park City Municipal Corporation complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide*.

Report On Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or to detect and correct, noncompliance with a state compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.



Salt Lake City, Utah
December 23, 2019

PARK CITY MUNICIPAL CORPORATION
SCHEDULE OF STATE COMPLIANCE FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

State Compliance Finding – Current Year

2019-001 Budgetary Compliance

Finding:

Utah State Code Section 10-6-123 states that the entity’s total expenditures by fund or department may not exceed the amounts appropriated in the final adopted budget. Park City Municipal Corporation (the City) had interfund transfer expenses set higher than what was budgeted that caused Sales Tax Revenue Bond and Debt Service Funds to exceed the final adopted budget.

Recommendation:

We recommend that the City reinforce policies over budget review and augmentation to ensure compliance with the State compliance requirement over budgetary compliance.

Management Response:

The Park City Municipal Budget Department strives to match the allocated budget to what is anticipated to be expensed during the fiscal year. Unfortunately, the department failed to do this for two interfund transfer expenses for the last fiscal year. This was caused by using an older version of a spreadsheet used to update all the interfund transfer annual budgets. The final version did not make it into the City Council adopted budget even though the interfund transfer expenses had to happen. Oversight by budget management will be enhanced going into the next budget cycle. The Budget Department is also adding a senior analyst resource and updating software to assist in mitigating errors.

PARK CITY MUNICIPAL CORPORATION
SCHEDULE OF STATE COMPLIANCE FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

State Compliance Finding – Current Year (Continued)

2019-002 Open and Public Meetings

Finding:

Utah State Code Section 52-4-203(4)(e) states that minutes must be posted to the Utah Public Notice Website within three days of the meeting minutes being approved. The City is posting Meeting minutes to the website, but not always within the 3-day window after approval.

Recommendation:

We recommend that the City reinforce policies regarding the Open and Public Meeting Act to ensure compliance with the State compliance requirement Open and Public Meetings.

Management Response:

Management informed us that the City Recorder posts the approved minutes within three days after they are approved. At times, the City Recorder receives public comment or PowerPoint presentations after the minutes and attachments have been uploaded within the three-day time period. Appropriately and in order to ensure maximum transparency to the public, the Recorder combines the late submission items to the approved minutes and uploads the updated document. The outdated version is deleted at that time, yet the three-day provision was met as required. Unfortunately, the website does not show the date of the original upload. In the future, the City will leave all versions of the approved minutes with the associated attachments so the auditors can confirm compliance.