

# Park City Municipal Corporation, Utah



**Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2020**



# **PARK CITY MUNICIPAL CORPORATION, UTAH**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**(Including Internal Control and Compliance Reports  
and Supplementary Information)  
for fiscal year ended June 30, 2020**

**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, 2020**

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# **INTRODUCTORY SECTION**

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Finance

January 29, 2021

To the Honorable City Council, Honorable Mayor and Citizens of Park City, 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, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BDO, LLP, a firm of licensed certified public accountants, have issued an unmodified (“clean”) opinion on Park City Municipal Corporation’s financial statements for the year ended June 30, 2020. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of Park City Municipal Corporation, Utah**

Park City Municipal Corporation (City) was chartered March 15, 1884, under the provisions of the Utah Territorial Government and is located in Summit County in the northeast part of the State, which is considered to be one of the top growth areas in the state. It currently occupies 20 square miles and serves an estimated full-time resident population of 8,488. The City is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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

The City is governed by a mayor-council form of government. Policy-making and legislative authority are vested in the Governing Council (Council) consisting of the mayor and a five-member council, all of whom are elected at large. Council members serve four-year staggered terms. Elections are held every odd numbered year. 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 Mayor is the administrative authority by statute; however, 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 City provides a full range of services, including police, parks, recreation, library, water, stormwater, public improvements, streets, planning and zoning, golf course, transportation and parking, licensing and permits, building inspections, affordable housing, 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 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 for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). 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 and Economic Trends**

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.

Because of its location in a State with a diverse economic base, unemployment had been historically low until the effect of the current recession caused by local and state mandated business closures in response to COVID-19. During the past ten years, as the country recovered from the 2008 recession, the unemployment rate in Summit County dropped from 6.3 percent (2011) to a decade low of 2.8 percent in February 2020. During the initial COVID-19 shutdown period, unemployment skyrocketed to 20.4 percent in the month of April. However, due to economic recovery aid from state and federal governments and higher than expected summer economic activity, the unemployment rate at the end of the current year was 9.8 percent compared to 11.1 nationally. Based on economic forecasts and further restriction on business operations, subsequent increases in unemployment rates are anticipated in calendar year 2021.

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.

Deer Valley Resort and Park City Mountain Resort host several major ski international and world competitions such as, IHC Freestyle International Ski World Cup and FIS Freestyle International Ski World Cup. Deer Valley was voted the 5<sup>th</sup> and Park City Mountain 10<sup>th</sup> in *Ski Magazine's* resort review of 2020's Top-Ranked Western Ski Resorts.

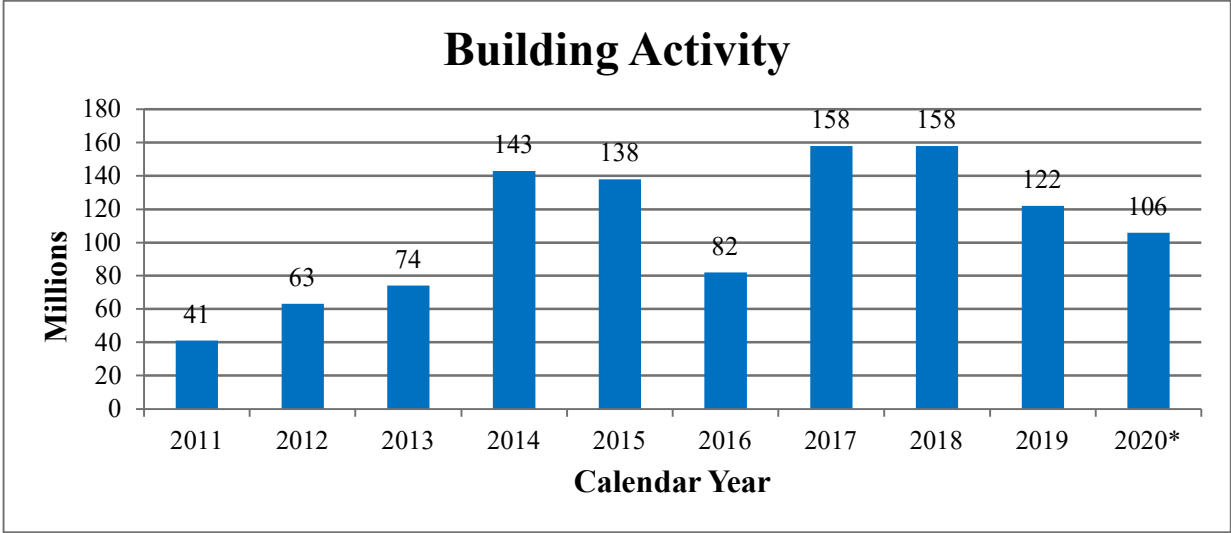
Until COVID-19 prematurely ended the 2019-2020 ski season, Utah resorts reported 4.3 million skier days, which is the fourth-best season on record in terms of resort visits. Additionally, visitors to resorts was 2.4 percent above the 10-year average. It is uncertain how the numbers will change with limitations to international travel and changes to resort protocols such as reservation only visits due to the pandemic.

Many of the "off season" events that have become staples to the City's summer economic activity were cancelled due to COVID-19. These events included, Park Silly Market, Tour of Utah, Autumn Aloft, Kimball Arts Festival and the Triple Crown World Series baseball tournament. As a way to mitigate the decrease in revenue to main street businesses, the City initiated "Car-free Sundays" for the weeks of June 14 through October 18. During Car-free Sundays, Main Street transformed to a pedestrian walkway that enabled restaurants and other business to extend out into the street, allowing patrons to better physically distance.

Park City’s service population is significant due to the number of secondary homeowners and visitors within Park City. The City has approximately 136 restaurants, 148 shops, 31 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 28,670 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 2020. Y2 Analytics reported that the 2020 festival generated an overall economic impact of \$167.5 million GDP for the State of Utah, down from the 2019 festival of \$182.5 GDP. Sundance and Park City Municipal Corporation have formally agreed that Park City will remain festival headquarters through the 2026 film festival. Additionally, 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 attracted at least 116,800 attendees, down slightly from 2019 attendance of at least 122,000 with approximately 44,000 attendees coming from out of state. As with many other activities in Park City, it is expected that the size and duration of festival will be scaled down in 2021 to abide by local health orders.

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 \$102.7 million per year. In the first six months of calendar year 2020, 30.1 percent of the \$106 million in building activity has been in residential construction. The remaining 69.9 percent consists of commercial construction. The residential construction total valuation of approximately \$31.8 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 2020 number is from January 2020 through June 2020 only. For activity by fiscal year, please see Schedule 26 of the Statistical Section.

As reported by *Park City Realtors*, despite the economic slowdown from the shutdown of many local businesses, the real estate market in Park City saw a dramatic 20.0 percent increase from 2019 to 221 total unit sales and a volume increase of 22.0 percent. Condominiums sales increased 6.0 percent and a volume increase of 26.0 percent over the same period last year. Residential lots sold in Park City range from an average of \$575,000 in the Prospector area to an average of \$3,500,000 for lots in the Empire Pass area. Condominiums range in average sales price from \$279,005 in the Prospector area to \$2,907,575 in the Empire Pass area. Single-family homes range from an average sales price of \$1,183,179 in the Prospector area to \$6,442,759 in the Deer Crest area.

Median household incomes within the City are significantly higher than for the state as a whole. According to the US Census Bureau 2019 estimates, the City’s median family income was \$105,263, the County’s was \$100,453, while the State’s was \$68,374.

Due to its strong and healthy local economy, the City has maintained a credit rating of at least Aa2 from Moody’s Investor Service since 2011.

### **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 2020, 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** – The 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 9.05 percent sales tax on general purchases in Park City, the municipality levies a 1.0 percent local sales and use tax, a 0.25 county option sales tax, a combined 1.25 percent transit tax, a 0.1 county cultural tax, and a 1.6 percent resort community tax.

**Transient Room Tax** – The City uses the transient room tax revenue to fund capital projects. Since inception, the City has collected the following revenues:

<u>Year</u>	<u>Revenue</u>
2020	2.7 million
2019	2.7 million
2018	1.6 million

**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 2020 was adopted with no property tax increase.

### **Relevant Financial Policies**

**Fund Balance** – Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 24.59 percent of total general fund revenues. This amount was slightly below the policy guidelines set by the Council for budgetary and planning purposes (i.e., maintain the general fund balance at approximately the legal maximum of 25.0 percent). For budget purposes, any balance that is greater than 5.0 percent of the total revenues of the General Fund may be used. The General Fund balance reserve is an important factor in the City’s ability to respond to emergencies and unavoidable revenue shortfalls.

**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.

### **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. Park City is a founding partner of Mountain Towns 2030, a coalition of mountain towns committed to achieving ambitious carbon reduction goals by 2030. Park City hosted the first MT2030 Net Zero Summit in October 2019 and looks forward to when similar events can be held in the future.

**Electric Bike-Share Program** – In partnership with Summit County, Park City launched its fourth season of the electric bike-share program. Riders logged approximately 79,000 miles in 2020 and more than 243,000 since the inception of the program in 2017. The City and surrounding areas currently have 20 docking stations and 190 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 more efficient than diesel-fueled buses with a per electric vehicle mile cost of approximately \$0.85 a mile. On many routes, buses run every fifteen minutes from 5:30 a.m. to 2:00 a.m., seven days a week during peak season. In recent years, the City added seven electric buses for a total of 13 buses and two 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.

**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 and sold five in the current year. 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. The City expects to begin construction on Woodside Park Phase II in Spring 2021.

**Social Equity** – In 2018, the City partnered with the Park City Community Foundation (PCCF) to elevate the social equity concept and conversation through a community convening process. PCCF brought a coalition together to perform a social equity self-diagnosis, identified social equity resources and gaps, prioritized short and long-term social equity issues, and developed a multi-year strategic plan. The partnership identified three priorities: Housing, Education, and Inclusion. PCCF collaborated with the City to ensure additional funding was available to the most vulnerable populations amid the COVID-19 pandemic.



## **Update on Major Projects**

**Water Projects** – Water quality and delivery continue to be a top priority for Park City. With the continuing increase of development, future water needs have been identified and the cost of these improvements are being fairly distributed between users and new development. Capital spending in the Water Fund is reflective of the City’s 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 \$46.5 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. In June 2020, the City issued \$75,515,000 in Water Revenue and Refunding Bonds to partially fund the construction of the water treatment plant, refund prior bonds issued by the City, and for the payment of costs associated with the issuance of the 2020 bonds. The expected completion date of the plant is June 2023.

**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 in part 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. With this partnership, Park City will collaboratively shape the future of the Bonanza Park area to develop a sustainable, walkable, livable and vibrant Arts & Culture District. Redevelopment of the area is expected to begin in Spring 2021.

**Pedestrian Tunnel** – In October of 2020, Park City completed construction of a pedestrian tunnel on SR-248 near Park City High School and Cooke Drive. The tunnel alleviates traffic congestion, improves circulation, provides safe access for all users and enhances access to trails and transit.

## **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, 2019. In order to be awarded a 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, 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 BDO, LLP, 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,



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Matt Dias, City Manager



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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, 2020**

<b>Name</b>	<b>Term Expires</b>
<b>Mayor</b>	
<b>Andy Beerman</b> <i>PO Box 1570 Park City, Utah 84060</i>	January 2022
<b>Councilors</b>	
<b>Max Doilney</b> <i>2174 Sunrise Circle Park City, Utah 84060</i>	January 2024
<b>Rebecca Gerber</b> <i>42 Spaulding Court Park City, Utah 84060</i>	January 2024
<b>Tim Henney</b> <i>PO Box 3927 Park City, Utah 84060</i>	January 2022
<b>Steven Joyce</b> <i>1776 Park Ave, Ste. 4 Park City, Utah 84060</i>	January 2022
<b>Nannette Worel</b> <i>3412 Solamere Drive Park City, Utah 84060</i>	January 2024

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Matt Dias, 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, 2019

*Christopher P. Morill*

Executive Director/CEO

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# **FINANCIAL SECTION**

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299 South Main Street, 10th Floor  
Salt Lake City, UT 84111

## **Independent Auditor's Report**

Members of the City Council  
Park City Municipal Corporation, Utah

### **Report on the Financial Statements**

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 Park City Municipal Corporation (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements.***

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

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

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





### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 5 to the financial statements, the City may be adversely impacted by the outbreak of a novel strain of the coronavirus, known as COVID-19, which was declared a global pandemic by the World Health Organization in March 2020. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability and the schedule of contributions on pages 5 through 23 and 89 through 91 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 opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund statements and schedules, 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, combining and individual nonmajor fund statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section 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 it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

*BDO USA, LLP*

Salt Lake City, Utah  
January 29, 2021

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**June 30, 2020**

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, 2020. 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, 2020, was \$409,122,014. Of this amount, \$68,526,018 (unrestricted net position) is available to meet ongoing financial obligations.
- The City's government-wide net position increased by \$22,868,126. Of this amount, governmental activities increased by \$21,402,664, and business-type activities increased by \$1,465,462, a rise of 8.3 percent, and a rise of 1.1 percent, respectively, when compared to last fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$105,141,857, an increase of \$11.3 million (14.5 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, \$7,811,877 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, 2020, totaled \$7,811,877 and is 23.6 percent of the General Fund total revenues for the year and 7.4 percent of total governmental fund balance.
- The City's total bond debt had a net increase of \$51,875,000 during fiscal year 2020. This represents a 28.0 percent increase over the prior fiscal year, which is attributable to the issuance of the 2020 Water Revenue Bonds and 2020 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

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

(GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended.

Immediately following the required supplementary information, 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 one of the most important financial measurements 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 Course. 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 25-26 of this report.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

**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 29 and 31. 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 28-32. 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 94-104.

- 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 32, 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, 2020**

**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 34-38 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) and 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 106-108 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 40-41 of this report.

**Notes to the Financial Statements** contain additional information important to 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, 2020**

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

**Park City Municipal Corporation Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 137,326,378	\$ 125,916,865 *	\$ 82,835,202	\$ 26,316,252	\$ 220,161,580	\$ 152,233,117
Capital assets	343,340,543	339,649,014 *	161,152,783	139,942,232	504,493,326	479,591,246
Total assets	480,666,921	465,565,879	243,987,985	166,258,484	724,654,906	631,824,363
Total deferred outflows of resources	2,193,872	5,204,131	1,121,544	2,230,525	3,315,416	7,434,656
Current liabilities	17,630,528	17,699,516	11,266,410	7,346,418	28,896,938	25,045,934
Noncurrent liabilities	157,846,816	170,560,166	102,540,907	32,520,498	260,387,723	203,080,664
Total liabilities	175,477,344	188,259,682	113,807,317	39,866,916	289,284,661	228,126,598
Total deferred inflows of resources	28,224,174	24,753,717	1,339,473	124,816	29,563,647	24,878,533
Net position						
Net investment in capital assets	213,716,372	198,327,763 *	117,863,860	113,503,024	331,580,232	311,830,787
Restricted	9,015,764	7,253,575	-	-	9,015,764	7,253,575
Unrestricted	56,427,139	52,175,273 *	12,098,879	14,994,253	68,526,018	67,169,526
Total net position	\$ 279,159,275	\$ 257,756,611	\$ 129,962,739	\$ 128,497,277	\$ 409,122,014	\$ 386,253,888

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2020, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$409,122,014, an increase of \$22.9 million from prior fiscal year. This would indicate an improved financial position in comparison to last fiscal year. At June 30, 2020, approximately 81.1 percent 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 \$19.7 million was primarily due to ongoing construction of Three Kings water treatment plant, Quinn's Junction water treatment plant and SR-248 transmission lines and routine acquisitions of capital assets combined with repayments of the related debt and depreciation expense. The City also completed the construction of the SR-248 pedestrian tunnel, the Golf Maintenance Building, and city-owned affordable housing.

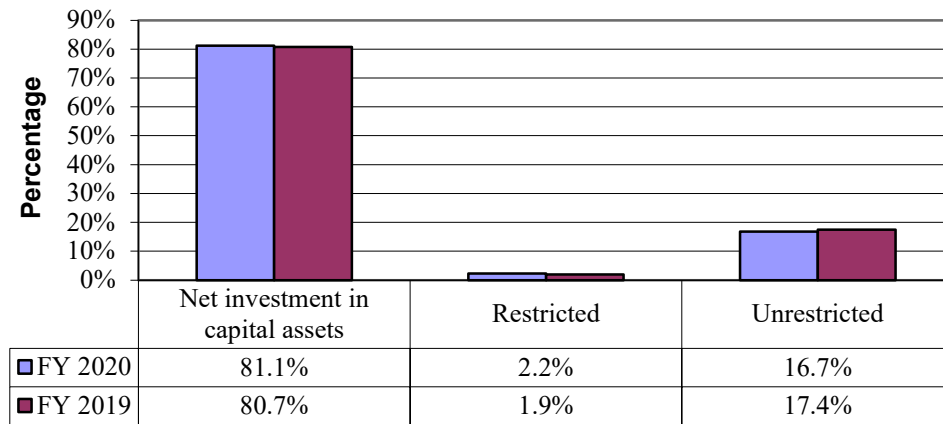
**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

Restricted net position of \$9,015,764 at June 30, 2020 represents resources that are subject to external restrictions on how they may be used. The increase in restricted net position of \$1.8 million from prior fiscal year reflects an increase in the amount restricted for capital projects.

The other sub-classification of net position is unrestricted. The unrestricted balance of 68,526,018 at June 30, 2020 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 \$1.4 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.

**Net Position Percentage**  
**June 30, 2020 and 2019\***



\*Restatement of fiscal year 2019 is the result of a prior period adjustment. See Note R for more detail.



**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

**Park City Municipal Corporation Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for services	\$ 8,948,665	\$ 6,980,203	\$ 29,418,875	\$ 32,424,047	\$ 38,367,540	\$ 39,404,250
Operating grants and contributions	344,543	195,542	5,586,097	-	5,930,640	195,542
Capital grants and contributions	4,636,167	1,608,966	2,286,289	6,524,981	6,922,456	8,133,947
General Revenues						
Property Tax	26,727,020	21,536,339	-	-	26,727,020	21,536,339
Other Taxes	26,011,383	26,375,591	7,560,305	6,128,331	33,571,688	32,503,922
Investment earnings	2,041,844	2,297,088	243,778	581,900	2,285,622	2,878,988
Other	3,007,577	3,038,069	572,053	(247,123)	3,579,630	2,790,946
<b>Total revenues</b>	<b>71,717,199</b>	<b>62,031,798</b>	<b>45,667,397</b>	<b>45,412,136</b>	<b>117,384,596</b>	<b>107,443,934</b>
Expenses						
General government	22,198,830	23,755,044	-	-	22,198,830	23,755,044
Public safety	7,438,463	6,747,797	-	-	7,438,463	6,747,797
Public works	6,794,406	6,929,871	-	-	6,794,406	6,929,871
Library and recreation	5,556,544	5,729,844	-	-	5,556,544	5,729,844
Interest on long-term debt	9,041,292	3,558,591	-	-	9,041,292	3,558,591
Golf course	-	-	1,578,559	1,488,121	1,578,559	1,488,121
Stormwater	-	-	1,276,945	1,470,837	1,276,945	1,470,837
Transportation and parking	-	-	23,485,955	22,521,490	23,485,955	22,521,490
Water	-	-	17,145,476	13,578,235	17,145,476	13,578,235
<b>Total expenses</b>	<b>51,029,535</b>	<b>46,721,147</b>	<b>43,486,935</b>	<b>39,058,683</b>	<b>94,516,470</b>	<b>85,779,830</b>
Increase in net position before transfers	20,687,664	15,310,651	2,180,462	6,353,453	22,868,126	21,664,104
Transfers	715,000	715,000	(715,000)	(715,000)	-	-
Increase in net position	21,402,664	16,025,651	1,465,462	5,638,453	22,868,126	21,664,104
Net position beginning	257,756,611	241,730,960	128,497,277	122,858,824	386,253,888	364,589,784
Net position ending	<b>\$ 279,159,275</b>	<b>\$ 257,756,611</b>	<b>\$ 129,962,739</b>	<b>\$ 128,497,277</b>	<b>\$ 409,122,014</b>	<b>\$ 386,253,888</b>

The City's overall net position increased \$22,868,126 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Net position from governmental activities increased \$21,402,664 in fiscal year 2020 for an ending balance of \$279,159,275. The current year increase is due, in part, to a \$5.2 million increase from the prior fiscal year in property taxes which falls in line with the City's growth in the real estate market as mentioned in the proceeding transmittal letter. Additionally, capital grants and contributions increased \$3.0 million. Expenses for governmental activities increased \$4.3 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, 2020**

Net position from business-type activities increased \$1,465,462 in fiscal year 2020 for an ending balance of \$129,962,739. The current year increase is due, in part, to a \$1.4 million increase in sales tax revenue. Additionally, operating grants and contributions increased \$5.6 million. Expenses for business-type activities increased \$4.4 million. The reasons for this increase are discussed in the following section for business-type activities.

**Revenues** – For the year ended June 30, 2020, the City’s government-wide total revenues are 117,384,596, an increase of \$10.0 million from prior fiscal year’s revenue of \$107,443,934.

Key elements of this change were as follows:

- Of the City’s total revenues, approximately 51.4 percent resulted from taxes, of which the majority was from property and resort taxes as shown in the following table:

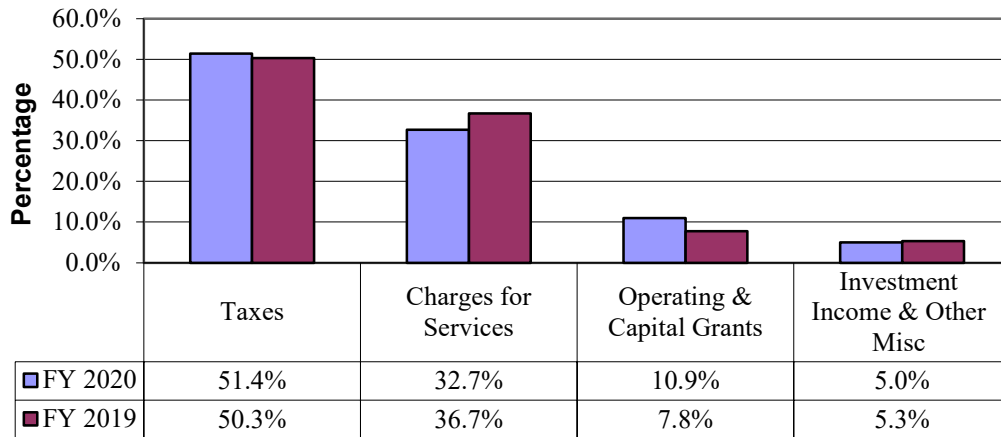
**Government-wide Tax Revenues**

	<b>2020</b>	<b>2019</b>
Property tax, levied for general purposes	\$ 17,445,636	\$ 15,499,965
Property tax, levied for debt service	9,281,384	6,036,374
General sales and use tax	13,949,845	12,532,041
Franchise tax	3,161,759	3,230,881
Resort tax	16,460,084	16,741,000
Total	\$ 60,298,708	\$ 54,040,261

- Charges for services decreased \$1.0 million from prior fiscal year and represented 32.7 percent of total revenues. The \$1.0 million decrease was due, in part, to a decrease in transit and parking revenues. As part of the effort to support main street businesses during the pandemic, the City placed a moratorium on parking fees beginning in March 2020. This moratorium was still in place at year-end.
- Operating and capital contributions and grants increased \$4.5 million from prior fiscal year and represented 10.9 percent of total revenues. The \$4.5 million increase was due, in part, to an increase in intergovernmental contributions and CARES Act funding from the federal government.
- 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 \$0.2 million from the prior fiscal year and represented 5.0 percent of total revenues. In 2019, the City had a loss on sale of \$0.7 million. No such activity occurred in fiscal year 2020. Additionally, investment income was down in the current year as interest rates steadily decreased.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

**Government-Wide Revenues by Source**  
**June 30, 2020 and 2019**



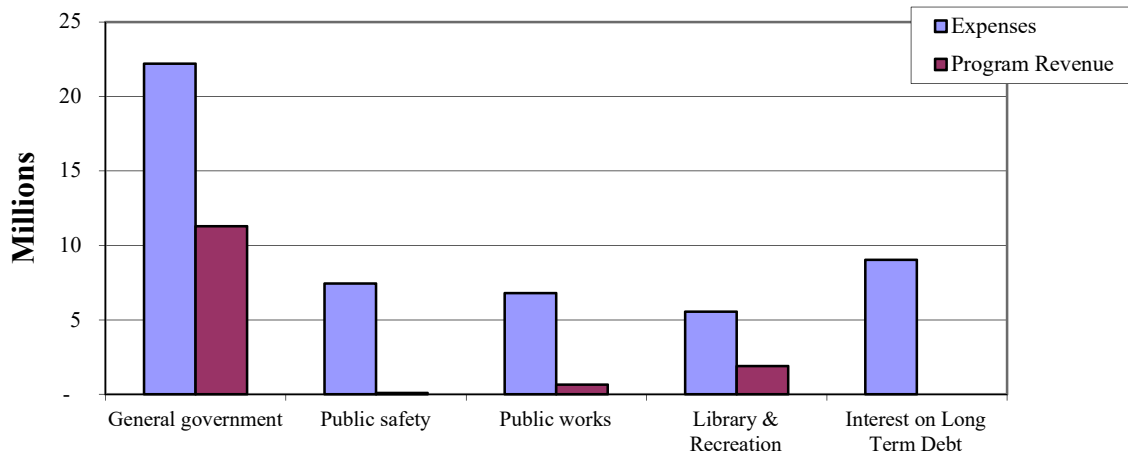
**Expenses** – The City’s government-wide total expenses cover a range of services. For the year ended June 30, 2020, the City’s total expenses were \$94,516,470 compared to the prior fiscal year of \$85,779,830. Of the \$8.7 million increase, governmental activities expenses increased \$4.3 million, primarily due to the additional debt service payments for the 2019 Sales Tax Revenue and General Obligation Bonds which began in the current year. Additionally, public safety, public works and library and recreation remained relatively unchanged from prior fiscal year. Business-type activities increased \$4.4 million, primarily due to an increase in current year debt issuance costs for the 2020 Water Revenue Bond and an increase in noncapitalizable expenses. Additionally, transportation and parking payroll expenses increased \$0.5 million. Total expenses for Golf Course Fund and Storm Water Fund remained relatively unchanged from prior fiscal year.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

**Governmental Activities:**

As shown in the chart and table below, revenues generated by the City's programs are not sufficient to cover the costs. The City relies on property taxes, sales taxes, investment income and other general revenues to cover the costs associated with the various programs.

**Governmental Activities Program Revenue and Expenses**



**Park City Municipal Corporation Costs of Government Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General government	\$ 22,198,830	\$ 23,755,044	\$ 10,901,126	\$ 16,996,608
Public safety	7,438,463	6,747,797	7,351,939	6,531,558
Public works	6,794,406	6,929,871	6,144,127	6,442,760
Library and recreation	5,556,544	5,729,844	3,661,676	4,406,919
Interest on long term debt	9,041,292	3,558,591	9,041,292	3,558,591
<b>Total</b>	<u>\$ 51,029,535</u>	<u>\$ 46,721,147</u>	<u>\$ 37,100,160</u>	<u>\$ 37,936,436</u>

The City's governmental activities increased net position by \$21.4 million. Key elements of this increase were as follows:

*Revenue Highlights:*

- Taxes comprise the largest source of revenue for the City's governmental activities: \$52,738,403 or 73.5 percent in fiscal year 2020 of total revenues, an increase of \$4.8 million from prior fiscal year. This increase is almost exclusively related to an increase in property tax revenues. Of total taxes, real property taxes are \$26,727,020 or 50.7 percent in fiscal year 2020.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

- Charges for services were \$8,948,665 and represented 12.5 percent of total governmental activities revenues in fiscal year 2020. Despite revenue for services such as ice facilities and recreation activities decreasing because of the county health orders to shut down for a period of time, the City's revenue from general government activities increased \$2.0 million primarily due to an increase in licensing and permit fees.
- Grant and contribution revenues were \$4,980,710, representing 6.9 percent of total governmental activities revenue in fiscal year 2020, and an increase of \$3.2 million from prior fiscal year. The increase was the result of a \$3.2 million increase in intergovernmental revenue related to regional transit projects.

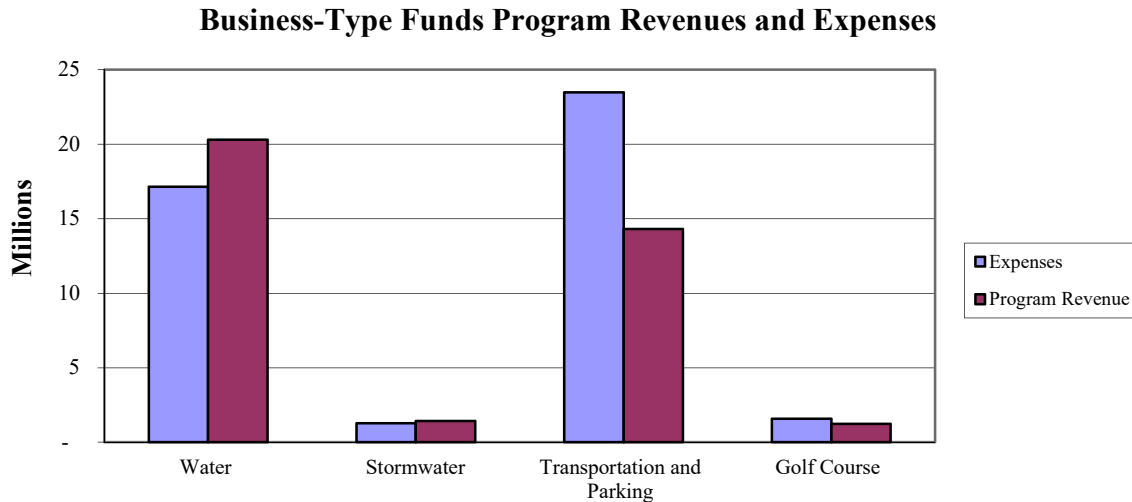
*Expense Highlights:*

- General government expenses were \$22,198,830 in fiscal year 2020, representing 43.5 percent of total governmental expense and a decrease of \$1.6 million from prior fiscal year. The decrease is due, in part, to recession planning budget cuts. All departments were asked to reduce budgets in the current fiscal year in response to the pandemic. 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 \$7,438,463 in fiscal year 2020, representing 14.6 percent of total governmental expense. Public Safety expenses were consistent from prior fiscal year.
- Public Works expenses were 6,794,406 in fiscal year 2020, representing 13.3 percent of total governmental expense. Public Works expenses were consistent from prior fiscal year.
- Library and Recreation expenses were \$5,556,544 in fiscal year 2020, representing 10.9 percent of total governmental expenses. Library and Recreation expenses were consistent from prior fiscal year.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

**Business-type Activities:**

As show in the chart and table below program revenues generated by both the Stormwater and Water funds are sufficient to cover the costs of service. For the Golf Course and Transportation and Parking funds, the funds rely on miscellaneous revenues and contributions and fund balances to cover the service costs.



**Park City Municipal Corporation Costs of Business-Type Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Golf Course Fund	\$ 1,578,559	\$ 1,488,121	\$ 346,038	\$ 296,838
Stormwater Fund	1,276,945	1,470,837	(160,572)	(101,207)
Transportation and Parking Fund	23,485,955	22,521,490	9,180,300	7,031,331
Water Fund	17,145,476	13,578,235	(3,170,092)	(7,117,307)
<b>Total</b>	<u>\$ 43,486,935</u>	<u>\$ 39,058,683</u>	<u>\$ 6,195,674</u>	<u>\$ 109,655</u>

The City's business-type activities increased net position by \$1.5 million. Key elements of this increase were as follows:

*Revenue Highlights:*

- Charges for services for business-type activities were \$29,418,875, representing 64.4 percent of total business-type revenue, a decrease of \$3.0 million from prior fiscal year. A significant portion of the decrease is related to transit revenues for bus services provided throughout the greater Park City area. During the year, the City dramatically reduced bus routes in Park City and throughout the County. The reduction in service impacted the amount of revenues charged for services. Additionally, the City placed a moratorium on parking fees beginning in March 2020.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

- Operating and capital grants and contributions were \$7,872,386 representing 17.2 percent of total business-type revenue, an increase of approximately \$1.3 million from prior fiscal year. The net increase is primarily due to \$5.6 million in operating grants received from Federal Funds, offset by a decrease in capital grants due to decreased capital asset purchases in fiscal year 2020.
- Combined general sales and use tax and transit resort tax were \$7,560,305, representing 16.6 percent of total business-type revenue, an increase of approximately \$1.4 million from prior fiscal year. The increase is due, in part, to the addition of a new transit tax which the City began collecting in July 2019.

*Expense Highlights:*

- Water Fund expenses for supplies, maintenance and services increased by \$2.7 million from prior fiscal year. The increase is due to noncapitalizable expenses related to a regional water agreement. The City entered into an agreement to pay for a portion of the construction costs but does not have ownership of the assets.
- Salaries and benefits expense increased by \$0.6 million in the Transportation Fund. The majority of the increase was due to overtime wages. The City was unable to staff the department at full capacity which required a significant increase in overtime hours.

**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 48.

As of June 30, 2020, the aggregate fund balance of the City's governmental funds was \$105,141,857, an increase of \$11.3 million in comparison with the fiscal year ended June 30, 2019. In fiscal year 2020, \$7,811,877 or 7.4 percent of this amount is in unassigned fund balance. Unassigned fund balance category is available for appropriation by the City Council at their discretion.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

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 \$88,586 in fiscal year 2020, a decrease of \$0.5 million from prior fiscal year.

Restricted fund balance has externally enforceable limitations on use and is not available for new spending. Restricted fund balance is \$34,327,739 in fiscal year 2020, an increase of \$1.9 million from prior fiscal year. 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 \$62,913,655 is committed. Of the total committed fund balance, \$58,162,066 is committed to capital projects, \$2,429,496 is committed to debt service and \$2,322,093 is committed to economic development.

The **General Fund** is the principal operating fund of the City. Utah State code establishes a 5.0 percent minimum (\$1,588,262) and a 25.0 percent maximum (\$7,941,308) limit to the amount that may be accumulated as the fund balance in the General Fund. As of June 30, 2020 the unassigned fund balance of the General Fund was \$7,811,877 and was \$129,431 below the 25.0 percent limit. The unassigned fund balance decreased by \$893,542 in 2020.

As of June 30, 2020, the restricted fund balance in the **Capital Improvements Fund** was \$8,956,824 and the committed fund balance was \$52,926,956, an increase of \$1.8 million and \$12.4 million, respectively. The increase in committed fund balances resulted from a significant increase in debt issuance offset by capital outlay.

As of June 30, 2020, the restricted fund balance in the **Sales Tax Revenue and Refunding Bonds Debt Service Fund** was \$25,299,223 and the committed fund balance was \$839,969, an increase of \$0.2 million in each fund from prior fiscal year. The fund balances remained constant from prior fiscal year.

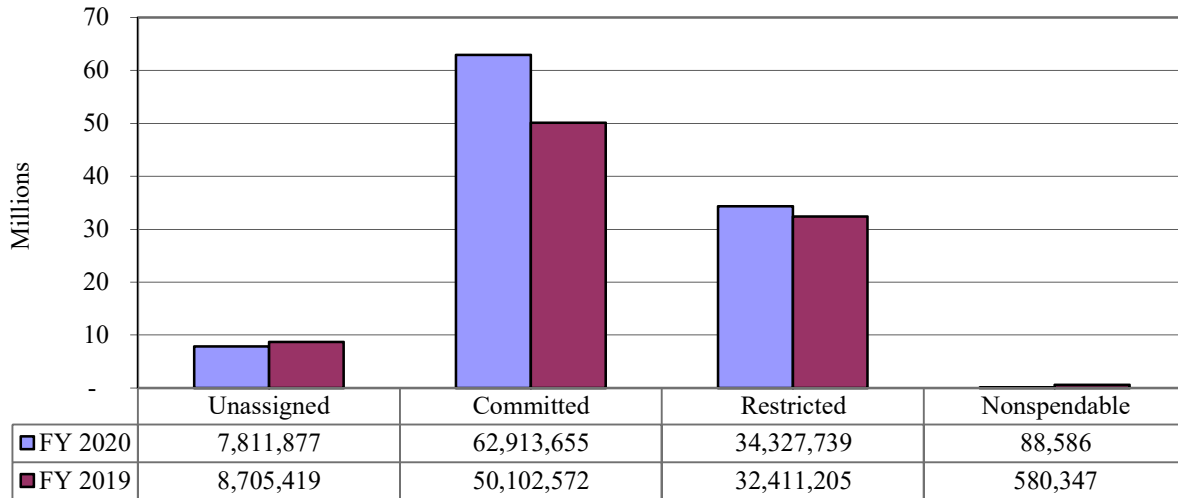
As of June 30, 2020, the restricted fund balance in the **General Obligation Debt Service Fund** was \$12,752 and the committed fund balance was \$1,589,527. The fund balances remained constant from prior fiscal year.



**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

**ANALYSIS OF INDIVIDUAL FUNDS**

**General Fund Components of Fund Balance**  
**June 30, 2020 and 2019**



**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 \$129,983,257 at June 30, 2020, as compared to \$128,413,548 at the end of fiscal year 2019. Net position at the end of fiscal year 2020 and 2019 for each of these funds were:

**Park City Municipal Corporation Proprietary Funds**

	<u>Net Position</u>		<u>Change</u>
	<u>2020</u>	<u>2019</u>	
Water	\$ 70,959,443	\$ 68,359,651	\$ 2,599,792
Stormwater	8,890,568	8,550,597	339,971
Transportation and parking	47,280,460	48,611,174	(1,330,714)
Golf course	2,852,786	2,892,126	(39,340)
Total	<u>\$ 129,983,257</u>	<u>\$ 128,413,548</u>	<u>\$ 1,569,709</u>

The net increase in net position from the prior fiscal year was \$1.6 million as compared to an increase of \$5.7 million in fiscal year 2019. Operating revenues decreased \$2.9 million as compared to an increase of \$2.2 million in fiscal year 2019. The Transportation and Parking Fund operating revenues decreased \$2.8 million attributable to decreases in parking meter revenues (caused by the moratorium on parking fees) and a decrease in regional transit revenue. The Water, Stormwater and Golf Fund operating revenues remained relatively flat.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

Water Fund net investment in capital assets increased by \$7.0 million, and unrestricted net position decreased by \$4.4 million resulting in a net increase of total net position of approximately \$2.6 million. The increase in net investment in capital assets was due to the net of acquisition of capital assets related to ongoing water treatment plant construction, repayment of related debt, and depreciation expense.

Stormwater Fund net investment in capital assets remained constant from prior fiscal year, and unrestricted net position increased by \$0.3 million. The increase was due to a decrease in salaries and benefits during the current year.

Transportation and Parking Fund net investment in capital assets decreased by \$2.5 million and unrestricted net position increased by \$1.2 million resulting in a net decrease of total net position of approximately \$1.3 million. The decrease in net in capital assets was due to current year depreciation expense. The increase in unrestricted net position was due, in part, to an increase in current year federal operating grants.

Golf Course Fund net investment in capital assets and unrestricted net position remained constant from prior fiscal year.

**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 \$631,019 (net increase) can be briefly summarized as follows:

- \$0.76 million increase in appropriations for general government was due to city council and emergency contingencies, community center, street maintenance and vacancy factor allocations.
- \$0.18 million decrease internal services for vehicle maintenance.

Total actual expenditures came in \$1,952,277 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 \$0.8 million more than the actual expenditures in general government which can be attributed to salaries and benefits.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

- The final budget in public safety was \$0.1 million more than actual expenditures which can be primarily attributed to the purchase of police equipment.
- The final budget was \$0.8 million more than actual expenditures in public works. The variance is attributable, in large part, to salaries and benefits.
- The final budget was \$0.2 million more than actual expenditures in library and recreation. The variance is attributable, in part, to expenditures related to tennis contracts.

Actual revenues of \$33,035,069 were \$0.9 million less than the budgeted revenues of \$33,941,516. See Note L-Budget Reconciliation on page 83 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 \$503,679,517 (net of \$229,927,313 accumulated depreciation) at June 30, 2020, as compared to \$479,591,246 (net of \$218,113,370 accumulated depreciation) at June 30, 2019. This investment in capital assets includes land and water rights, buildings, improvements other than buildings, vehicles and equipment, art, intangibles, infrastructure, right to use assets, and construction in progress.

Major capital asset additions during the year ended June 30, 2020 included:

*Governmental Activities:*

- \$5.5 million for Woodside affordable housing projects
- \$1.8 million for fleet vehicles
- \$1.8 million for Public Works renovations
- \$3.2 million for SR-248 pedestrian tunnel

*Business-type Activities:*

- \$9.4 million for 3 Kings Water Treatment Plant
- \$1.0 million for 3 Kings offsite improvements
- \$3.6 million for Quinn's Junction Water Treatment Plant upgrades
- \$3.3 million for SR-248 transmission lines
- \$1.5 million for water service improvements
- \$3.2 million for Golf Maintenance Building
- \$1.1 million for Deer Crest Pump Station

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

**Park City Municipal Corporation Capital Assets (net of depreciation/amortization)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019*	2020	2019	2020	2019
Land and water rights	\$ 243,725,614	\$ 242,115,989	\$ 22,337,188	\$ 22,245,188	\$ 266,062,802	\$ 264,361,177
Infrastructure	116,996,680	116,443,145	-	-	116,996,680	116,443,145
Buildings	50,511,492	47,313,997	26,241,328	26,241,328	76,752,820	73,555,325
Art	808,389	780,119	109,214	109,214	917,603	889,333
Improvements other than buildings	41,776,647	41,681,469	114,679,866	112,582,307	156,456,513	154,263,776
Vehicles and equipment	15,724,692	14,368,486	36,779,690	36,891,590	52,504,382	51,260,076
Construction in progress	12,022,654	10,273,993	39,504,678	17,743,555	51,527,332	28,017,548
Intangibles	8,921,259	8,827,781	86,455	86,455	9,007,714	8,914,236
Right to use asset	-	-	3,380,984	-	3,380,984	-
Accumulated depreciation	(147,160,045)	(142,155,965)	(82,767,268)	(75,957,405)	(229,927,313)	(218,113,370)
Total Assets	\$ 343,327,382	\$ 339,649,014	\$ 160,352,135	\$ 139,942,232	\$ 503,679,517	\$ 479,591,246

\*Fiscal Year 2019 restated, see Note R.

Additional information on the City's capital assets can be found in Note D-Capital Assets on pages 57-58 of this report.

**Long-term Debt:** At June 30, 2020, the City had \$266,546,061 in long-term debt, an increase of 31.9 percent from fiscal year 2019. Of this amount, \$89,738,177 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 \$173,626,899. Additionally, as discussed in Note E, during the current year, the City entered into a contract payable for \$3,380,985.

The City's general obligation bonds, including the recent 2020 Series Bond, 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, 2014 and 2020 Water Revenue Bonds are rated Aa2 by Moody's and AA by Standard and Poor's. The City's long-term debt for the fiscal years 2020 and 2019 were as follows:

**Park City Municipal Corporation Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 89,738,177	\$ 91,632,655	\$ -	\$ -	\$ 89,738,177	\$ 91,632,655
Revenue bonds	73,389,583	78,605,090	100,237,316	31,906,489	173,626,899	110,511,579
Contract payable	-	-	3,180,985	-	3,180,985	-
Total debt	\$ 163,127,760	\$ 170,237,745	\$ 103,418,301	\$ 31,906,489	\$ 266,546,061	\$ 202,144,234

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2020**

The State of Utah mandates a general obligation debt limit of 4.0 percent of total assessed value of \$10,103,552,000. The current limitation for the City is \$404,142,080 which is significantly in excess of the City's outstanding general obligation debt. The City's net debt subject to this limitation was \$79,915,000 or 0.8 percent of total assessed value, leaving the amount available for future indebtedness at \$324,227,080. See Schedule 17 on page 127 of this report.

More detailed information about the City's long-term liabilities is presented in Note E-Long-term Obligations on pages 59-70 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 9.8 percent compared with the State unemployment rate of 5.3 percent, and a national rate of 11.1 percent. This compares with a rate of 2.7 percent for Summit County in 2019. (Sources: Utah Dept. of Workforce Services and Bureau of Labor Statistics)
- The fiscal year 2021 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 fiscal 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 significant changes in the local economy due to ongoing COVID-19 impacts. 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 2021 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 10.0 percent increase to the irrigation base rate. The energy surcharge remained flat at \$0.55 per 1,000 gallons from prior fiscal year. In the Stormwater Fund the Equivalent Surface Unit (ESU) charge increased 3.0 percent, a \$0.19 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.

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# **BASIC FINANCIAL STATEMENTS**

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**Park City Municipal Corporation**  
**Statement of Net Position**  
**June 30, 2020**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash, cash equivalents and investments	\$ 71,351,571	\$ 19,792,362	\$ 91,143,933
Restricted cash and cash equivalents, fiscal agent	25,411,975	46,517,530	71,929,505
Restricted cash, cash equivalents and investments, other	10,856,824	-	10,856,824
Taxes receivable	27,921,066	560,910	28,481,976
Accounts receivable	1,228,544	14,069,428	15,297,972
Notes receivable	250,225	-	250,225
Inventories	237,537	698,146	935,683
Prepays	24,011	1,241,451	1,265,462
Internal balances	44,625	(44,625)	-
<b>Total current assets</b>	<b>137,326,378</b>	<b>82,835,202</b>	<b>220,161,580</b>
Noncurrent assets:			
Notes	13,161	-	13,161
Prepays	-	800,648	800,648
Land and water rights	243,725,614	22,337,188	266,062,802
Construction in progress	12,022,654	39,504,678	51,527,332
Art	808,389	109,214	917,603
Right to use asset	-	3,338,722	3,338,722
Buildings	32,950,974	17,647,270	50,598,244
Improvements other than buildings	17,740,655	59,849,868	77,590,523
Vehicles and equipment	5,956,316	17,549,267	23,505,583
Infrastructure	21,566,939	-	21,566,939
Intangibles	8,555,841	15,928	8,571,769
<b>Total noncurrent assets</b>	<b>343,340,543</b>	<b>161,152,783</b>	<b>504,493,326</b>
<b>Total assets</b>	<b>480,666,921</b>	<b>243,987,985</b>	<b>724,654,906</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	2,193,872	1,121,544	3,315,416
<b>Total deferred outflows of resources</b>	<b>2,193,872</b>	<b>1,121,544</b>	<b>3,315,416</b>
<b>Total assets and deferred outflows of resources</b>	<b>482,860,793</b>	<b>245,109,529</b>	<b>727,970,322</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,079,606	4,913,098	6,992,704
Accrued liabilities	3,960,912	3,249,636	7,210,548
Compensated absences	705,010	287,365	992,375
Contract payable	-	141,311	141,311
General obligation bonds	6,030,000	-	6,030,000
Revenue bonds	4,855,000	2,675,000	7,530,000
<b>Total current liabilities</b>	<b>17,630,528</b>	<b>11,266,410</b>	<b>28,896,938</b>
Noncurrent liabilities:			
Compensated absences	243,191	125,597	368,788
Contract payable	-	3,039,674	3,039,674
General obligation bonds	83,708,177	-	83,708,177
Revenue bonds	68,534,583	97,562,316	166,096,899
Net pension liability	5,360,865	1,813,320	7,174,185
<b>Total noncurrent liabilities</b>	<b>157,846,816</b>	<b>102,540,907</b>	<b>260,387,723</b>
<b>Total liabilities</b>	<b>175,477,344</b>	<b>113,807,317</b>	<b>289,284,661</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	24,703,651	-	24,703,651
Deferred gain on refunding	437,699	266,960	704,659
Deferred inflows of resources related to pensions	3,082,824	1,072,513	4,155,337
<b>Total deferred inflows of resources</b>	<b>28,224,174</b>	<b>1,339,473</b>	<b>29,563,647</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>203,701,518</b>	<b>115,146,790</b>	<b>318,848,308</b>
<b>NET POSITION</b>			
Net investment in capital assets	213,716,372	117,863,860	331,580,232
Restricted for:			
Capital Projects	8,956,824	-	8,956,824
Other	58,940	-	58,940
Unrestricted	56,427,139	12,098,879	68,526,018
<b>Total net position</b>	<b>\$ 279,159,275</b>	<b>\$ 129,962,739</b>	<b>\$ 409,122,014</b>

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, 2020**

Functions/Programs					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Program Revenues		Primary Government		
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 22,198,830	\$ 7,004,032	\$ 250,198	\$ 4,043,474	\$ (10,901,126)	\$ -	\$ (10,901,126)
Public safety	7,438,463	-	86,524	-	(7,351,939)	-	(7,351,939)
Public works	6,794,406	113,087	-	537,192	(6,144,127)	-	(6,144,127)
Library and recreation	5,556,544	1,831,546	7,821	55,501	(3,661,676)	-	(3,661,676)
Interest on long-term debt	9,041,292	-	-	-	(9,041,292)	-	(9,041,292)
Total governmental activities	<u>51,029,535</u>	<u>8,948,665</u>	<u>344,543</u>	<u>4,636,167</u>	<u>(37,100,160)</u>	<u>-</u>	<u>(37,100,160)</u>
Business-type activities:							
Golf Course Fund	1,578,559	1,232,521	-	-	-	(346,038)	(346,038)
Stormwater Fund	1,276,945	1,437,517	-	-	-	160,572	160,572
Transportation and Parking Fund	23,485,955	8,210,423	5,586,097	509,135	-	(9,180,300)	(9,180,300)
Water Fund	17,145,476	18,538,414	-	1,777,154	-	3,170,092	3,170,092
Total business-type activities	<u>43,486,935</u>	<u>29,418,875</u>	<u>5,586,097</u>	<u>2,286,289</u>	<u>-</u>	<u>(6,195,674)</u>	<u>(6,195,674)</u>
Total primary government	<u>\$ 94,516,470</u>	<u>\$ 38,367,540</u>	<u>\$ 5,930,640</u>	<u>\$ 6,922,456</u>	<u>(37,100,160)</u>	<u>(6,195,674)</u>	<u>(43,295,834)</u>
General revenues:							
Property tax, levied for general purposes					17,445,636	-	17,445,636
Property tax, levied for debt service					9,281,384	-	9,281,384
General sales and use tax					6,389,540	4,703,322	11,092,862
Franchise tax					3,161,759	-	3,161,759
Resort tax					16,460,084	2,856,983	19,317,067
Investment earnings					2,041,844	243,778	2,285,622
Miscellaneous					2,938,083	562,355	3,500,438
Gain on sale of capital assets					69,494	9,698	79,192
Transfers					715,000	(715,000)	-
Total general revenues and transfers					<u>58,502,824</u>	<u>7,661,136</u>	<u>66,163,960</u>
Change in net position					<u>21,402,664</u>	<u>1,465,462</u>	<u>22,868,126</u>
Net position - beginning					257,756,611	128,497,277	386,253,888
Net position - ending					<u>\$ 279,159,275</u>	<u>\$ 129,962,739</u>	<u>\$ 409,122,014</u>

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.*, public safety, 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 Bonds 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 2013A, 2017, 2019 and 2020 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, 2020**

	General Fund	Capital Improvements Fund	Sales Tax Revenue and Refunding Bonds Debt Service Fund	Park City General Obligation Bond Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash, cash equivalents and investments	\$ 7,557,075	\$ 50,764,080	\$ 839,969	\$ 1,590,027	\$ 7,709,679	\$ 68,460,830
Restricted cash, cash equivalents and investments, fiscal agent	-	100,000	25,299,223	12,752	-	25,411,975
Restricted cash, cash equivalents and investments, other	-	10,856,824	-	-	-	10,856,824
Taxes receivable	11,937,762	484,816	-	9,518,281	4,900,754	26,841,613
Accounts receivable	112,084	1,016,634	-	-	525	1,129,243
Notes receivable	-	263,386	-	-	-	263,386
Interfund loan	24,107	-	-	-	-	24,107
Inventory	40,468	-	-	-	-	40,468
Prepays	24,011	-	-	-	-	24,011
Total assets	<u>\$ 19,695,507</u>	<u>\$ 63,485,740</u>	<u>\$ 26,139,192</u>	<u>\$ 11,121,060</u>	<u>\$ 12,610,958</u>	<u>\$ 133,052,457</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 719,159	\$ 781,050	-	\$ 500	\$ 172,147	\$ 1,672,856
Accrued liabilities	689,076	557,524	-	-	-	1,246,600
Total liabilities	<u>1,408,235</u>	<u>1,338,574</u>	<u>-</u>	<u>500</u>	<u>172,147</u>	<u>2,919,456</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue-property tax	10,303,762	-	-	9,518,281	4,881,608	24,703,651
Unavailable revenue-notes	24,107	263,386	-	-	-	287,493
Total deferred inflow of resources	<u>10,327,869</u>	<u>263,386</u>	<u>-</u>	<u>9,518,281</u>	<u>4,881,608</u>	<u>24,991,144</u>
Total liabilities and deferred inflows of resources	<u>11,736,104</u>	<u>1,601,960</u>	<u>-</u>	<u>9,518,781</u>	<u>5,053,755</u>	<u>27,910,600</u>
<b>FUND BALANCES</b>						
Nonspendable						
Prepays	24,011	-	-	-	-	24,011
Interfund loan	24,107	-	-	-	-	24,107
Inventory	40,468	-	-	-	-	40,468
Restricted						
Capital projects	-	8,956,824	24,821,394	-	-	33,778,218
Debt service	-	-	477,829	12,752	-	490,581
Drug and tobacco enforcement	58,940	-	-	-	-	58,940
Committed						
Capital projects funds	-	52,926,956	-	-	5,235,110	58,162,066
Debt service funds	-	-	839,969	1,589,527	-	2,429,496
Economic development	-	-	-	-	2,322,093	2,322,093
Unassigned	7,811,877	-	-	-	-	7,811,877
Total fund balances	<u>\$ 7,959,403</u>	<u>\$ 61,883,780</u>	<u>\$ 26,139,192</u>	<u>\$ 1,602,279</u>	<u>\$ 7,557,203</u>	<u>\$ 105,141,857</u>
Total liabilities and fund balances	<u>\$ 19,695,507</u>	<u>\$ 63,485,740</u>	<u>\$ 26,139,192</u>	<u>\$ 11,121,060</u>	<u>\$ 12,610,958</u>	<u>\$ 133,052,457</u>

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

**Park City Municipal Corporation**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2020**

Fund balances of governmental funds		\$105,141,857
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		343,327,382
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:		
Taxes receivable	\$1,079,453	
Interest receivable	<u>51,997</u>	
		1,131,450
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets, deferred outflows of resources, and liabilities and deferred inflows of resources of certain internal service funds are included in governmental activities in the statement of net position.		2,262,194
Certain items not accounted for as unavailable under accrual accounting.		287,491
Pollution remediation liability not reported in the funds.		(1,272,000)
Noncurrent 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. Noncurrent liabilities at year-end consist of:		
Compensated absences	(889,177)	
Revenue bonds	(66,925,000)	
General obligation bonds	(79,915,000)	
Deferred bond premiums and discounts	(16,287,760)	
Accrued interest on the bonds	(1,419,130)	
Net pension liability	<u>(5,128,577)</u>	
		(170,564,644)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds:		
Deferred gain on debt refunding	(437,699)	
Deferred outflows of resources related to pensions	2,104,053	
Deferred inflows of resources related to pensions	<u>(2,820,809)</u>	
		<u>(1,154,455)</u>
Net position of governmental activities		<u><u>\$279,159,275</u></u>

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, 2020**

	General Fund	Capital Improvements Fund	Sales Tax Revenue and Refunding Bonds Debt Service Fund	Park City General Obligation Bond Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes and special assessments	\$ 23,160,141	\$ 15,439,343	\$ -	\$ 9,281,384	\$ 1,123,952	\$ 49,004,820
Licenses and permits	5,776,248	-	-	-	-	5,776,248
Intergovernmental	336,723	4,593,988	-	-	3,762,795	8,693,506
Charges for services	2,574,679	113,087	-	-	-	2,687,766
Fines and forfeitures	22,313	-	-	-	-	22,313
Investment income	359,111	937,126	614,895	3,651	127,064	2,041,847
Impact fees	-	456,053	-	-	-	456,053
Rental and other	589,481	60	-	-	-	589,541
Miscellaneous	216,373	456,513	-	43,185	-	716,071
Total revenues	<u>33,035,069</u>	<u>21,996,170</u>	<u>614,895</u>	<u>9,328,220</u>	<u>5,013,811</u>	<u>69,988,165</u>
<b>EXPENDITURES</b>						
Current:						
General government	18,616,889	-	-	-	-	18,616,889
Public safety	6,998,527	-	-	-	-	6,998,527
Public works	5,782,998	-	-	-	-	5,782,998
Library and recreation	4,273,728	-	-	-	-	4,273,728
Economic development	-	-	-	-	861,561	861,561
Debt service:						
Interest	-	-	2,802,890	3,366,436	-	6,169,326
Principal retirement	-	-	4,625,000	4,650,000	-	9,275,000
Bond issuance costs	-	-	-	118,027	-	118,027
Capital outlay	-	15,230,920	-	-	1,976,986	17,207,906
Total expenditures	<u>35,672,142</u>	<u>15,230,920</u>	<u>7,427,890</u>	<u>8,134,463</u>	<u>2,838,547</u>	<u>69,303,962</u>
Excess (deficiency) of revenues over expenditures	<u>(2,637,073)</u>	<u>6,765,250</u>	<u>(6,812,995)</u>	<u>1,193,757</u>	<u>2,175,264</u>	<u>684,203</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt issuance	-	-	-	4,000,000	-	4,000,000
Refunding bonds issued	-	-	-	5,470,000	-	5,470,000
Payment to refunded bondholders	-	-	-	(7,245,000)	-	(7,245,000)
Premium on debt issuance	-	-	-	1,206,669	-	1,206,669
Premium on refunding bonds issued	-	-	-	91,796	-	91,796
Sale of capital assets	-	4,255,251	-	-	179,548	4,434,799
Transfers in	2,724,847	4,868,732	7,419,316	-	5,568,132	20,581,027
Transfers out	(1,473,077)	(3,682,118)	(217,039)	(4,651,693)	(7,857,253)	(17,881,180)
Total other financing sources (uses)	<u>1,251,770</u>	<u>5,441,865</u>	<u>7,202,277</u>	<u>(1,128,228)</u>	<u>(2,109,573)</u>	<u>10,658,111</u>
Net change in fund balances	(1,385,303)	12,207,115	389,282	65,529	65,691	11,342,314
Fund balances - beginning, as restated (see Note R)	9,344,706	49,676,665	25,749,910	1,536,750	7,491,512	93,799,543
Fund balances - ending	<u>\$ 7,959,403</u>	<u>\$ 61,883,780</u>	<u>\$ 26,139,192</u>	<u>\$ 1,602,279</u>	<u>\$ 7,557,203</u>	<u>\$ 105,141,857</u>

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 - Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2020**

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Net change in fund balances - total governmental funds	\$11,342,314
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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	\$13,909,726	
Depreciation expense	(5,852,163)	
		8,057,563

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.	(4,379,196)
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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:

Taxes receivable	44,853	
Interest receivable	(2,950)	
Unavailable revenue	(370,527)	
		(328,624)

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	(9,470,000)	
Principal repayments of long-term debt	9,275,000	
Payment to refunded bond holders	7,245,000	
Premium on bond sales	(1,298,465)	
Amortization of deferred gain on refunding	62,563	
Amortization of bond premiums and discounts	1,358,450	
		7,172,548

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.	(172,127)
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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	(2,854,935)	
Actuarial calculated pension expense	2,449,527	
		(405,408)

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 \$11,348 less amount allocated to business-type activities of \$20,518 and reversal of prior year allocation of (\$83,729).	115,594
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Change in net position of governmental activities	\$21,402,664
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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 Balance – Budget and Actual**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 29,689,781	\$ 25,819,236	\$ 23,160,141	\$ (2,659,095)
Licenses and permits	2,971,000	4,695,984	5,776,248	1,080,264
Intergovernmental	138,000	138,001	336,723	198,722
Charges for services	3,273,292	2,178,468	2,574,679	396,211
Fines and forfeitures	20,000	51,735	22,313	(29,422)
Investment income	121,000	320,762	359,111	38,349
Rental and other	631,000	534,420	589,481	55,061
Miscellaneous	76,935	202,910	216,373	13,463
Total revenues	<u>36,921,008</u>	<u>33,941,516</u>	<u>33,035,069</u>	<u>(906,447)</u>
<b>EXPENDITURES</b>				
General government	18,671,448	19,431,536	18,616,889	814,647
Public safety	7,191,000	7,127,181	6,998,527	128,654
Public works	6,512,937	6,566,187	5,782,998	783,189
Library and recreation	4,618,015	4,499,515	4,273,728	225,787
Total expenditures	<u>36,993,400</u>	<u>37,624,419</u>	<u>35,672,142</u>	<u>1,952,277</u>
Excess (deficiency) of revenues over expenditures	<u>(72,392)</u>	<u>(3,682,903)</u>	<u>(2,637,073)</u>	<u>1,045,830</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,724,847	2,724,847	2,724,847	-
Transfers out	(3,909,107)	(1,473,077)	(1,473,077)	-
Total other financing sources (uses)	<u>(1,184,260)</u>	<u>1,251,770</u>	<u>1,251,770</u>	<u>-</u>
Net change in fund balances	(1,256,652)	(2,431,133)	(1,385,303)	1,045,830
Fund balances - beginning	9,344,706	9,344,706	9,344,706	-
Fund balances - ending	<u>\$ 8,088,054</u>	<u>\$ 6,913,573</u>	<u>\$ 7,959,403</u>	<u>\$ 1,045,830</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.

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

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



**Park City Municipal Corporation**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	Business-type Activities				Governmental Activities	
	Water Fund	Stormwater Fund	Golf Course Fund	Transportation and Parking Fund	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>						
Current assets:						
Cash, cash equivalents and investments	\$ 10,649,103	\$ 1,358,184	\$ 754,593	\$ 7,030,482	\$ 19,792,362	\$ 2,890,742
Restricted cash, cash equivalents and investments, fiscal agent	46,517,530	-	-	-	46,517,530	-
Accounts receivable	8,545,484	86,327	75	5,437,542	14,069,428	47,306
Taxes receivable	-	-	-	560,910	560,910	-
Inventories	519,986	-	115,623	62,537	698,146	197,069
Prepays	615,397	-	-	626,054	1,241,451	-
Total current assets	<u>66,847,500</u>	<u>1,444,511</u>	<u>870,291</u>	<u>13,717,525</u>	<u>82,879,827</u>	<u>3,135,117</u>
Noncurrent assets:						
Prepays	-	-	-	800,648	800,648	-
Land and water rights	17,785,588	-	828,451	3,723,149	22,337,188	-
Construction in progress	37,986,546	158,516	-	1,359,616	39,504,678	-
Art	-	-	-	109,214	109,214	-
Right to use Asset	3,380,984	-	-	-	3,380,984	-
Buildings	3,660,682	-	1,671,486	20,909,160	26,241,328	-
Improvements other than buildings	89,391,512	15,410,295	1,728,630	8,149,429	114,679,866	-
Vehicles and equipment	10,387,618	428,030	1,658,979	24,305,063	36,779,690	47,450
Intangible	27,810	-	-	58,645	86,455	-
Accumulated depreciation and amortization	(48,641,431)	(8,164,669)	(3,671,721)	(22,289,447)	(82,767,268)	(47,450)
Total noncurrent assets	<u>113,979,309</u>	<u>7,832,172</u>	<u>2,215,825</u>	<u>37,125,477</u>	<u>161,152,783</u>	<u>-</u>
Total assets	<u>180,826,809</u>	<u>9,276,683</u>	<u>3,086,116</u>	<u>50,843,002</u>	<u>244,032,610</u>	<u>3,135,117</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows of resources related to pensions	301,322	76,352	37,959	705,911	1,121,544	89,819
Total deferred outflows of resources	<u>301,322</u>	<u>76,352</u>	<u>37,959</u>	<u>705,911</u>	<u>1,121,544</u>	<u>89,819</u>
Total assets and deferred outflows of resources	<u>\$181,128,131</u>	<u>\$ 9,353,035</u>	<u>\$ 3,124,075</u>	<u>\$ 51,548,913</u>	<u>\$245,154,154</u>	<u>\$ 3,224,936</u>
<b>LIABILITIES</b>						
Current liabilities:						
Interfund loan	-	-	24,107	-	24,107	-
Accounts payable	4,450,577	172,301	86,063	204,157	4,913,098	406,750
Accrued liabilities	900,812	12,751	36,536	2,299,537	3,249,636	23,183
Revenue bonds	2,675,000	-	-	-	2,675,000	-
Compensated absences	83,353	25,073	17,120	161,819	287,365	30,823
Contract payable	141,311	-	-	-	141,311	-
Total current liabilities	<u>8,251,053</u>	<u>210,125</u>	<u>163,826</u>	<u>2,665,513</u>	<u>11,290,517</u>	<u>460,756</u>
Noncurrent liabilities:						
Revenue bonds	97,562,316	-	-	-	97,562,316	-
Net pension liability	619,972	155,738	64,158	973,452	1,813,320	232,288
Compensated absences	35,723	10,746	7,337	71,791	125,597	28,201
Contract payable	3,039,674	-	-	-	3,039,674	-
Total noncurrent liabilities	<u>101,257,685</u>	<u>166,484</u>	<u>71,495</u>	<u>1,045,243</u>	<u>102,540,907</u>	<u>260,489</u>
Total liabilities	<u>109,508,738</u>	<u>376,609</u>	<u>235,321</u>	<u>3,710,756</u>	<u>113,831,424</u>	<u>721,245</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows of resources related to pensions	392,990	85,858	35,968	557,697	1,072,513	262,015
Deferred inflows of resources related to debt	266,960	-	-	-	266,960	-
Total deferred inflows of resources	<u>659,950</u>	<u>85,858</u>	<u>35,968</u>	<u>557,697</u>	<u>1,339,473</u>	<u>262,015</u>
Total liabilities and deferred inflows of resources	<u>110,168,688</u>	<u>462,467</u>	<u>271,289</u>	<u>4,268,453</u>	<u>115,170,897</u>	<u>983,260</u>
<b>NET POSITION</b>						
Net investment in capital assets	71,491,036	7,832,172	2,215,825	36,324,827	117,863,860	-
Unrestricted	(531,593)	1,058,396	636,961	10,955,633	12,119,397	2,241,676
Total net position	<u>\$ 70,959,443</u>	<u>\$ 8,890,568</u>	<u>\$ 2,852,786</u>	<u>\$ 47,280,460</u>	<u>\$129,983,257</u>	<u>\$ 2,241,676</u>

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

**Park City Municipal Corporation**  
**Reconciliation of the Statement of Net Position - Proprietary Funds**  
**to the Government-wide Statement of Net Position**  
**June 30, 2020**

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Net Position of enterprise funds	\$129,983,257
Amounts reported for enterprise funds in the statement of net position are different because:	
Certain internal service fund assets and liabilities included with business-type activities.	(20,518)
Net position of business-type activities	<u>129,962,739</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, 2020**

	Business-type Activities				Governmental Activities	
	Water Fund	Stormwater Fund	Golf Course Fund	Transportation and Parking Fund	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for services	\$ 18,538,414	\$ 1,437,517	\$ 1,493,600	\$ 8,210,423	\$ 29,679,954	\$ 4,286,651
Miscellaneous	-	-	29,687	111,456	141,143	-
Total operating revenues	<u>18,538,414</u>	<u>1,437,517</u>	<u>1,523,287</u>	<u>8,321,879</u>	<u>29,821,097</u>	<u>4,286,651</u>
<b>OPERATING EXPENSES</b>						
Salaries and benefits	3,204,546	662,375	760,815	10,976,330	15,604,066	1,016,050
Supplies, maintenance and services	7,073,133	152,121	470,644	7,161,940	14,857,838	2,390,420
Energy and utilities	937,621	46,067	52,582	1,087,446	2,123,716	868,833
Depreciation and amortization	3,582,658	157,979	212,864	3,169,813	7,123,314	-
Total operating expenses	<u>14,797,958</u>	<u>1,018,542</u>	<u>1,496,905</u>	<u>22,395,529</u>	<u>39,708,934</u>	<u>4,275,303</u>
Operating income (loss)	<u>3,740,456</u>	<u>418,975</u>	<u>26,382</u>	<u>(14,073,650)</u>	<u>(9,887,837)</u>	<u>11,348</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Taxes and special assessments	-	-	-	7,560,305	7,560,305	-
Investment income	146,186	20,996	16,046	60,550	243,778	-
Miscellaneous	160,132	-	-	-	160,132	-
Gain on sale of capital assets	5,452	-	-	4,246	9,698	-
Bond issuance costs	(333,785)	-	-	-	(333,785)	-
Interest expense	(1,354,398)	-	(723)	-	(1,355,121)	-
Total nonoperating revenues (expenses)	<u>(1,376,413)</u>	<u>20,996</u>	<u>15,323</u>	<u>7,625,101</u>	<u>6,285,007</u>	<u>-</u>
Income (loss) before contributions and transfers	2,364,043	439,971	41,705	(6,448,549)	(3,602,830)	11,348
Capital contributions	1,777,154	-	-	6,095,232	7,872,386	-
Transfers in	-	-	25,000	-	25,000	-
Transfers out	(1,541,405)	(100,000)	(106,045)	(977,397)	(2,724,847)	-
Change in net position	2,599,792	339,971	(39,340)	(1,330,714)	1,569,709	11,348
Total net position - beginning	68,359,651	8,550,597	2,892,126	48,611,174	128,413,548	2,230,328
Total net position - ending	<u>\$ 70,959,443</u>	<u>\$ 8,890,568</u>	<u>\$ 2,852,786</u>	<u>\$ 47,280,460</u>	<u>\$129,983,257</u>	<u>\$ 2,241,676</u>

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

**Park City Municipal Corporation**  
**Reconciliation of the Statement of Revenues, Expenses and Changes in Net Position -**  
**Proprietary Funds to the Statement of Activities**  
**For the Year Ended June 30, 2020**

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Net changes in net position - total enterprise funds	\$1,569,709
Amounts reported for enterprise 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 \$11,347 less amount allocated to governmental activities of \$31,865 and reversal of prior year allocation of \$83,729.	<u>(104,247)</u>
Change in net position of business-type activities	<u><u>\$1,465,462</u></u>

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, 2020**

	Business-type Activities - Enterprise Funds				Governmental Activities	
	Water Fund	Stormwater Fund	Golf Course Fund	Transportation and Parking Fund	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash receipts from customers	\$ 10,796,737	\$ 1,510,038	\$ 1,535,669	\$ 11,772,585	\$ 25,615,029	\$ 4,336,929
Payments to employees	(3,123,986)	(835,230)	(764,364)	(10,850,012)	(15,573,592)	(1,004,053)
Payments to suppliers	(6,174,982)	(38,004)	(528,157)	(5,870,839)	(12,611,982)	(3,208,602)
Net cash provided (used) by operating activities	<u>1,497,769</u>	<u>636,804</u>	<u>243,148</u>	<u>(4,948,266)</u>	<u>(2,570,545)</u>	<u>124,274</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers from other funds	-	-	25,000	-	25,000	-
Transfers to other funds	(826,405)	(100,000)	(106,045)	(977,397)	(2,009,847)	-
Transit and resort sales tax	-	-	-	7,617,119	7,617,119	-
Net cash provided (used) by noncapital financing activities	<u>(826,405)</u>	<u>(100,000)</u>	<u>(81,045)</u>	<u>6,639,722</u>	<u>5,632,272</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Impact fees, contributions and grants	1,777,154	-	-	5,369,670	7,146,824	-
Acquisition and construction of capital assets	(22,545,718)	(158,516)	(120,920)	(659,574)	(23,484,728)	-
Principal paid on capital debt and interfund loan	(16,790,000)	-	(31,654)	-	(16,821,654)	-
Interest paid on capital debt and interfund loan	(1,190,495)	-	(723)	-	(1,191,218)	-
Proceeds from sales of capital assets	5,452	-	-	4,246	9,698	-
Federal subsidy on capital debt	160,132	-	-	-	160,132	-
Net proceeds and premiums from capital debt	85,317,442	-	-	-	85,317,442	-
Bond issuance costs paid on capital debt	(499,649)	-	-	-	(499,649)	-
Net cash provided (used) by capital and related financing activities	<u>46,234,318</u>	<u>(158,516)</u>	<u>(153,297)</u>	<u>4,714,342</u>	<u>50,636,847</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received by investing activities	147,580	21,099	16,150	60,110	244,939	-
Net cash provided by investing activities	<u>147,580</u>	<u>21,099</u>	<u>16,150</u>	<u>60,110</u>	<u>244,939</u>	<u>-</u>
Net increase in cash and cash equivalents	47,053,262	399,387	24,956	6,465,908	53,943,513	124,274
Balances - beginning of year	10,113,371	958,797	729,637	564,574	12,366,379	2,766,468
Balances - end of the year	<u>\$ 57,166,633</u>	<u>\$ 1,358,184</u>	<u>\$ 754,593</u>	<u>\$ 7,030,482</u>	<u>\$ 66,309,892</u>	<u>\$ 2,890,742</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ 3,740,456	\$ 418,975	\$ 26,382	\$ (14,073,650)	\$ (9,887,837)	\$ 11,348
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	3,582,658	157,979	212,864	3,169,813	7,123,314	-
Non-cash water interfund transfer to general fund	(715,000)	-	-	-	(715,000)	-
Pension related	51,856	(175,580)	(9,400)	86,870	(46,254)	7,142
Changes in assets and liabilities:						
Accounts receivable	(6,897,163)	72,521	12,382	4,112,345	(2,699,915)	50,278
Inventory	(146,536)	-	(6,704)	72,070	(81,170)	20,453
Accounts and other payables	1,852,794	160,184	1,773	1,644,838	3,659,589	30,198
Accrued liabilities	13,479	192	3,183	18,761	35,615	11,249
Compensated absences	15,225	2,533	2,668	20,687	41,113	(6,394)
Net cash provided (used) by operating activities	<u>\$ 1,497,769</u>	<u>\$ 636,804</u>	<u>\$ 243,148</u>	<u>\$ (4,948,266)</u>	<u>\$ (2,570,545)</u>	<u>\$ 124,274</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Included in investment income is an increase of \$43,686 in fair value for the year ended June 30, 2020.						

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, 2020**

	Custodial Fund
<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 3,029,275
Total assets	3,029,275
 <b>LIABILITIES</b>	
Accounts payable and other liabilities	-
Total liabilities	-
 <b>NET POSITION</b>	
Restricted for:	
Individuals, organizations, and other governments	3,029,275
Total net position	\$ 3,029,275

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, 2020**

	Custodial Fund
<b>ADDITIONS</b>	
Contributions from individuals, organizations, and other governments	\$ 642,868
Total additions	642,868
<b>DEDUCTIONS</b>	
Refunds to individuals, organizations, and other governments	942,629
Total deductions	942,629
Net decrease in fiduciary net position	(299,761)
Net Position -- beginning of the year	3,329,036
Net Position -- end of the year	\$ 3,029,275

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



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**NOTES TO THE  
BASIC FINANCIAL  
STATEMENTS**

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**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**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 BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**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 BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

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

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

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.

Capital Project Funds are used to account for the acquisition or construction of capital projects. The City currently has the Lower Park Avenue Redevelopment Agency, the Main Street Redevelopment Agency, and the Municipal Building Authority capital project funds.

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.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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.

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 – Cash, Cash Equivalents and Investments). 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.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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:

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

***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 Course 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.

***Noncurrent Obligations*** - In the government-wide financial statements, and proprietary fund types in the fund financial statements, noncurrent 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, 2020 for governmental activities were \$16,287,760 and \$10,117,316 for business-type activities and proprietary funds, respectively. 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

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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.

***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. 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 deferred outflows of resources and liabilities and deferred inflows of resources. 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, 2020, 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.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (ordinance) of the City'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 their use is limited by applicable bond covenants.

Proceeds of the City's 2013A and 2020 Series General Obligation Bonds in the amount of \$6,246,128 are classified as restricted assets as well as impact fees of \$2,267,095 and B and C road funds of \$443,601. 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, 2020 of \$12,752 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, 2020 of \$24,821,394 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, 2020 of \$477,829 is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account.



**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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.

**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 \$631,019 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 \$52,926,956 and non-major capital project fund budgets included \$5,235,110 for a total of \$58,162,066 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 BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**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. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. The City adopted GASB No. 83 for the fiscal year ended June 30, 2019. 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. The requirements of this Statement are 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 June 15, 2021. 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, 2019. 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 this Statement are effective for periods beginning after December 15, 2020. 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.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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, 2019. 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.

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 this Statement are effective for periods beginning after December 15, 2021. 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.

In January 2020, the GASB issued Statement No. 92 *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for periods beginning after June 15, 2021. The City is currently evaluating the impact of this Statement on the financial statements when implemented.

In March 2020, the GASB issued Statement No. 93 *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The requirements of this Statement are effective for periods ending after December 31, 2021. The City is currently evaluating the impact of this Statement on the financial statements when implemented.

In March 2020, the GASB issued Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs) and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The requirements of this Statement are effective for periods beginning after June 15, 2022. The City is currently evaluating the impact of this Statement on the financial statements when implemented.

In May 2020, the GASB issued Statement No. 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective for periods beginning after June 15, 2018. The City adopted GASB No. 95 for the fiscal year ended June 30, 2020. Implementation of this Statement did not have a significant impact on the City's financial statements.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

In May 2020, the GASB issued Statement No. 96 *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for subscription-based information technology arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The requirements of this Statement are effective for periods beginning after June 15, 2022. The City is currently evaluating the impact of this Statement on the financial statements when implemented.

In June 2020, the GASB issued Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (a) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (b) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (c) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for periods beginning after June 15, 2021. The City is currently evaluating the impact of this Statement on the financial statements when implemented.

**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 and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date. 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, 2020:

	Government-Wide Statement of Net Position			Fiduciary Fund Financials	
	Governmental Activities	Business-Type Activities	Total	Statement of Net Position	Total
Held by city-unrestricted	\$ 71,351,571	\$ 19,792,362	\$ 91,143,933	\$ 3,029,275	\$ 94,173,208
Held by city-restricted	10,856,824	-	10,856,824	-	10,856,824
Total held by city	\$ 82,208,395	\$ 19,792,362	\$ 102,000,757	\$ 3,029,275	\$ 105,030,032
Held by fiscal agent	\$ 25,411,975	\$ 46,517,530	\$ 71,929,505	\$ -	\$ 71,929,505

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued**

As of June 30, 2020, the City had the following deposits and investments, including \$3,029,275 held in a custodial capacity for others:

Held by city:	Investments maturities		
<u>Investment Type</u>	<u>Fair Value</u>	<u>1 year or less</u>	<u>1-5 years</u>
Debt securities			
Negotiable Certificates of Deposits	\$ 724,067	\$ -	\$ 724,067
Corporate Bonds	4,185,349	1,131,172	3,054,177
	<u>4,909,416</u>	<u>\$ 1,131,172</u>	<u>\$ 3,778,244</u>
Other investments			
State treasurer's investment pool	97,064,669	<u>\$ 97,064,669</u>	
Total investments	<u>101,974,085</u>		
<u>Deposits</u>			
Cash deposits checking-net of outstanding checks	2,318,424		
Cash deposits money market/savings	729,403		
Cash on hand	8,120		
Total deposits	<u>3,055,947</u>		
Total cash, cash equivalents and investments held by city	<u>105,030,032</u>		
Held by fiscal agent:			
State treasurer's investment pool	71,929,505		
Total cash, cash equivalents and investments	<u>\$ 176,959,537</u>		

**Deposits** – The City follows the requirements of the Utah Money Management Act (the Act) in handling its depository and investment transactions. The Act requires the depositing of the City's funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

*Custodial credit risk* for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2020, the City's bank balance of \$2,900,335 was uninsured and uncollateralized.

**Investments** – The State of Utah Money Management Council has the responsibility to advise the Utah State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act (Utah Code, Title 51, Chapter 7) that relate to the deposit and investment of public funds.

The Act defines the types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued**

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified or permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah Public Treasurers’ Investment Fund (PTIF).

The Utah State Treasurer’s Office operates the PTIF. The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the Securities and Exchange Commission as an investment company. The PTIF is authorized and regulated by the Act. The Act established the Money Management Council which oversees the activities of the Utah State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

*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, 2020 the City had the following recurring fair value measurements:

	<b>June 30, 2020</b>	<b>Fair Value Measurements Using</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b><u>Investments by fair value level</u></b>				
Debt securities				
Negotiable Certificate of Deposits	\$ 724,067	\$ 724,067	\$ -	\$ -
Corporate Bonds	4,185,349	4,185,349	-	-
Utah Public Treasurers' Investment Fund	97,064,669	-	97,064,669	-
Total debt securities	<u>\$ 101,974,085</u>	<u>\$ 4,909,416</u>	<u>\$ 97,064,669</u>	<u>\$ -</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued**

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, 2020 fair value factor, as calculated by the Utah State Treasurer, to the City’s average daily balance in the Fund.

*Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days – 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. Government-sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

*Credit Risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s policy for reducing its exposure to credit risk is to comply with the Act, as previously discussed.

At June 30, 2020, the City’s investments had the following quality ratings:

	Fair Value	Quality Ratings		
		AA	A	BBB
<b><u>Primary government:</u></b>				
Debt securities				
Negotiable Certificates of Deposits	\$ 724,067	\$ 724,067	\$ -	\$ -
Corporate Bonds	4,185,349	1,150,545	2,552,432	482,372

At the time of purchase, all debt securities were rated the equivalent of “A” or higher by two nationally recognized statistical rating organizations. At year-end, all debt securities were in compliance with the UMMA.

*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 policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5.0 - 10.0 percent depending upon the total dollar amount held in the portfolio at the time of purchase. None of the City’s investments exceed this limit.

*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. The City does not have a formal policy for custodial credit risk. As of June 30, 2020, the City had \$4,909,416 in U.S. negotiable certificate of deposits and corporate bonds which were held by the counterparty’s trust department or agent but not in the government’s name.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE C – NOTES RECEIVABLE**

Notes receivable of the governmental fund types at June 30, 2020 include various affordable housing and employee mortgage assistance loans with interest rates ranging from 0.0 - 5.0 percent. The following is a schedule of future principal and interest payments required under the terms of the notes receivable as of June 30, 2020:

<u>Fiscal year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 250,225	\$ 872	\$ 251,097
2022	5,493	604	6,097
2023	3,192	368	3,560
2024	3,059	216	3,275
2025	<u>1,417</u>	<u>60</u>	<u>1,477</u>
Total	<u>\$ 263,386</u>	<u>\$ 2,120</u>	<u>\$ 265,506</u>

**NOTE D – CAPITAL ASSETS**

Depreciation expense was charged to functions for the year ended June 30, 2020 as follows:

**Governmental activities:**

General government	\$ 3,148,178
Public safety	429,132
Public works	989,751
Library and recreation	<u>1,285,102</u>
Total governmental activities depreciation expense	<u>\$ 5,852,163</u>

**Business-type activities:**

Water	\$ 3,582,658
Stormwater	157,979
Golf course	212,864
Transportation and parking	<u>3,169,813</u>
Total business-type activities depreciation expense	<u>\$ 7,123,314</u>



**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE D – CAPITAL ASSETS, Continued**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019*	Additions	Deletions	Balance June 30, 2020
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and water rights	\$ 242,115,989	\$ 4,486,935	\$ (2,877,310)	\$ 243,725,614
Construction in progress	10,273,993	6,797,129	(5,048,468)	12,022,654
Art	780,119	28,270	-	808,389
Total capital assets, not being depreciated	<u>253,170,101</u>	<u>11,312,334</u>	<u>(7,925,778)</u>	<u>256,556,657</u>
Capital assets, being depreciated:				
Buildings	47,313,997	5,198,860	(2,001,365)	50,511,492
Improvements other than building	41,681,469	95,178	-	41,776,647
Vehicles and equipment	14,368,486	2,204,809	(848,603)	15,724,692
Infrastructure	116,443,145	553,535	-	116,996,680
Intangibles	8,827,781	93,478	-	8,921,259
Total capital assets, being depreciated	<u>228,634,878</u>	<u>8,145,860</u>	<u>(2,849,968)</u>	<u>233,930,770</u>
Less accumulated depreciation for:				
Buildings	(16,284,588)	(1,289,940)	14,010	(17,560,518)
Improvements other than building	(22,828,205)	(1,207,787)	-	(24,035,992)
Vehicles and equipment	(9,194,313)	(1,408,136)	834,073	(9,768,376)
Infrastructure	(93,486,831)	(1,942,910)	-	(95,429,741)
Intangibles	(362,028)	(3,390)	-	(365,418)
Total accumulated depreciation	<u>(142,155,965)</u>	<u>(5,852,163)</u>	<u>848,083</u>	<u>(147,160,045)</u>
Total capital assets, being depreciated, net	<u>86,478,913</u>	<u>2,293,697</u>	<u>(2,001,885)</u>	<u>86,770,725</u>
Governmental activities capital assets, net	<u>\$ 339,649,014</u>	<u>\$ 13,606,031</u>	<u>\$ (9,927,663)</u>	<u>\$ 343,327,382</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land and water rights	\$ 22,245,188	\$ 92,000	\$ -	\$ 22,337,188
Construction in progress	17,743,555	22,823,472	(1,062,349)	39,504,678
Art	109,214	-	-	109,214
Total capital assets, not being depreciated	<u>40,097,957</u>	<u>22,915,472</u>	<u>(1,062,349)</u>	<u>61,951,080</u>
Capital assets, being depreciated:				
Right to use asset	-	3,380,984	-	3,380,984
Buildings	26,241,328	-	-	26,241,328
Improvements other than building	112,582,307	2,097,559	-	114,679,866
Vehicles and equipment	36,891,590	225,042	(336,942)	36,779,690
Intangibles	86,455	-	-	86,455
Total capital assets, being depreciated	<u>175,801,680</u>	<u>5,703,585</u>	<u>(336,942)</u>	<u>181,168,323</u>
Less accumulated depreciation for:				
Right to use asset	-	(42,262)	-	(42,262)
Buildings	(7,846,572)	(747,486)	-	(8,594,058)
Improvements other than building	(51,669,888)	(3,160,110)	-	(54,829,998)
Vehicles and equipment	(16,374,785)	(3,169,089)	313,451	(19,230,423)
Intangibles	(66,160)	(4,367)	-	(70,527)
Total accumulated depreciation	<u>(75,957,405)</u>	<u>(7,123,314)</u>	<u>313,451</u>	<u>(82,767,268)</u>
Total capital assets, being depreciated, net	<u>99,844,275</u>	<u>(1,419,729)</u>	<u>(23,491)</u>	<u>98,401,055</u>
Business-type activities capital assets, net	<u>\$ 139,942,232</u>	<u>\$ 21,495,743</u>	<u>\$ (1,085,840)</u>	<u>\$ 160,352,135</u>

\*Beginning Balance restated, see Note R.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE E – LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended June 30, 2020:

	Beginning Balance July 1, 2019	Additions	Reductions	Amortization	Ending Balance June 30, 2020	Due Within One Year
<b>Governmental activities:</b>						
General obligation bonds:						
2009 series-principal	\$ 4,580,000	\$ -	\$ (4,580,000)	\$ -	\$ -	\$ -
2009 series-premium/discount	60,874	-	-	(60,874)	-	-
2010B series-principal	2,665,000	-	(2,665,000)	-	-	-
2010B series-premium	34,947	-	-	(34,947)	-	-
2013A series-principal	4,650,000	-	(455,000)	-	4,195,000	465,000
2013A series-premium	55,887	-	-	(6,318)	49,569	-
2017 series-principal	22,155,000	-	(1,335,000)	-	20,820,000	1,385,000
2017 series-premium	2,460,331	-	-	(195,264)	2,265,067	-
2019 series-principal	48,290,000	-	(2,860,000)	-	45,430,000	2,795,000
2019 series-premium	6,680,616	-	-	(457,491)	6,223,125	-
2020 series-principal	-	9,470,000	-	-	9,470,000	1,385,000
2020 series-premium	-	1,298,465	-	(13,049)	1,285,416	-
<b>Total general obligation bonds</b>	<b>91,632,655</b>	<b>10,768,465</b>	<b>(11,895,000)</b>	<b>(767,943)</b>	<b>89,738,177</b>	<b>6,030,000</b>
Revenue bonds:						
Sales tax revenue bonds						
2014A refunding-principal	2,090,000	-	(1,025,000)	-	1,065,000	1,065,000
2014A refunding-premium	150,716	-	-	(76,725)	73,991	-
2014B series-principal	5,375,000	-	-	-	5,375,000	-
2014B series-premium	112,065	-	-	(11,241)	100,824	-
2015 series-principal	9,035,000	-	(680,000)	-	8,355,000	710,000
2015 series-premium	441,236	-	-	(40,222)	401,014	-
2017 series-principal	28,275,000	-	(1,670,000)	-	26,605,000	1,755,000
2017 series-premium	2,930,668	-	-	(225,960)	2,704,708	-
2019 series-principal	26,775,000	-	(1,250,000)	-	25,525,000	1,325,000
2019 series-premium	3,420,405	-	-	(236,359)	3,184,046	-
<b>Total revenue bonds</b>	<b>78,605,090</b>	<b>-</b>	<b>(4,625,000)</b>	<b>(590,507)</b>	<b>73,389,583</b>	<b>4,855,000</b>
Compensated absences	855,210	708,515	(615,524)	-	948,201	705,010
<b>Total governmental activities</b>	<b>\$171,092,955</b>	<b>\$ 11,476,980</b>	<b>\$ (17,135,524)</b>	<b>\$ (1,358,450)</b>	<b>\$164,075,961</b>	<b>\$ 11,590,010</b>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE E – LONG-TERM OBLIGATIONS, Continued**

	Beginning Balance July 1, 2019	Additions	Reductions	Amortization	Ending Balance June 30, 2020	Due Within One Year
<b>Business-type activities:</b>						
2009A water revenue	\$ 1,375,000	\$ -	\$ (125,000)	\$ -	\$ 1,250,000	\$ 125,000
2009C water revenue	10,135,000	-	(10,135,000)	-	-	-
2010 water revenue	5,815,000	-	(5,815,000)	-	-	-
2010 water revenue-premium	326,666	-	-	(326,666)	-	-
2012 water revenue	2,495,000	-	(280,000)	-	2,215,000	290,000
2012 water revenue-premium	165,816	-	-	(20,812)	145,004	-
2012B water revenue refunding	5,525,000	-	-	-	5,525,000	-
2012B water revenue-premium	69,823	-	-	(8,245)	61,578	-
2013A water revenue refunding	1,735,000	-	(235,000)	-	1,500,000	240,000
2013A water revenue-prem/disc	18,929	-	-	(2,926)	16,003	-
2014 water revenue	4,115,000	-	-	-	4,115,000	-
2014 water revenue-premium	130,255	-	-	(18,695)	111,560	-
2020 water revenue	-	75,515,000	-	-	75,515,000	2,020,000
2020 water revenue-premium	-	9,802,442	-	(19,271)	9,783,171	-
<b>Total revenue bonds</b>	<b>31,906,489</b>	<b>85,317,442</b>	<b>(16,590,000)</b>	<b>(396,615)</b>	<b>100,237,316</b>	<b>2,675,000</b>
Compensated absences	371,848	328,958	(287,844)	-	412,962	287,365
Contract payable	-	3,380,985	(200,000)	-	3,180,985	141,311
<b>Total business-type activities</b>	<b>\$ 32,278,337</b>	<b>\$ 89,027,385</b>	<b>\$ (17,077,844)</b>	<b>\$ (396,615)</b>	<b>\$ 103,831,263</b>	<b>\$ 3,103,676</b>

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 \$59,024 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.

**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, 2020, the tax increment collected by the Main Street Redevelopment Agency was \$298,041 and the tax contributions from other governments were \$997,788. The tax increment collected by the Lower Park Avenue Redevelopment Agency was \$825,911 and the tax contributions from other governments were \$2,765,007. The tax increment paid to another taxing agency by the Main Street Redevelopment Agency and by the Lower Park Avenue Redevelopment Agency was \$226,363 and \$541,725, respectively.

During the fiscal year, the Lower Park Avenue Redevelopment Agency expended \$30,814 for site improvements and \$61,250 for economic development. The Main Street Redevelopment Agency expended \$173 for site improvements, \$32,223 for economic development.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE E – LONG-TERM OBLIGATIONS, Continued**

**General Obligation Bonds**

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.

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.

The debt service requirements for the bonds at June 30, 2020 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)		Series 2017 Dated June 6, 2017 \$25,000,000 @ 3.00% to 5.00% per annum paid semi- annually (Feb. & Aug.)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2021	\$ 465,000	\$ 120,313	\$ 1,385,000
2022	480,000	109,850	1,440,000	774,350
2023	500,000	97,850	1,500,000	702,350
2024	515,000	84,100	1,560,000	627,350
2025	530,000	69,938	1,625,000	549,350
2026	550,000	54,036	1,685,000	468,100
2027	565,000	37,538	1,755,000	383,850
2028	590,000	19,175	1,825,000	296,100
2029	-	-	1,900,000	241,350
2030	-	-	1,975,000	184,350
2031	-	-	2,055,000	125,100
2032	-	-	2,115,000	63,450
Total	4,195,000	592,800	20,820,000	5,259,300
Plus unamortized premium	49,569	-	2,265,067	-
Total	\$ 4,244,569	\$ 592,800	\$ 23,085,067	\$ 5,259,300

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE E – LONG-TERM OBLIGATIONS, Continued**

**General Obligation Bonds, Continued**

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. Pursuant to a special bond election held on November 6, 2018, the proceeds of the bonds were used to acquire, improve and forever preserve open space, park and recreational land located in Treasure Hill and Armstrong/Snow Ranch Pasture. Additionally, the bonds currently refunded \$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.

On May 6, 2020, the City issued General Obligation Bonds Series 2020 in the par amount of \$9,470,000, a premium of \$1,298,465 and issuance costs of \$83,373. Pursuant to a special bond election held on November 6, 2018, the proceeds of the bonds were used to acquire, improve and forever preserve open space, park and recreational land located in Treasure Hill and Armstrong/Snow Ranch Pasture. The 2020 Bonds were the last block of bonds to be issued from the 2018 bond election. Additionally, the bonds currently refunded \$3,730,000 and \$2,255,000 principal of the City’s General Obligation Bonds Series 2009 and Series 2010B, respectively, plus \$1,991 and 1,562 interest, respectively. 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, 2020 were as follows:

Fiscal Year Ending June 30,	Series 2019 Dated March 5, 2019 \$48,290,000 @ 3.00% to 5.00% per annum paid semiannually (February and August)		Series 2020 Dated May 6, 2020 \$9,470,000 @ 2.125% to 5.00% per annum paid semiannually (May and November)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2021	\$ 2,795,000	\$ 2,081,900	\$ 1,385,000
2022	2,945,000	1,942,150	1,435,000	371,337
2023	3,090,000	1,794,900	1,500,000	299,588
2024	3,245,000	1,640,400	1,570,000	224,587
2025	3,405,000	1,478,150	615,000	146,088
2026	2,730,000	1,307,900	240,000	115,337
2027	2,870,000	1,171,400	250,000	103,338
2028	3,015,000	1,027,900	265,000	90,837
2029	3,165,000	877,150	275,000	77,588
2030	3,320,000	718,900	290,000	63,837
2031	3,490,000	552,900	305,000	49,338
2032	3,625,000	413,300	320,000	37,137
2033	3,810,000	232,050	330,000	27,538
2034	3,925,000	117,750	340,000	17,637
2035	-	-	350,000	7,445
Total	45,430,000	15,356,750	9,470,000	2,066,100
Plus unamortized premium	6,223,125	-	1,285,416	-
Total	<u>\$ 51,653,125</u>	<u>\$ 15,356,750</u>	<u>\$ 10,755,416</u>	<u>\$ 2,066,100</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE E – LONG-TERM OBLIGATIONS, Continued**

**Defeasance of Debt**

On May 6, 2020 the City issued \$9,470,000 in General Obligation Bonds Series 2020 with an interest rate of 2.125 to 5.00 percent. A portion of bond proceeds and premium were used for a current refunding of \$3,730,000 and \$2,255,000 of outstanding General Obligation Bonds Series 2009 and 2010B, respectively with an interest rate of 3.00 to 4.00 percent and 1.10 to 5.25 percent, respectively. An aggregate amount of \$3,779,083 (representing \$3,408,835 of proceeds together with a premium of \$370,248) currently refunded the General Obligation Bonds Series 2009 and an aggregate amount of \$2,185,037 (representing \$2,061,165 proceeds with a premium of \$223,872) currently refunded the General Obligation Bonds Series 2010B. 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 \$363,074. The refunding also decreased the City’s total debt service payments over the next five years by approximately \$382,297. For government-wide reporting the reacquisition price of the Series 2020 bonds was less than the net carrying amount of the 2009 and 2010B Series bonds resulting in a gain on refunding of \$48,313 and \$28,970, respectively. The gain on refunding was recorded as a deferred inflow of resources and amortized over the remaining four-year and five-year life of the debt.

**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, 2020 were as follows:

Fiscal Year Ending June 30,	Series 2014A Dated September 11, 2014 \$6,725,000 @ 2.00% to 4.00% per annum paid semiannually (June and December)		Series 2014B Dated September 11, 2014 \$5,375,000 @ 3.00% to 3.25% per annum paid semiannually (June and December)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2021	\$ 1,065,000	\$ 21,300	\$ -
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	1,065,000	21,300	5,375,000	942,863
Plus unamortized premium	73,991	-	100,824	-
Total	<u>\$ 1,138,991</u>	<u>\$ 21,300</u>	<u>\$ 5,475,824</u>	<u>\$ 942,863</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE E – LONG-TERM OBLIGATIONS, Continued**

**Sales Tax Revenue and Refunding Bonds, Continued**

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.

The debt service requirements for the bonds at June 30, 2020 were as follows:

Fiscal Year Ending June 30,	Series 2015 Dated May 12, 2015 \$11,600,000 @ 2.00% to 4.00% per annum paid semiannually (June and December)		Series 2017 Dated November 11, 2017 \$31,940,000 @ 2.85% to 5.00% per annum paid semiannually (June and December)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2021	\$ 710,000	\$ 292,925	\$ 1,755,000
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	8,355,000	1,652,250	26,605,000	6,635,505
Plus unamortized premium	401,014	-	2,704,708	-
Total	<u>\$ 8,756,014</u>	<u>\$ 1,652,250</u>	<u>\$ 29,309,708</u>	<u>\$ 6,635,505</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**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, 2020 were as follows:

Fiscal Year Ending June 30,	Series 2019 Dated February 21, 2019 \$26,775,000 @ 3.00% to 5.00% per annum paid semiannually (June and December)	
	PRINCIPAL	INTEREST
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	25,525,000	8,241,000
Plus unamortized premium	3,184,046	-
Total	\$ 28,709,046	\$ 8,241,000

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.

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 BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**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 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 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, 2020 were as follows:

Fiscal Year Ending June 30,	Series 2012B Dated December 14, 2012 \$5,525,000 @ 2.25% per annum paid semiannually (June and December)		Series 2013A Dated February 21, 2013 \$3,045,000 @ 2.00% per annum paid semiannually (June and December)	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
	2021	\$ -	\$ 124,312	\$ 240,000
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	875,531	1,500,000	91,600
Plus unamortized premium/discount	61,578	-	16,003	-
Total	<u>\$ 5,586,578</u>	<u>\$ 875,531</u>	<u>\$ 1,516,003</u>	<u>\$ 91,600</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE E – LONG-TERM OBLIGATIONS, Continued**

**Water Revenue Refunding Bonds, Continued**

On June 16, 2020, the City issued the par amount of \$75,515,000 in Water Revenue Bonds Series 2020 plus a premium of \$9,802,442. The premium was deferred and amortized over the life of the bond using the effective interest method. The bond proceeds were used to refund \$8,235,000 and \$4,945,000 of outstanding Water Revenue Bonds Series 2009C and 2010, respectively plus interest of \$225,484 and \$99,449, respectively. New money in the amount of \$66,620,000 was received to finance construction of water system infrastructure. The bonds incurred bond issue costs of \$333,785, 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, 2020 were as follows:

Fiscal Year Ending June 30,	Series 2020 Dated June 16, 2020 \$75,515,000 @ 2.125% to 5.00% per annum paid semiannually (June and December)	
	PRINCIPAL	INTEREST
	2021	\$ 2,020,000
2022	2,125,000	2,425,469
2023	2,250,000	2,316,094
2024	2,325,000	2,201,719
2025	175,000	2,139,219
2026	-	2,134,844
2027	1,945,000	2,086,219
2028	2,000,000	1,987,594
2029	4,250,000	1,831,344
2030	4,475,000	1,612,219
2031	4,700,000	1,383,844
2032	4,875,000	1,193,219
2033	5,025,000	1,044,719
2034	5,175,000	891,719
2035	5,350,000	733,844
2036	5,500,000	571,094
2037	5,650,000	432,094
2038	5,775,000	314,234
2039	5,875,000	190,453
2040	6,025,000	64,025
Total	75,515,000	28,075,891
Plus unamortized premium	9,783,171	-
Total	\$ 85,298,171	\$ 28,075,891

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE E – LONG-TERM OBLIGATIONS, Continued**

**Defeasance of Debt**

On June 16, 2020 the City issued \$75,515,000 in Water Revenue and Refunding Bonds Series 2020 with an interest rate of 2.125 to 5.00 percent. The bond proceeds were used for a current refunding of \$8,235,000 and \$4,945,000 of outstanding Water Revenue Bonds Series 2009C and 2010, respectively with an interest rate of 4.70 to 5.25 percent and 2.00 to 4.00 percent, respectively. An aggregate amount of \$8,279,850 (representing \$5,385,915 of proceeds together with a premium of \$537,781 and debt reserve funds of \$2,356,154) currently refunded the Water Revenue Bond Series 2009C and an aggregate amount of \$4,974,011 (representing \$3,509,086 of proceeds with a premium of \$350,380 and debt reserve funds of \$1,114,545) currently refunded the Water Revenue Bond Series 2010. 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 \$4,324,300. The refunding also decreased the City's total debt service payments over the next five years by approximately \$4,581,097. For government-wide reporting the reacquisition price of the Series 2020 bonds was less than the net carrying amount of the 2010 Series bonds resulting in a gain on refunding of \$266,960. The gain on refunding was recorded as a deferred inflow of resources and amortized over the remaining five-year life of the refunded debt.

**Water Revenue Bonds**

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. Repayments on the debt are made from net revenues of the Water Fund.

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 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, 2020 were as follows:

Fiscal Year Ending June 30,	Series 2012 Dated May 31, 2012 \$4,160,000 @ 2.00% to 4.00% per annum paid semiannually (June and December)		Series 2014 Dated June 25, 2014 \$4,115,000 @ 3.25% per annum paid semiannually (June and December)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2021	\$ 290,000	\$ 69,850	\$ -
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	2,215,000	296,650	4,115,000	726,051
Plus unamortized premium	145,004	-	111,560	-
Total	\$ 2,360,004	\$ 296,650	\$ 4,226,560	\$ 726,051

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE E – LONG-TERM OBLIGATIONS, Continued**

**Water Revenue Bonds, Continued**

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, 2020 is \$1,375,000.

**Annual Debt Service**

The annual debt service requirements for all long-term debt outstanding as of June 30, 2020 by activity are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities
	General Obligation Bonds	Revenue Bonds	
Principal			
2021	\$ 6,030,000	\$ 4,855,000	\$ 2,675,000
2022	6,300,000	4,520,000	2,795,000
2023	6,590,000	4,735,000	2,930,000
2024	6,890,000	4,950,000	3,015,000
2025	6,175,000	5,140,000	3,230,000
2026-2030	27,265,000	28,410,000	21,525,000
2031-2035	20,665,000	14,315,000	25,125,000
2036-2040	-	-	28,825,000
Total	79,915,000	66,925,000	90,120,000
Plus unamortized premium/discount			
Total	9,823,177	6,464,583	10,117,316
Total	<u>\$ 89,738,177</u>	<u>\$ 73,389,583</u>	<u>\$ 100,237,316</u>
Interest			
2021	\$ 3,480,281	\$ 2,576,365	\$ 2,877,427
2022	3,197,688	2,432,215	2,767,420
2023	2,894,688	2,223,791	2,644,144
2024	2,576,438	2,005,316	2,515,520
2025	2,243,526	1,809,266	2,438,519
2026-2030	7,238,686	5,567,738	10,004,450
2031-2035	1,643,635	878,227	5,247,343
2036-2040	-	-	1,571,891
Total	<u>\$ 23,274,942</u>	<u>\$ 17,492,918</u>	<u>\$ 30,066,714</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE E – LONG-TERM OBLIGATIONS, Continued**

**Other Debt**

The City entered into an agreement with Weber Basin Water Conservancy District for the right to share in the existing capacity in the East Canyon Water Treatment Plan and Highway 40 System. In return, the City agreed to make an annual payment of \$200,000 per year beginning January 1, 2020 through January 1, 2039. The contract payable has an effective interest rate of 1.8 percent per annum. The debt service requirements for the contracts payable at June 30, 2020 were as follows:

Fiscal Year Ending June 30,	PRINCIPAL	INTEREST
2021	\$ 141,311	\$ 58,689
2022	143,918	56,082
2023	146,573	53,427
2024	149,278	50,722
2025	152,032	47,968
2026	154,837	45,163
2027	157,693	42,307
2028	160,603	39,397
2029	163,566	36,434
2030	166,584	33,416
2031	169,657	30,343
2032	172,788	27,212
2033	175,975	24,024
2034	179,222	20,778
2035	182,529	17,471
2036	185,897	14,104
2037	189,326	10,674
2038	192,819	7,181
2039	196,377	3,623
Total	<u>\$ 3,180,985</u>	<u>\$ 619,015</u>

**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) is a multiple-employer, cost-sharing, public employee retirement system;
- Public Employees Contributory Retirement System (Contributory System) is a multiple-employer, cost-sharing, public employee retirement 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.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE F – RETIREMENT PLANS, Continued**

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](http://www.urs.org).

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 to June 2020; 2.00% per year July 2020 to present	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 BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE F – RETIREMENT PLANS, Continued**

Contribution rates as of June 30, 2020 are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
<b>Contributory System</b>			
11 Local Government Div - Tier 1	6.00	14.46	N/A
111 Local Government Div - Tier 2*	N/A	15.66	1.03
<b>Noncontributory System</b>			
15 Local Government Div - Tier 1	N/A	18.47	N/A
<b>Public Safety System</b>			
<b>Contributory</b>			
122 Tier 2 DB Hybrid Public Safety*	N/A	23.13	0.70
<b>Noncontributory</b>			
43 Other Div A with 2.50% COLA	N/A	34.04	N/A
<b>Tier 2 Defined Contribution Only*</b>			
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, 2020, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 1,279,250	\$ N/A
Contributory System	98,228	40,759
Public Safety System	741,934	-
Tier 2 Public Employees Systems	1,568,428	-
Tier 2 Public Safety and Firefighter	53,529	-
Tier 2 DC Only System	108,323	N/A
Tier 2 DC Public Safety and Firefighter System	9,069	N/A
Total Contributions	<u>\$ 3,858,761</u>	<u>\$ 40,759</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 BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE F – RETIREMENT PLANS, Continued**

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

At June 30, 2020, the City reported no net pension asset and a net pension liability of \$7,174,185.

	(Measurement Date): December 31, 2019				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2018	Change (Decrease)
Noncontributory System	\$ -	\$ 4,505,576	1.1954718 %	1.2132077 %	(0.0177359) %
Contributory System	-	288,055	4.3953469	4.4140715	(0.0187246)
Public Safety System	-	2,212,323	1.3778642	1.3792220	(0.0013578)
Firefighters System	-	-	-	-	-
Judges Retirement System	-	-	-	-	-
Governors & Legislators Plan	-	-	-	-	-
Tier 2 Public Employees	-	156,336	0.6951133	0.6795699	0.0155434
Tier 2 Public Safety and Firefighter	-	11,895	0.1264583	0.1535009	(0.0270426)
	\$ -	\$ 7,174,185			

The net pension asset and liability were measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 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, 2020, the City recognized pension expense of \$4,223,435. 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	\$ 495,601	\$ 165,616
Changes in assumptions	622,259	4,600
Net difference between projected and actual earnings on pension plan investments	-	3,876,114
Changes in proportion and differences between contributions and proportionate share of contributions	289,614	109,007
Contributions subsequent to the measurement date	1,907,942	-
	\$ 3,315,416	\$ 4,155,337

\$1,907,942 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, 2019.



**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (586,534)
2021	(909,454)
2022	79,643
2023	(1,453,484)
2024	17,306
Thereafter	104,661

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

For the fiscal year ended June 30, 2020, the City recognized pension expense of \$2,345,231. 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	\$ 409,835	\$ 64,719
Changes in assumptions	477,193	-
Net difference between projected and actual earnings on pension plan investments	-	2,278,510
Changes in proportion and differences between contributions and proportionate share of contributions	144,304	88,394
Contributions subsequent to the measurement date	609,088	-
	\$ 1,640,420	\$ 2,431,623

\$609,088 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, 2019.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (105,481)
2021	(484,245)
2022	55,684
2023	(866,250)
2024	-
Thereafter	-

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

For the fiscal year ended June 30, 2020, the City recognized pension expense of \$(81,545). 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	-	719,068
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	44,776	-
	\$ 44,776	\$ 719,068

\$44,776 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, 2019.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (254,504)
2021	(209,470)
2022	13,173
2023	(268,267)
2024	-
Thereafter	-

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

For the fiscal year ended June 30, 2020, the City recognized pension expense of \$1,044,710. 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	\$ 38,475	\$ 47,239
Changes in assumptions	75,486	-
Net difference between projected and actual earnings on pension plan investments	-	755,437
Changes in proportion and differences between contributions and proportionate share of contributions	12,731	20,613
Contributions subsequent to the measurement date	373,184	-
	\$ 499,876	\$ 823,289

\$373,184 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, 2019.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (210,646)
2021	(202,225)
2022	3,317
2023	(287,042)
2024	-
Thereafter	-

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

For the fiscal year ended June 30, 2020, the City recognized pension expense of \$879,243. 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	\$ 43,735	\$ 53,654
Changes in assumptions	66,755	4,493
Net difference between projected and actual earnings on pension plan investments	-	120,175
Changes in proportion and differences between contributions and proportionate share of contributions	120,180	-
Contributions subsequent to the measurement date	847,422	-
	\$ 1,078,092	\$ 178,322

\$847,422 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, 2019.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (16,357)
2021	(14,018)
2022	6,514
2023	(32,002)
2024	16,078
Thereafter	92,133

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

For the fiscal year ended June 30, 2020, the City recognized pension expense of \$35,797. 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	\$ 3,556	\$ 4
Changes in assumptions	2,825	107
Net difference between projected and actual earnings on pension plan investments	-	2,924
Changes in proportion and differences between contributions and proportionate share of contributions	12,399	-
Contributions subsequent to the measurement date	33,472	-
	\$ 52,252	\$ 3,035

\$33,472 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, 2019.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ 454
2021	504
2022	955
2023	77
2024	1,228
Thereafter	12,528

**Actuarial Assumptions**

The total pension liability in the December 31, 2019, 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, 2019, 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:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40.000 %	6.15 %	2.46 %
Debt securities	20.000	0.40	0.08
Real assets	15.000	5.75	0.86
Private equity	9.000	9.95	0.89
Absolute return	16.000	2.85	0.46
Cash and cash equivalents	-	-	-
Totals	100.00 %		4.75 %
Inflation			2.50 %
Expected arithmetic nominal return			7.25 %

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE F – RETIREMENT PLANS, Continued**

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:

<b>System</b>	<b>1% Decrease or 5.95%</b>	<b>Discount Rate of 6.95%</b>	<b>1% Increase or 7.95%</b>
Noncontributory System	\$ 14,072,484	\$ 4,505,576	\$ (3,473,125)
Contributory System	2,248,780	288,055	(1,365,334)
Public Safety System	5,730,775	2,212,323	(647,097)
Tier 2 Public Employees System	1,348,156	156,336	(764,721)
Tier 2 Public Safety and Firefighter System	42,021	11,895	(10,468)
Total	\$ 23,442,216	\$ 7,174,185	\$ (6,260,745)

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

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE F – RETIREMENT PLANS, Continued**

Employee and employer contributions to the Systems Defined Contribution Savings Plans for fiscal year ended June 30, 2020 were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>401(k) Plan</b>			
Employer Contributions	\$ 338,323	\$ 298,209	\$ 272,906
Employee Contributions	-	-	-
<b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	13,595	15,920	16,770
<b>Traditional IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	-	-	50

**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, 2020 was \$27,784,720. Of that amount, \$5,206,431 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, 2020 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, 2020 contributions totaling \$31,775 or 0.61 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.

**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, 2020 was \$27,784,720 and the City's covered payroll eligible for this plan totaled \$20,359,134. 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 \$371,200 or 1.82 percent of covered payroll were made by the City and voluntary contributions totaling \$815,193 or 4.00 percent of covered payroll were made by employees. All contributions were made by the due dates.



**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE G - DEFINED CONTRIBUTION PLANS, Continued**

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, 2020 are as follows:

Capital Projects Funds	\$ 1,663,142
Enterprise Funds	\$94,505,163

**NOTE I – INTERGOVERNMENTAL REVENUES**

Intergovernmental revenues were received by governmental fund types for the year ended June 30, 2020. They consist of the following:

State of Utah Class "C" road allotments	\$ 537,192
State contributions	281,433
County contributions	4,563,319
Federal contributions	5,948,239
Fire District	425,187
School District	2,612,667
Total	<u><u>\$ 14,368,037</u></u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE J – INTERFUND LOANS**

Due to cash flow needs of the Golf Course 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, 2020 was principal of \$24,107 and interest of \$176 due June 30, 2021.

**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, 2018	36,595
Incurred claims	292,073
Claim payments	<u>(263,311)</u>
Unpaid claims as of June 30, 2019	65,357
Incurred claims	347,522
Claim payments	<u>(91,404)</u>
Unpaid claims as of June 30, 2020	<u><u>\$ 321,475</u></u>

**NOTE L – BUDGET RECONCILIATION**

A reconciliation of the original 2019-2020 budget, to the final legally adopted budget for all governmental fund types net of transfers approved in June 2020 is as follows:

	<b>Original Budget</b>	<b>Increase (Decrease)</b>	<b>Budget as Revised</b>
<b>General Fund:</b>			
Revenues	\$ 36,921,008	\$ (2,979,492)	\$ 33,941,516
Expenditures	36,993,400	631,019	37,624,419
<b>Special Revenue Funds:</b>			
Revenues	\$ 4,142,000	\$ 2,005,000	\$ 6,147,000
Expenditures	1,163,968	-	1,163,968
<b>Debt Service Funds:</b>			
Revenues	\$ 6,082,341	\$ 3,248,563	\$ 9,330,904
Expenditures	10,344,900	13,393,634	23,738,534
<b>Capital Projects Funds:</b>			
Revenues	\$ 13,174,694	\$ 2,335,508	\$ 15,510,202
Expenditures	50,324,294	29,551,397	79,875,691

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE M – INTERFUND TRANSFERS**

**Fund Financial Statements**

Transfers were made to and from several funds during the course of the year ended June 30, 2020. 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 \$1,285,600 to the Equipment Replacement Capital Projects Fund for future replacement of rolling stock and computer equipment. The Redevelopment Agency funds for Main Street and Lower Park transferred \$4,282,532 to the Special Revenue funds for capital expenditures. Several funds transferred a total of \$7,419,316 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 \$217,039 of net bond proceeds to the Capital Improvements Fund for construction project costs. The General Obligation Bond Debt Service Fund transferred \$4,651,693 of net bond proceeds to the Capital Improvements Fund for capital project costs. The General Fund transferred \$25,000 to the Golf Course Fund for administrative costs. Transfers to the General Fund were comprised of: \$1,541,405 from the Water Fund, \$100,000 from the Stormwater Fund, \$977,397 from the Transportation and Parking Fund and \$106,045 from the Golf Course Fund for administrative expenses for the year ended June 30, 2020.

		Transfers into:				Business-	
		Governmental Activities			Type		
		Major Funds				Activities	
		General Fund	Capital Improvement Fund	Sales Tax Revenue & Refunding - DSF	Nonmajor Funds	Golf Course Fund	Total
<u>Transfers out from:</u>							
<b>Governmental activities</b>							
Major funds:							
General fund	\$	-	-	\$ 162,477	\$ 1,285,600	\$ 25,000	\$ 1,473,077
Capital improvement fund		-	-	3,682,118	-	-	3,682,118
Sales tax rev & refund - DSF		-	217,039	-	-	-	217,039
General obligation - DSF		-	4,651,693	-	-	-	4,651,693
Nonmajor funds:							
Other funds		-	-	3,574,721	4,282,532	-	7,857,253
<b>Business-type activities</b>							
Water fund		1,541,405	-	-	-	-	1,541,405
Stormwater fund		100,000	-	-	-	-	100,000
Transportation and parking		977,397	-	-	-	-	977,397
Golf course fund		106,045	-	-	-	-	106,045
Total		\$ 2,724,847	\$ 4,868,732	\$ 7,419,316	\$ 5,568,132	\$ 25,000	\$ 20,606,027

**Government-Wide Financial Statements**

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

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**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.

**NOTE O – UNAVAILABLE REVENUE**

**Fund Financial Statements**

At June 30, 2020, 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	\$ 24,107	\$ -	\$ 263,386	\$ -	\$ 287,493
Property tax levied- not yet collected	10,303,762	9,518,281	-	4,881,608	24,703,651
	<u>\$ 10,327,869</u>	<u>\$ 9,518,281</u>	<u>\$ 263,386</u>	<u>\$ 4,881,608</u>	<u>\$ 24,991,144</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 \$16,017,259 at June 30, 2020.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**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 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.

**NOTE R – RESTATEMENTS**

The City has recorded an adjustment to correct a capital asset outlay in the Capital Improvement Fund that was misclassified in the prior period. The adjustment results in a restatement of beginning fund balance in the Capital improvement Fund as follows:

Beginning fund balance as previously reported	\$	47,676,665
Prior period adjustment		2,000,000
Beginning fund balance as restated	\$	49,676,665

**NOTE S – OTHER INFORMATION**

**Covid-19 and CARES Act**

In late January 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 pandemic) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally. In addition, on March 6, 2020, the Governor of Utah declared a state of emergency to protect and preserve public health and safety. On March 16, 2020, the Utah Department of Health issued a public health emergency and limited operations of some services and businesses.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO BASIC FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2020**

**NOTE S – OTHER INFORMATION, Continued**

**Covid-19 and CARES Act, Continued**

The full impact of the COVID-19 pandemic continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity, and future results of operations. The City's management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 pandemic and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 pandemic on its results of operations, financial condition, or liquidity for fiscal year 2021 and future years.

In subsequent months, the administrations of the City and the State of Utah extended emergency declarations and refined emergency orders to allow for a measured expansion of economic and social activities within the City and the State. Previously closed municipal facilities, businesses, recreational, cultural, and civic facilities have reopened with some restrictions and new measures designed to preserve the health of patrons and the public.

The City was deliberate in revising projections between the Tentative and Final Budgets filed with the State of Utah for fiscal year 2021. The City quickly activated its recession plan during the fiscal year 2021 budget cycle to impose a series of stringent expenditure reductions. The revised projections took the following into consideration:

**Sales Tax** – The City projects a 43.0 percent sales tax shortfall for fiscal year 2021, with significant impacts coming from anticipated reductions in winter air travel and consumer spending due to COVID-19. This updated General Fund projection results in a shortfall of nearly \$550,000 compared to the fiscal 2021 Original Budget. In order to bridge the shortfall during the last budget cycle, a balanced approach between operating cuts, capital deferment, and fund balance utilization was employed. However, since the General Fund was able to add an additional \$1.3 million sales tax revenue in the first quarter of fiscal year 2021 that outpaced estimates, the shortfall is not necessarily an immediate operational concern.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions appropriating funds from programs of the United States Department of the Treasury and Department of Education to be used to make payments for specified uses to states and certain local governments. To date, the City has been awarded \$3.4 million in CARES Act funds passed through the State of Utah to the City. The City expects to use those funds to help defray the costs of emergency response to the pandemic, as well as provide support to individuals, agencies and businesses affected by the COVID-19 emergency, as directed by the US Treasury Department.

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**REQUIRED SUPPLEMENTARY  
INFORMATION (UNAUDITED)**

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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 <sup>1</sup>

	As of calendar year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of its covered 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
	2019	1.1954718	4,505,576	7,721,132	58.35	93.70
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
	2019	4.3953469	288,055	787,616	36.57	98.60
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
	2019	1.3778642	2,212,323	2,376,678	93.08	90.90
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
	2019	0.6951133	156,336	9,661,859	1.62	96.50
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
	2019	0.1264583	11,895	208,446	5.71	89.60

<sup>1</sup> 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 <sup>1</sup>

	As of fiscal year ended June 30,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll <sup>2</sup>
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
	2020	1,279,250	1,279,250	-	6,988,178	18.31
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
	2020	98,228	98,228	-	679,310	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
	2020	741,934	741,934	-	2,438,344	30.43
Tier 2 Public Employees System <sup>3</sup>	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
	2020	1,568,428	1,568,428	-	10,015,507	15.66
Tier 2 Public Safety and Firefighter System <sup>3</sup>	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
	2020	53,529	53,529	-	231,425	23.13
Tier 2 Public Employees DC Only System <sup>3</sup>	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
	2020	108,323	108,323	-	1,619,186	6.69
Tier 2 Public Safety and Firefighter DC Only System <sup>3</sup>	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
	2020	9,069	9,069	-	76,665	11.83

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

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

<sup>3</sup> 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, 2020**

**Note 1. Changes in Assumptions**

As a result of the passage of SB 129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier 1 Public Safety and Firefighter Systems, except for a 10% load at first eligibility for unreduced retirement prior to age 65.

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**SUPPLEMENTARY  
INFORMATION**

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# 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, 2020**

	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	
<b>ASSETS</b>									
Cash, cash equivalents and investments	\$ 1,039,374	\$ 1,282,132	\$ 2,321,506	\$ 2,616,543	\$ 736,901	\$ 450,157	\$ 1,584,572	\$ 5,388,173	\$ 7,709,679
Taxes	3,591,697	1,309,057	4,900,754	-	-	-	-	-	4,900,754
Accounts	163	92	255	190	50	30	-	270	525
Total assets	<u>\$ 4,631,234</u>	<u>\$ 2,591,281</u>	<u>\$ 7,222,515</u>	<u>\$ 2,616,733</u>	<u>\$ 736,951</u>	<u>\$ 450,187</u>	<u>\$ 1,584,572</u>	<u>\$ 5,388,443</u>	<u>\$ 12,610,958</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 2,504	\$ 16,310	\$ 18,814	\$ -	\$ -	\$ -	\$ 153,333	\$ 153,333	\$ 172,147
Total liabilities	<u>2,504</u>	<u>16,310</u>	<u>18,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,333</u>	<u>153,333</u>	<u>172,147</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue-property tax	3,581,608	1,300,000	4,881,608	-	-	-	-	-	4,881,608
Total deferred inflow of resources	<u>3,581,608</u>	<u>1,300,000</u>	<u>4,881,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,881,608</u>
Total liabilities and deferred inflows of resources	<u>3,584,112</u>	<u>1,316,310</u>	<u>4,900,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,333</u>	<u>153,333</u>	<u>5,053,755</u>
<b>FUND BALANCES</b>									
Committed:									
Capital projects funds	-	-	-	2,616,733	736,951	450,187	1,431,239	5,235,110	5,235,110
Economic development	1,047,122	1,274,971	2,322,093	-	-	-	-	-	2,322,093
Total fund balances	<u>\$ 1,047,122</u>	<u>\$ 1,274,971</u>	<u>\$ 2,322,093</u>	<u>\$ 2,616,733</u>	<u>\$ 736,951</u>	<u>\$ 450,187</u>	<u>\$ 1,431,239</u>	<u>\$ 5,235,110</u>	<u>\$ 7,557,203</u>
Total liabilities and fund balances	<u>\$ 4,631,234</u>	<u>\$ 2,591,281</u>	<u>\$ 7,222,515</u>	<u>\$ 2,616,733</u>	<u>\$ 736,951</u>	<u>\$ 450,187</u>	<u>\$ 1,584,572</u>	<u>\$ 5,388,443</u>	<u>\$ 12,610,958</u>

**Park City Municipal Corporation**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>					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	
<b>REVENUES</b>									
Taxes and special assessments	\$ 825,911	\$ 298,041	\$ 1,123,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,123,952
Intergovernmental	2,765,007	997,788	3,762,795	-	-	-	-	-	3,762,795
Investment income	41,840	20,392	62,232	43,736	13,386	7,710	-	64,832	127,064
Total revenues	<u>3,632,758</u>	<u>1,316,221</u>	<u>4,948,979</u>	<u>43,736</u>	<u>13,386</u>	<u>7,710</u>	<u>-</u>	<u>64,832</u>	<u>5,013,811</u>
<b>EXPENDITURES</b>									
Capital outlay	-	-	-	30,815	173	-	1,945,998	1,976,986	1,976,986
Economic development	602,975	258,586	861,561	-	-	-	-	-	861,561
Total expenditures	<u>602,975</u>	<u>258,586</u>	<u>861,561</u>	<u>30,815</u>	<u>173</u>	<u>-</u>	<u>1,945,998</u>	<u>1,976,986</u>	<u>2,838,547</u>
Excess (deficiency) of revenues over expenditures	<u>3,029,783</u>	<u>1,057,635</u>	<u>4,087,418</u>	<u>12,921</u>	<u>13,213</u>	<u>7,710</u>	<u>(1,945,998)</u>	<u>(1,912,154)</u>	<u>2,175,264</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Sale of capital assets	-	-	-	-	-	-	179,548	179,548	179,548
Transfers in	-	-	-	3,592,532	690,000	-	1,285,600	5,568,132	5,568,132
Transfers out	(3,592,532)	(690,000)	(4,282,532)	(2,769,715)	(805,006)	-	-	(3,574,721)	(7,857,253)
Total other financing sources (uses)	<u>(3,592,532)</u>	<u>(690,000)</u>	<u>(4,282,532)</u>	<u>822,817</u>	<u>(115,006)</u>	<u>-</u>	<u>1,465,148</u>	<u>2,172,959</u>	<u>(2,109,573)</u>
Net change in fund balances	(562,749)	367,635	(195,114)	835,738	(101,793)	7,710	(480,850)	260,805	65,691
Fund balances - beginning	1,609,871	907,336	2,517,207	1,780,995	838,744	442,477	1,912,089	4,974,305	7,491,512
Fund balances - ending	<u>\$ 1,047,122</u>	<u>\$ 1,274,971</u>	<u>\$ 2,322,093</u>	<u>\$ 2,616,733</u>	<u>\$ 736,951</u>	<u>\$ 450,187</u>	<u>\$ 1,431,239</u>	<u>\$ 5,235,110</u>	<u>\$ 7,557,203</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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 9,750,207	\$ 9,750,207	\$ 15,439,343	\$ 5,689,136
Intergovernmental	2,390,000	4,640,505	4,593,988	(46,517)
Charges for services	-	-	113,087	113,087
Investment income	20,000	20,123	937,126	917,003
Impact fees	355,000	439,880	456,053	16,173
Rental and other	173,000	173,000	60	(172,940)
Miscellaneous	486,487	486,487	456,513	(29,974)
Total revenues	<u>13,174,694</u>	<u>15,510,202</u>	<u>21,996,170</u>	<u>6,485,968</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Land and building acquisition	12,259,987	25,046,030	5,142,970	19,903,060
Street and storm drain improvements	28,948,000	4,411,294	1,065,792	3,345,502
Building renovation and construction	2,652,845	9,865,743	1,494,518	8,371,225
Improvements other than building	895,500	32,190,623	6,915,229	25,275,394
City parks and cemetery improvements	150,000	901,639	-	901,639
Equipment	967,362	1,717,059	612,411	1,104,648
Total expenditures	<u>45,873,694</u>	<u>74,132,388</u>	<u>15,230,920</u>	<u>58,901,468</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,699,000)</u>	<u>(58,622,186)</u>	<u>6,765,250</u>	<u>65,387,436</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issuance	8,000,000	8,000,000	-	(8,000,000)
Sale of capital assets	20,000,000	7,500,000	4,255,251	(3,244,749)
Transfers in	2,436,030	4,868,786	4,868,732	(54)
Transfers out	(5,745,118)	(3,682,118)	(3,682,118)	-
Total other financing sources (uses)	<u>24,690,912</u>	<u>16,686,668</u>	<u>5,441,865</u>	<u>(11,244,803)</u>
Net change in fund balances	(8,008,088)	(41,935,518)	12,207,115	54,142,633
Fund balances - beginning, as restated	49,676,665	49,676,665	49,676,665	-
Fund balances - ending	<u>\$ 41,668,577</u>	<u>\$ 7,741,147</u>	<u>\$ 61,883,780</u>	<u>\$ 54,142,633</u>

**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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 614,895	\$ 614,895
Total revenues	-	-	614,895	614,895
<b>EXPENDITURES</b>				
Debt service:				
Interest	1,662,565	2,813,315	2,802,890	10,425
Principal retirement	3,375,000	4,625,000	4,625,000	-
Total expenditures	5,037,565	7,438,315	7,427,890	10,425
Excess (deficiency) of revenues over (under) expenditures	(5,037,565)	(7,438,315)	(6,812,995)	625,320
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,419,316	7,419,316	7,419,316	-
Transfers out	-	(217,039)	(217,039)	-
Total other financing sources (uses)	7,419,316	7,202,277	7,202,277	-
Net change in fund balances	2,381,751	(236,038)	389,282	625,320
Fund balances - beginning	25,749,910	25,749,910	25,749,910	-
Fund balances - ending	\$ 28,131,661	\$ 25,513,872	\$ 26,139,192	\$ 625,320



**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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 6,036,374	\$ 9,284,937	\$ 9,281,384	\$ (3,553)
Investment income	-	-	3,651	3,651
Miscellaneous	45,967	45,967	43,185	(2,782)
Total revenues	<u>6,082,341</u>	<u>9,330,904</u>	<u>9,328,220</u>	<u>(2,684)</u>
<b>EXPENDITURES</b>				
Debt service:				
Interest	1,532,335	3,552,000	3,366,436	185,564
Principal retirement	3,775,000	12,620,000	4,650,000	7,970,000
Bond issuance costs	-	128,219	118,027	10,192
Total expenditures	<u>5,307,335</u>	<u>16,300,219</u>	<u>8,134,463</u>	<u>8,165,756</u>
Excess of revenues over expenditures	<u>775,006</u>	<u>(6,969,315)</u>	<u>1,193,757</u>	<u>8,163,072</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issuance	-	4,000,000	4,000,000	-
Refunding bonds issued	-	5,470,000	5,470,000	-
Payment to refunded bondholders	-	-	(7,245,000)	(7,245,000)
Premium on debt issuance	-	1,298,465	1,206,669	(91,796)
Premium on refunding bonds issued	-	-	91,796	91,796
Transfers out	-	(4,651,693)	(4,651,693)	-
Total other financing sources (uses)	<u>-</u>	<u>6,116,772</u>	<u>(1,128,228)</u>	<u>(7,245,000)</u>
Net change in fund balances	775,006	(852,543)	65,529	918,072
Fund balances - beginning	1,536,750	1,536,750	1,536,750	-
Fund balances - ending	<u>\$ 2,311,756</u>	<u>\$ 684,207</u>	<u>\$ 1,602,279</u>	<u>\$ 918,072</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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 732,000	\$ 1,052,000	\$ 825,911	\$ (226,089)
Intergovernmental	2,215,000	3,900,000	2,765,007	(1,134,993)
Investment income	-	-	41,840	41,840
Total revenues	<u>2,947,000</u>	<u>4,952,000</u>	<u>3,632,758</u>	<u>(1,319,242)</u>
<b>EXPENDITURES</b>				
Economic development	708,968	708,968	602,975	105,993
Excess (deficiency) of revenues over expenditures	<u>2,238,032</u>	<u>4,243,032</u>	<u>3,029,783</u>	<u>(1,213,249)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(2,092,532)	(3,592,532)	(3,592,532)	-
Net change in fund balances	145,500	650,500	(562,749)	(1,213,249)
Fund balances - beginning	1,609,871	1,609,871	1,609,871	-
Fund balances - ending	<u>\$ 1,755,371</u>	<u>\$ 2,260,371</u>	<u>\$ 1,047,122</u>	<u>\$ (1,213,249)</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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 315,000	\$ 315,000	\$ 298,041	\$ (16,959)
Intergovernmental	880,000	880,000	997,788	117,788
Investment income	-	-	20,392	20,392
Total revenues	<u>1,195,000</u>	<u>1,195,000</u>	<u>1,316,221</u>	<u>121,221</u>
<b>EXPENDITURES</b>				
Economic development	455,000	455,000	258,586	196,414
Excess of revenues over expenditures	<u>740,000</u>	<u>740,000</u>	<u>1,057,635</u>	<u>317,635</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(690,000)	(690,000)	(690,000)	-
Net change in fund balances	50,000	50,000	367,635	317,635
Fund balances - beginning	907,336	907,336	907,336	-
Fund balances - ending	<u>\$ 957,336</u>	<u>\$ 957,336</u>	<u>\$ 1,274,971</u>	<u>\$ 317,635</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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 43,735	\$ 43,735
<b>EXPENDITURES</b>				
Capital outlay:				
Land and building acquisition	-	16,024	(9,862)	25,886
Street and storm drain improvements	30,000	69,845	-	69,845
Building renovation and construction	-	1,257,497	21,023	1,236,474
Improvements other than building	3,005,000	415,844	9,676	406,168
City parks and cemetery improvements	100,000	552,226	9,978	542,248
Total expenditures	<u>3,135,000</u>	<u>2,311,436</u>	<u>30,815</u>	<u>2,280,621</u>
Excess of revenues over expenditures	<u>(3,135,000)</u>	<u>(2,311,436)</u>	<u>12,920</u>	<u>2,324,356</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,092,532	3,592,532	3,592,532	-
Transfers out	<u>(706,715)</u>	<u>(2,769,715)</u>	<u>(2,769,715)</u>	-
Total other financing sources (uses)	<u>1,385,817</u>	<u>822,817</u>	<u>822,817</u>	-
Net change in fund balances	(1,749,183)	(1,488,619)	835,737	2,324,356
Fund balances - beginning	1,780,995	1,780,995	1,780,995	-
Fund balances - ending	<u>\$ 31,812</u>	<u>\$ 292,376</u>	<u>\$ 2,616,732</u>	<u>\$ 2,324,356</u>

**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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 13,386	\$ 13,386
<b>EXPENDITURES</b>				
Capital outlay:				
Improvements other than building	30,000	356,426	173	356,253
Equipment	-	11,718	-	11,718
Total expenditures	30,000	368,144	173	367,971
Excess of revenues over expenditures	(30,000)	(368,144)	13,213	381,357
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	690,000	690,000	690,000	-
Transfers out	(805,006)	(805,006)	(805,006)	-
Total other financing sources (uses)	(115,006)	(115,006)	(115,006)	-
Net change in fund balances	(145,006)	(483,150)	(101,793)	381,357
Fund balances - beginning	838,744	838,744	838,744	-
Fund balances - ending	\$ 693,738	\$ 355,594	\$ 736,951	\$ 381,357

**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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 7,710	\$ 7,710
Excess of revenues over expenditures	-	-	7,710	7,710
Net change in fund balances	-	-	7,710	7,710
Fund balances - beginning	442,477	442,477	442,477	-
Fund balances - ending	<u>\$ 442,477</u>	<u>\$ 442,477</u>	<u>\$ 450,187</u>	<u>\$ 7,710</u>

**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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
Capital outlay:				
Equipment	\$ 1,285,600	\$ 3,063,723	\$ 1,945,998	\$ 1,117,725
Excess (deficiency) of revenues over (under) expenditures	(1,285,600)	(3,063,723)	(1,945,998)	1,117,725
<b>OTHER FINANCING SOURCES</b>				
Sale of capital assets	-	18,000	179,548	161,548
Transfers in	1,285,600	1,285,600	1,285,600	-
Total other financing sources	1,285,600	1,303,600	1,465,148	161,548
Net change in fund balances	-	(1,760,123)	(480,850)	1,279,273
Fund balances - beginning	1,912,089	1,912,089	1,912,089	-
Fund balances - ending	\$ 1,912,089	\$ 151,966	\$ 1,431,239	\$ 1,279,273

# 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, 2020**

	Fleet Services Fund	Self- Insurance Fund	Total Internal Service Funds
<b>ASSETS</b>			
Current assets:			
Cash, cash equivalents and investments	\$ 1,158,552	\$ 1,732,190	\$ 2,890,742
Accounts receivable	46,646	660	47,306
Inventories	197,069	-	197,069
Total current assets	<u>1,402,267</u>	<u>1,732,850</u>	<u>3,135,117</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>1,402,267</u>	<u>1,732,850</u>	<u>3,135,117</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	89,819	-	89,819
Total deferred outflows of resources	<u>89,819</u>	<u>-</u>	<u>89,819</u>
Total assets and deferred outflows of resources	<u>\$ 1,492,086</u>	<u>\$ 1,732,850</u>	<u>\$ 3,224,936</u>
 <b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	105,727	301,023	406,750
Accrued liabilities	23,183	-	23,183
Compensated absences	30,823	-	30,823
Total current liabilities	<u>159,733</u>	<u>301,023</u>	<u>460,756</u>
Noncurrent liabilities:			
Net pension liability	232,288	-	232,288
Compensated absences	28,201	-	28,201
Total noncurrent liabilities	<u>260,489</u>	<u>-</u>	<u>260,489</u>
Total liabilities	<u>420,222</u>	<u>301,023</u>	<u>721,245</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	262,015	-	262,015
Total deferred inflows of resources	<u>262,015</u>	<u>-</u>	<u>262,015</u>
Total liabilities and deferred inflows of resources	<u>682,237</u>	<u>301,023</u>	<u>983,260</u>
 <b>NET POSITION</b>			
Unrestricted	809,849	1,431,827	2,241,676
Total net position	<u>\$ 809,849</u>	<u>\$ 1,431,827</u>	<u>\$ 2,241,676</u>

**Park City Municipal Corporation**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2020**

	Fleet Services Fund	Self- Insurance Fund	Total Internal Service Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,725,000	\$ 1,561,651	\$ 4,286,651
Total operating revenues	<u>2,725,000</u>	<u>1,561,651</u>	<u>4,286,651</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	1,016,050	-	1,016,050
Supplies, maintenance and services	912,032	1,478,388	2,390,420
Energy and utilities	868,833	-	868,833
Total operating expenses	<u>2,796,915</u>	<u>1,478,388</u>	<u>4,275,303</u>
Operating income (loss)	<u>(71,915)</u>	<u>83,263</u>	<u>11,348</u>
Change in net position	<u>(71,915)</u>	<u>83,263</u>	<u>11,348</u>
Total net position - beginning	881,764	1,348,564	2,230,328
Total net position - ending	<u>\$ 809,849</u>	<u>\$ 1,431,827</u>	<u>\$ 2,241,676</u>

**Park City Municipal Corporation  
Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2020**

	Fleet Services Fund	Self- Insurance Fund	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 2,744,395	\$ 1,592,534	\$ 4,336,929
Payments to employees	(1,004,053)	-	(1,004,053)
Payments to suppliers	(1,738,425)	(1,470,177)	(3,208,602)
Net cash provided by operating activities	1,917	122,357	124,274
Net increase in cash and cash equivalents	1,917	122,357	124,274
Balances - beginning of year	1,156,635	1,609,833	2,766,468
Balances - end of the year	\$ 1,158,552	\$ 1,732,190	\$ 2,890,742
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating Income	\$ (71,915)	\$ 83,263	\$ 11,348
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Pension related	7,142	-	7,142
Changes in assets and liabilities:			
Accounts receivable	19,395	30,883	50,278
Inventory	20,453	-	20,453
Accounts and other payables	21,987	8,211	30,198
Accrued liabilities	11,249	-	11,249
Compensated absences	(6,394)	-	(6,394)
Net cash provided by operating activities	\$ 1,917	\$ 122,357	\$ 124,274

**STATISTICAL SECTION**  
**(Unaudited)**

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.

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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									
	2011	2012 (1)	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019 (1)	2020
<b>Governmental activities</b>										
Net investment in capital assets	\$ 133,919,927	\$ 136,071,293	\$ 142,887,371	\$ 150,053,024	\$ 159,315,342	\$ 169,437,708	\$ 182,684,418	\$ 190,028,413	\$ 198,327,763	\$ 213,716,372
Restricted	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	9,015,764
Unrestricted	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)	52,175,273	56,427,139
<b>Total governmental activities net position</b>	<b>\$ 177,742,216</b>	<b>\$ 180,997,268</b>	<b>\$ 185,768,525</b>	<b>\$ 188,394,431</b>	<b>\$ 197,545,927</b>	<b>\$ 211,988,819</b>	<b>\$ 221,983,330</b>	<b>\$ 241,730,960</b>	<b>\$ 257,756,611</b>	<b>\$ 279,159,275</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 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	\$ 117,863,860
Restricted	2,213,200 (2)	449,859 (2)	- (2)	- (2)	- (2)	- (2)	- (2)	- (2)	-	-
Unrestricted	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	12,098,879
<b>Total business-type activities net position</b>	<b>\$ 72,609,109</b>	<b>\$ 79,596,293</b>	<b>\$ 81,776,146</b>	<b>\$ 84,580,711</b>	<b>\$ 90,280,000</b>	<b>\$ 91,750,666</b>	<b>\$ 117,549,435</b>	<b>\$ 122,858,824</b>	<b>\$ 128,497,277</b>	<b>\$ 129,962,739</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 185,157,637	\$ 192,939,010	\$ 200,625,551	\$ 208,942,336	\$ 220,380,226	\$ 233,610,613	\$ 273,727,467	\$ 294,285,169	\$ 311,830,787	\$ 331,580,232
Restricted	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	9,015,764
Unrestricted	59,170,540	66,522,774	66,210,038	57,119,569	59,979,971	63,767,697	59,427,084	63,642,799	67,169,526	68,526,018
<b>Total primary government net position</b>	<b>\$ 250,351,325</b>	<b>\$ 260,593,561</b>	<b>\$ 267,544,671</b>	<b>\$ 272,975,142</b>	<b>\$ 287,825,927</b>	<b>\$ 303,739,485</b>	<b>\$ 339,532,765</b>	<b>\$ 364,589,784</b>	<b>\$ 386,253,888</b>	<b>\$ 409,122,014</b>

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									
	2011	2012 (1)	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019	2020
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 22,198,830
Public safety	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	7,438,463
Public works	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	6,794,406
Library and recreation	3,146,783	3,707,452	4,194,025	4,408,912	4,618,338	5,671,823	5,843,178	5,726,489	5,729,844	5,556,544
Interest on long-term debt	2,039,807	1,812,222	1,588,388	1,552,101	1,285,952	1,456,433	1,366,939	2,537,159	3,558,591	9,041,292
Total governmental activities expenses	<u>31,125,975</u>	<u>33,807,479</u>	<u>33,423,756</u>	<u>36,009,826</u>	<u>37,375,073</u>	<u>39,599,428</u>	<u>42,637,152</u>	<u>44,003,209</u>	<u>46,721,147</u>	<u>51,029,535</u>
Business-type activities:										
Water	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	17,145,476
Stormwater	-	-	-	-	-	-	1,162,202 (9)	921,138	1,470,837	1,276,945
Transportation and parking	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	23,485,955
Golf course	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	1,578,559
Total business-type activities expenses	<u>18,893,620</u>	<u>20,466,878</u>	<u>22,005,063</u>	<u>23,499,302</u>	<u>24,186,666</u>	<u>26,277,307</u>	<u>29,642,649</u>	<u>35,382,919</u>	<u>39,058,683</u>	<u>43,486,935</u>
Total primary government expenses	<u>\$ 50,019,595</u>	<u>\$ 54,274,357</u>	<u>\$ 55,428,819</u>	<u>\$ 59,509,128</u>	<u>\$ 61,561,739</u>	<u>\$ 65,876,735</u>	<u>\$ 72,279,801</u>	<u>\$ 79,386,128</u>	<u>\$ 85,779,830</u>	<u>\$ 94,516,470</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 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	\$ 7,004,032
Public safety	2,700	6,593	12,313	100	-	3,996	9,685	2,880	10	-
Public works	219,843	222,708	246,390	190,022	224,820	200,761	174,917	189,117	129,171	113,087
Library and recreation	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	1,831,546
Operating grants and contributions	126,759	151,111	350,352	165,147	121,866	145,704	187,166	161,075	195,542	344,543
Capital grants and contributions	649,032	1,476,472	1,073,924	1,879,881	2,479,239	324,650	2,652,254	9,028,885	1,608,966	4,636,167
Total governmental activities program revenues	<u>3,793,811</u>	<u>5,071,756</u>	<u>5,358,984</u>	<u>7,452,226</u>	<u>8,754,913</u>	<u>5,705,095</u>	<u>7,946,312</u>	<u>15,462,657</u>	<u>8,784,711</u>	<u>13,929,375</u>
Business-type activities:										
Charges for services										
Water	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	18,538,414
Stormwater	-	-	-	-	-	-	979,419 (9)	1,277,767	1,572,044	1,437,517
Transportation and parking	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	8,210,423
Golf course	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	1,232,521
Operating grants and contributions	-	3,681,732	-	1,649,174	1,602,990	-	2,813,864	2,307,083	-	5,586,097
Capital grants and contributions	6,367,580	4,856,335	2,373,881	3,353,572	4,186,198	1,956,426	14,612,633	2,439,682	6,524,981	2,286,289
Total business-type activities program revenues	<u>19,158,321</u>	<u>22,974,782</u>	<u>19,696,550</u>	<u>23,125,475</u>	<u>25,327,550</u>	<u>22,799,983</u>	<u>42,024,201</u>	<u>34,941,795</u>	<u>38,949,028</u>	<u>37,291,261</u>
Total primary government program revenues	<u>\$ 22,952,132</u>	<u>\$ 28,046,538</u>	<u>\$ 25,055,534</u>	<u>\$ 30,577,701</u>	<u>\$ 34,082,463</u>	<u>\$ 28,505,078</u>	<u>\$ 49,970,513</u>	<u>\$ 50,404,452</u>	<u>\$ 47,733,739</u>	<u>\$ 51,220,636</u>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (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)	\$ (37,100,160)
Business-type activities	264,701	2,507,904	(2,308,513)	(373,827)	1,140,884	(3,477,324)	12,381,552	(441,124)	(109,655)	(6,195,674)
Total primary government net expense	<u>\$ (27,067,463)</u>	<u>\$ (26,227,819)</u>	<u>\$ (30,373,285)</u>	<u>\$ (28,931,427)</u>	<u>\$ (27,479,276)</u>	<u>\$ (37,371,657)</u>	<u>\$ (22,309,288)</u>	<u>\$ (28,981,676)</u>	<u>\$ (38,046,091)</u>	<u>\$ (43,295,834)</u>

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

	Fiscal Year									
	2011	2012 (1)	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property tax, levied for general purposes	\$ 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	\$ 17,445,636
Property tax, levied for debt service	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	9,281,384
General sales and use tax	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	6,389,540
Franchise tax	2,906,982	2,816,070	3,037,407	3,158,716	3,061,207	3,185,820	3,194,392	3,147,847	3,230,881	3,161,759
Resort tax	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	16,460,084
Investment earnings	399,928	283,191	258,657	348,090	261,735	434,588	582,208	1,122,856	2,297,088	2,041,844
Miscellaneous	1,022,968	944,093	1,203,599	1,594,150	804,286	492,730	4,856,960	1,776,504	2,963,178	2,938,083
Gain/Loss on sale of capital assets	215,705	-	-	-	-	1,328,784	-	-	74,891	69,494
Transfers	(168,969)	-	-	-	715,000	715,000	(7,534,613)	715,000	715,000	715,000
Total governmental activities	<u>30,378,531</u>	<u>31,990,775</u>	<u>32,836,029</u>	<u>36,455,289</u>	<u>37,771,656</u>	<u>40,970,638</u>	<u>37,543,324</u>	<u>48,288,182</u>	<u>53,962,087</u>	<u>58,502,824</u>
Business-type activities:										
General sales and use tax	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	7,560,305
Investments earnings	438,221	247,058	196,237	358,535	367,709	327,289	402,924	372,627	581,900	243,778
Miscellaneous	402,326	434,097	423,865	497,745	506,817	458,603	456,419	475,021	468,998	562,355
Gain/Loss on sale of capital assets	-	-	-	-	-	-	-	-	(716,121)	9,698
Transfers	168,969	-	-	-	(715,000)	(715,000)	7,534,613	(715,000)	(715,000)	(715,000)
Total business-type activities	<u>4,512,956</u>	<u>4,479,280</u>	<u>4,488,366</u>	<u>4,875,413</u>	<u>4,558,405</u>	<u>4,947,990</u>	<u>13,627,150</u>	<u>5,750,513</u>	<u>5,748,108</u>	<u>7,661,136</u>
Total primary government	<u>\$ 34,891,487</u>	<u>\$ 36,470,055</u>	<u>\$ 37,324,395</u>	<u>\$ 41,330,702</u>	<u>\$ 42,330,061</u>	<u>\$ 45,918,628</u>	<u>\$ 51,170,474</u>	<u>\$ 54,038,695</u>	<u>\$ 59,710,195</u>	<u>\$ 66,163,960</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 3,046,367 (2)	\$ 3,255,052	\$ 4,771,257	\$ 7,897,689 (3)	\$ 9,151,496	\$ 7,076,305 (6)	\$ 2,852,484 (10)	\$ 19,747,630 (13)	\$ 16,025,651	\$ 21,402,664 (15)
Adjustment to governmental activities net position	-	-	-	(5,271,783) (4)	-	7,366,587 (8)	7,142,027 (12)	-	-	-
Business-type activities	4,777,657	6,987,184	2,179,853	4,501,586	5,699,289	1,470,666 (7)	26,008,702 (11)	5,309,389 (14)	5,638,453	1,465,462 (16)
Adjustment to business-type activities net position	-	-	-	(1,697,021) (4)	-	-	(209,933) (12)	-	-	-
Total primary government	<u>\$ 7,824,024</u>	<u>\$ 10,242,236</u>	<u>\$ 6,951,110</u>	<u>\$ 5,430,471</u>	<u>\$ 14,850,785 (5)</u>	<u>\$ 15,913,558</u>	<u>\$ 35,793,280</u>	<u>\$ 25,057,019</u>	<u>\$ 21,664,104</u>	<u>\$ 22,868,126</u>

Notes:

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

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	494,360	\$ 24,011
Interfund loan	-	-	-	-	-	-	-	86,867	55,761	24,107
Inventory	-	-	-	-	-	-	-	50,719	30,226	40,468
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	7,811,877
Restricted - Drug and tobacco enforcement	31,258	36,517	47,776	46,402	47,201	48,640	59,674	57,571	58,940	58,940
Total general fund	<u>\$ 4,240,278</u>	<u>\$ 4,048,142</u>	<u>\$ 5,562,903</u>	<u>\$ 6,717,118</u>	<u>\$ 6,883,394</u>	<u>\$ 6,828,314</u>	<u>\$ 7,556,951</u>	<u>\$ 7,925,390</u>	<u>\$ 9,344,706</u>	<u>\$ 7,959,403</u>
Restricted for:										
Capital projects	\$ 4,490,602 (1)	\$ 1,261,260	\$ 708,350	\$ 6,866,835	\$ 12,779,745	\$ 7,872,086	\$ 7,545,300	\$ 12,804,288	\$ 31,699,288	\$ 33,778,218
Debt service	1,489	2,410	817	952	88,037	2,496	3,816	11,900	652,977	490,581
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	47,456,335 (2)	58,162,066
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	2,429,496
Special revenue funds	-	-	-	-	-	516,758	785,600	1,591,335	2,517,207	2,322,093
Total all other governmental funds	<u>\$ 40,565,756</u>	<u>\$ 34,612,763</u>	<u>\$ 33,660,551</u>	<u>\$ 40,766,656</u>	<u>\$ 44,987,036</u>	<u>\$ 45,057,295</u>	<u>\$ 38,778,083</u>	<u>\$ 55,139,889</u>	<u>\$ 84,454,837</u>	<u>\$ 97,182,454</u>

Notes:  
(1) Fiscal year 2011- Implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions.  
(2) Fiscal year 2020 - Capital asset adjustment, required restatement of fiscal year 2019.



**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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes and special assessments	\$ 28,939,586	\$ 30,705,261	\$ 31,399,695	\$ 34,486,284	\$ 33,269,379	\$ 35,194,462	\$ 36,830,205	\$ 41,592,343	\$ 44,639,055	\$ 49,004,820
Licenses and permits	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	5,776,248
Intergovernmental	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	8,693,506
Charges for services	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	2,687,766
Fines and forfeitures	28,833	29,404	35,342	21,648	14,206	26,902	42,834	35,327	23,108	22,313
Investment income	399,928	283,191	258,657	348,090	261,735	434,588	582,208	1,122,856	2,297,089	2,041,844
Impact fees	191,521	133,421	201,235	397,737	817,666	425,365	308,786	432,381	620,441	456,053
Rental and other miscellaneous	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	1,305,612
Total revenues	<u>35,033,745</u>	<u>37,222,327</u>	<u>38,239,257</u>	<u>43,790,894</u>	<u>47,679,704</u>	<u>45,497,098</u>	<u>51,430,667</u>	<u>57,510,047</u>	<u>60,162,813</u>	<u>69,988,162</u>
<b>Expenditures</b>										
General government	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	18,616,889
Public safety	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	6,998,527
Public works	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	5,782,998
Library and recreation	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	4,273,728
Debt Service										
Principal retirement	5,349,796	5,424,637	4,664,880	5,220,496	18,086,533	5,118,024	4,850,000	8,625,000	6,905,000	9,275,000
Interest	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	6,169,326
Bond issuance costs	51,663	-	-	123,931	503,979	-	155,239	223,553	529,457	118,027
Capital outlay	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	17,207,904
Economic development	-	-	-	-	405,435	951,268	864,697	870,588	878,578	861,560
Total expenditures	<u>42,256,836</u>	<u>47,649,884</u>	<u>38,913,294</u>	<u>45,661,512</u>	<u>73,960,780</u>	<u>48,468,927</u>	<u>89,581,374</u>	<u>84,113,649</u>	<u>115,031,681</u>	<u>69,303,959</u>
Revenues (under) expenditures	(7,223,091)	(10,427,557)	(674,037)	(1,870,618)	(26,281,076)	(2,971,829)	(38,150,707)	(26,603,602)	(54,868,868)	684,203
<b>Other financing sources (uses)</b>										
Debt issuance	-	-	-	7,170,000	16,975,000	-	25,000,000	31,940,000	70,775,000	4,000,000
Refunding bonds issued	1,525,000	-	-	1,930,000	10,110,000	-	-	-	4,290,000	5,470,000
Payment to refunded bondholders	(2,655,000)	-	-	(1,930,000)	-	-	-	-	(4,675,000)	(7,245,000)
Premium on debt issuance	-	-	-	92,774	773,546	-	2,863,698	3,287,871	9,840,127	1,206,669
Premium on refunding bonds	33,592	-	-	50,769	673,841	-	-	-	482,659	91,796
Payment received on note	-	-	-	1,375,000	-	-	-	-	-	-
Sale of capital assets	1,124,436	2,290,798	17,586	146,554	23,811	755,648	2,363,887	5,553,794	241,682	4,434,799
Transfers in	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	20,581,027
Transfers out	(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)	(17,881,180)
Total other financing sources	<u>2,156,261</u>	<u>4,282,428</u>	<u>1,236,586</u>	<u>10,130,938</u>	<u>30,667,732</u>	<u>2,987,008</u>	<u>32,600,132</u>	<u>43,333,847</u>	<u>83,603,132</u>	<u>10,658,111</u>
Net change in fund balances	\$ <u>(5,066,830)</u>	\$ <u>(6,145,129)</u>	\$ <u>562,549</u>	\$ <u>8,260,320</u>	\$ <u>4,386,656</u>	\$ <u>15,179</u>	\$ <u>(5,550,575)</u>	\$ <u>16,730,245</u>	\$ <u>28,734,264</u>	\$ <u>11,342,314</u>
Debt Service as a percentage of noncapital expenditures	22.5% (1)	20.5% (1)	18.9% (1)	19.0% (1)	38.3% (1)	16.9% (1)	15.9% (1)	24.4% (1)	22.5%	27.9%

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)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales and Use Tax</b>	<b>Franchise Tax</b>	<b>Resort Tax</b>	<b>Total</b>
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
<b>2020</b>	<b>21,869,486</b>	<b>6,389,540</b>	<b>3,161,759</b>	<b>8,570,948</b>	<b>39,991,733</b>
Change:					
2011-2020	65.5%	61.1%	8.8%	70.7%	59.2%

Note:

(1) Includes general fund, capital improvement fund and debt service funds.

**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>
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
<b>2019</b>	<b>9,197,865</b>	<b>814,250</b>	<b>91,437</b>	<b>10,103,552</b>	<b>11,331,385</b>	<b>0.002125</b>

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 (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>Fee-In-Lieu Value</u>	<u>Total Assessed Value</u>
2010	\$ 5,501,360	\$ 552,927	\$ 344,217	\$ 13,509	\$ 6,412,013
2011	5,858,428	781,086	457,203	12,755 (2)	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
<b>2019</b>	<b>9,197,865</b>	<b>814,250</b>	<b>91,437</b>	<b>15,657</b>	<b>10,119,209</b>

Source: Utah State Tax Commission, Property Tax Division

Notes:

(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.

(2) The State's method of calculating the Fee-In-Lieu was changed in 2011, previous years were recalculated using the new formula.

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

	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Apparel stores	\$ 21,833	\$ 25,919	\$ 24,069	\$ 22,927	\$ 25,777	\$ 35,245	\$ 34,510	\$ 65,299	\$ 67,912	\$ 72,213
Food stores	60,269	64,592	67,066	56,238	57,809	60,862	64,630	67,490	65,618	70,454
Sporting goods, hobby, book and music	35,891	40,163	38,638	40,609	40,524	43,363	45,380	47,282	48,461	51,007
Home furnishings and appliances	21,785	21,745	20,849	12,394	12,730	12,735	14,806	12,250	17,707	14,500
Building materials and farm tools	2,735	2,704	2,819	3,654	3,652	5,695	6,199	4,750	5,000	6,000
Miscellaneous retail stores	26,427	26,894	27,985	25,884	29,162	30,691	31,403	13,044	16,331	29,821
All other outlets	<u>3,698</u>	<u>3,484</u>	<u>3,674</u>	<u>4,452</u>	<u>4,329</u>	<u>4,283</u>	<u>5,240</u>	<u>1,989</u>	<u>3,314</u>	<u>3,875</u>
<b>Total</b>	<b>\$ <u>172,638</u></b>	<b>\$ <u>185,501</u></b>	<b>\$ <u>185,100</u></b>	<b>\$ <u>166,158</u></b>	<b>\$ <u>173,983</u></b>	<b>\$ <u>192,874</u></b>	<b>\$ <u>202,168</u></b>	<b>\$ <u>212,104</u></b>	<b>\$ <u>224,343</u></b>	<b>\$ <u>247,870</u></b>
City direct sales tax rate	2.40 %	2.40 %	2.40 %	2.90 %	2.90 %	2.90 %	2.90 %	3.15 %	3.15 %	3.15 %

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

**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
	Basic Rate	General Obligation Debt Service	Total Direct	Summit County Levy	State Assessment/Collecting	Weber Basin Water	Park City Fire	Park City School	Summit Co. Mosquito Abatement	
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
<b>2019</b>	<b>0.001107</b>	<b>0.001018</b>	<b>0.002125</b>	<b>0.000756</b>	<b>0.000155</b>	<b>0.000153</b>	<b>0.000667</b>	<b>0.004411</b>	<b>0.000027</b>	<b>0.008294</b>

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>
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
<b>2020</b>	<b>3.15</b>	<b>1.05</b>	<b>4.85</b>	<b>9.05</b>

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	2020			2011		
	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)	\$ 158,714,000	1	1.73 %	\$ -	-	- %
Marriott Ownership Resorts	115,931,590	2	1.26	114,503,400	1	1.89
VR CPC Holdings Inc. (Vail Resorts)	35,108,068	3	0.38	-	-	-
Deer Valley Resort	26,261,770	4	0.29	46,545,072	2	0.77
Chateaux at Silver Lake	21,900,400	5	0.24	22,274,969	4	0.37
Redus Park City LLC	20,395,700	6	0.22	-	-	-
Silver Lake Development Corp.	19,540,360	7	0.21	-	-	-
Dahnke Scott (JT)	16,905,512	8	0.18	-	-	-
HA Daisy Yoonhee Trustee	16,630,000	9	0.18 (1)	-	-	-
DVP LLC	16,356,150	10	0.18	-	-	-
Flagstaff Residences, LLC	-	-	-	29,359,000	3	0.48
Silver Lake Associates	-	-	-	19,540,360	5	0.32
DMC Services LLC	-	-	-	16,609,980	6	0.27
Powder Development Company	-	-	-	15,050,268	7	0.25
Wintzer Wolfe Properties	-	-	-	14,349,994	8	0.24
Sunstone Sidewinder LLC	-	-	-	13,259,842	9	0.22
Pacificorp	-	-	-	10,834,760	10	0.18
Totals	\$ <u>447,743,550</u>		<u>4.87 %</u>	\$ <u>302,327,645</u>		<u>4.99 %</u>

Source: Summit County Treasurer and Park City Finance Department.

Note:

(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
<b>Summit County</b>							
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	45,527	14,953,727	99.88
2017	17,140,149	17,267,457	17,167,415	99.42	50,560	17,217,975	99.71
2018	17,403,473	17,509,334	17,342,944	99.05	28,486	17,371,430	99.21
<b>2019</b>	<b>20,759,599</b>	<b>20,689,208</b>	<b>19,523,979</b>	<b>94.37</b>	-	<b>19,523,979</b>	<b>94.37</b>
<b>Wasatch County</b>							
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 (4)	98.04
2017	639,263	640,331	633,356	98.91	-	633,356 (4)	98.91
2018	626,749	624,919	608,868	97.43	-	608,868 (4)	97.43
<b>2019</b>	<b>729,099</b>	<b>739,991</b>	<b>737,765</b>	<b>99.70</b>	-	<b>737,765</b>	<b>99.70</b>

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.
- (4) Prior year collection data not available for Wasatch County.

**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>
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	45,527	15,524,324	99.81
2017	17,907,788	17,800,771	99.40	50,560	17,851,331	99.68
2018	18,134,253	17,951,812	98.99	28,486	17,980,298	99.15
<b>2019</b>	<b>21,429,199</b>	<b>20,261,744</b>	<b>94.55</b>	-	<b>20,261,744</b>	<b>94.55</b>

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

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		Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds (1)	Sales Tax Increment Bonds (1)	Municipal Building Authority	Contracts Payable	Water Bonds (1)	Contracts Payable			
2011	\$ 36,535,828	\$ 11,964,909 (3)	\$ 244,981	\$ 404,589	\$ 41,653,443	\$ -	\$ 90,803,750	3.87 %	\$ 11,954
2012	33,168,627	10,167,292	-	334,933	44,329,011 (4)	-	87,999,863	3.52	11,660
2013	29,701,426	8,994,028	-	2,760,053	46,853,772 (5)	-	88,309,279	3.17	11,466
2014	33,018,370 (6)	7,785,764	-	2,679,557	48,237,837 (7)	-	91,721,528	3.20	11,650
2015	29,298,159 (8)	24,334,866 (9)	-	93,024	45,184,477	-	98,910,526	3.21	12,275
2016	26,009,111	22,393,581	-	-	42,041,117	-	90,443,809	4.19	11,127
2017	50,485,922 (10)	20,715,393	-	-	38,797,758	-	109,999,073	3.74	13,254
2018	45,273,366	52,003,833 (11)	-	-	35,419,397	-	132,696,597	3.30	15,839
2019	91,632,655 (12)	78,605,090 (13)	-	-	31,906,489	-	202,144,235	2.73	24,414
<b>2020</b>	<b>89,738,177 (14)</b>	<b>73,389,583</b>	-	-	<b>100,237,316 (15)</b>	<b>3,180,985 (16)</b>	266,546,063	<b>2.07</b>	<b>31,403</b>

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 Sales Tax Bonds Series 2010 for \$1.5 million in fiscal year 2011.

(4) The City issued Water Revenue Bonds Series 2012 for \$4.2 million in fiscal year 2012.

(5) The City issued Water Revenue Bonds Series 2012B, 2013A and 2013B for \$8.6 million in fiscal year 2013.

(6) The City issued GO Bonds Series 2013 for \$9.1 million in fiscal year 2014.

(7) The City issued Water Revenue Bonds Series 2014 for \$4.1 million in fiscal year 2014.

(8) The City issued GO Bonds Series 2014 for \$3.4 million in fiscal year 2015.

(9) 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.

(10) The City issued GO Bonds Series 2017 for \$27.8 million in fiscal year 2017.

(11) The City issued Sales Tax Bonds Series 2017 for \$31.9 million, in fiscal year 2018.

(12) The City issued GO Bonds Series 2019 for \$48.3 million in fiscal year 2019.

(13) The City issued Sales Tax Bonds Series 2019 for \$26.8 million, in fiscal year 2019.

(14) The City issued GO Bonds Series 2020 for \$9.5 million in fiscal year 2020.

(15) The City issued Water Revenue Bonds Series 2020 for \$75.5 million in fiscal year 2020.

(16) The City entered into an agreement with Weber Basin Water Conservancy District for \$3.2 million in fiscal year 2020.

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

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Percentage of Actual Property Value (2)</u>	<u>Per Capita (3)</u>
2011	\$ 36,535,828	0.50 %	\$ 4,810
2012	33,168,627	0.42	4,395
2013	29,701,426	0.38	3,856
2014	33,018,370	0.42	4,194
2015	29,298,159	0.36	3,636
2016	26,009,111	0.30	3,200
2017	50,485,922	0.55	6,083
2018	45,273,366	0.47	5,404
2019	91,632,655	0.88	11,067
<b>2020</b>	<b>89,738,177</b>	<b>0.79</b>	<b>10,572</b>

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, 2020**

<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>
<b>Debt repaid with property taxes</b>			
Snyderville Basin Recreation District Tax District	\$ 26,565,000	11.47 %	\$ 3,047,006
Wasatch County	1,025,000	3.96	40,590
Wasatch County School District	93,996,878	3.96	3,722,276
Weber Basin Water Conservancy District	10,870,000	14.63	1,590,281
<b>Other debt</b>			
Summit County	25,736,000	44.50	11,452,520
Wasatch County	6,435,000	3.96	254,826
Subtotal, overlapping debt			20,107,499
City direct debt			<u>163,127,760</u>
Total direct and overlapping			<u>\$ 183,235,259</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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 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	\$ <b>404,142,080</b>
Total net debt applicable to limit	<u>36,535,828</u>	<u>33,168,627</u>	<u>29,701,426</u>	<u>33,018,370</u>	<u>29,298,159</u>	<u>26,009,111</u>	<u>50,485,922</u>	<u>45,273,366</u>	<u>91,632,655</u>	<u><b>89,738,177</b></u>
Legal debt margin	<u>\$ 237,292,263</u>	<u>\$ 232,934,547</u>	<u>\$ 239,313,591</u>	<u>\$ 247,681,144</u>	<u>\$ 264,400,775</u>	<u>\$ 286,807,048</u>	<u>\$ 278,627,402</u>	<u>\$ 300,620,518</u>	<u>\$ 281,455,738</u>	<u><b>\$ 314,403,903</b></u>
Total net debt applicable to the limit as a percentage of debt limit	13.34%	12.46%	11.04%	11.76%	9.98%	8.31%	15.34%	13.09%	24.56%	<b>22.20%</b>

**Legal Debt Margin Calculation for Fiscal Year 2020**

Total assessed value	<u><b>\$ 10,103,552,000</b></u>
Debt limit - 4.0% of total assessed value	<b>\$ 404,142,080</b>
Amount of debt applicable to debt limits:	
General Obligation Bonds 2013A, 2017, 2019 and 2020	<b>89,738,177</b>
Less: Amount available for repayment of general obligation bonds	<u>-</u>
Total net debt applicable to limit	<u><b>89,738,177</b></u>
Legal debt margin	<u><b>\$ 314,403,903</b></u>

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>		
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	
<b>2020</b>	<b>14,960,488</b>	<b>4,625,000</b>	<b>2,792,440</b>	<b>2.0</b>	

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, 2020

		<u>Coverage Ratio</u>	
		<u>Actual</u>	<u>Minimum</u>
Net revenues (change in net position)	\$ 2,599,792		
Add			
Excluded transfer to general fund	1,541,405		
Depreciation and amortization	3,582,658		
Bond interest expense	1,043,990		
<b>Revenues pledged to debt</b>	<b>8,767,845</b>	<b>1.97</b>	<b>1.20</b>

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009A Water Bonds-DEQ	\$ 125,000	\$ -	\$ 125,000
2009B Water Revenue and Refunding Bonds	-	-	-
2009C Water Revenue Bonds	1,900,000	488,609	2,388,609
2010 Water Revenue Bonds	870,000	150,340	1,020,340
2012 Water Revenue Bonds	280,000	57,088	337,088
2012B Water Revenue and Refunding Bonds	-	116,068	116,068
2013A Water Revenue	235,000	29,228	264,228
2014 Water Revenue Bonds	-	115,043	115,043
2020 Water Revenue Bonds	-	87,614	87,614
	<u>\$ 3,410,000</u>	<u>\$ 1,043,990</u>	<u>\$ 4,453,990</u>

Less water development fees and capital contributions collected in fiscal year 2020 (1,777,154)

**Net revenues less development fees and capital contributions** **\$ 6,990,691** **1.57** **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
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
<b>2020</b>	<b>2,599,792</b>	<b>6,990,691</b>	<b>4,453,990</b>	<b>1.57</b>	<b>8,767,845</b>	<b>4,453,990</b>	<b>1.97</b>

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>
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	5,518,624 (2)	131,606 (2)	40.3	4,780	2.7
<b>2020</b>	<b>8,488</b>	<b>5,518,624 (3)</b>	<b>131,606 (3)</b>	<b>39.3</b>	<b>4,816</b>	<b>9.8</b>

Sources:

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

Notes:

- (1) Applies to Summit County.
- (2) Personal Income and Per Capita Personal Income from 2019 was updated by Summit County in October 2020.
- (3) Most recent data for Personal Income and Per Capita Personal Income is 2019.

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

Employer	2020 (1)				2011 (2)			
	Yearly Maximum Employees	Yearly Minimum Employees	Rank	Percentage of Total City Employment (3)	Yearly Maximum Employees	Yearly Minimum Employees	Rank	Percentage of Total City Employment (3)
Royal Street of Utah ET AL (Deer Valley Resort)	2999	2,000	1	12.33 %	2600	750	1	20.38 %
Park City Mountain Resort	1999	1000	2	8.22	1175	120	2	9.21
Montage Hotels & Resorts, LLC	999	500	3	4.11	-	-	-	-
Stein Eriksen Lodge	999	500	4	2.75	520	326	4	4.08
Park City School District	670	669	5	2.75	800	705	3	6.27
Park City Municipal Corporation	656	513	6	4.11	429	393	6	3.91
IHC/Park City Surgical Center	499	250	7	2.05	499	250	5	3.36
High West Saloon, LLC	249	100	8	1.02	-	-	-	-
Hotel Park City	249	100	9	1.02	-	-	-	-
United States Ski & Snowboard Association	249	100	10	1.02	249	100	7	1.95
Premier Resorts of Utah	-	-	-	-	-	-	-	-
Park City Marriott (Olympia Park Hotel)	-	-	-	-	-	-	-	-
Jan's	-	-	-	-	202	93	8	1.58
Fresh Market (Albertson's)	-	-	-	-	155	80	9	1.22
Sunstone Hotel/Marriott Park City	-	-	-	-	140	105	10	1.10
<b>Total</b>	<b>9,568</b>	<b>5,732</b>		<b>39.38 %</b>	<b>6,769</b>	<b>2,922</b>		<b>53.06 %</b>

- 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**

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Full-time Equivalent Employees</b>										
General government										
Executive	4.5	5.1	5.5	5.1	4.0	4.0	4.1	4.6	6.0 (6)	<b>6.0</b>
Finance	6.8	6.8	6.8	6.7	6.7	6.7	6.7	6.6	6.2	<b>6.7</b>
Human resources	6.9	6.9	5.3	5.1	5.1	5.1	5.1	5.1	6.3	<b>6.3</b>
Budget, debt and grants	2.0	2.0	1.3	3.0	3.3	3.3	3.3	3.3	3.5	<b>3.1</b>
Planning	6.0	7.0	7.0	8.0	9.0	9.2	9.7	10.0	10.2	<b>10.2</b>
Building	14.8	13.0	13.0	13.0	15.0	16.0	17.3	17.6	19.2	<b>20.2</b>
Engineering	3.0	2.8	2.7	2.8	2.8	4.0	4.3	4.8	5.5	<b>5.5</b>
Legal	7.8	7.8	7.0	7.0	7.0	7.0	7.0	7.0	7.1	<b>7.1</b>
Sustainability	6.0	9.8	9.7	10.9	11.3	11.3	12.3	13.8	12.8	<b>13.8</b>
I.T.	9.8 (1)	9.8	10.8	9.5	9.5	9.5	9.5	8.5	8.5	<b>8.5</b>
Other	5.5	5.0	5.1	5.0	6.0	6.0	6.0	6.0	7.5	<b>9.9 (7)</b>
Public safety										
Police	34.9	34.0	33.9	34.6	34.0	34.0	36.5	41.1	41.3	<b>43.6</b>
Communication center	10.0	10.0	10.4	10.4	10.4	10.4	10.4	2.5	-	<b>-</b>
Other	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	<b>1.5</b>
Public works										
Transit	81.8	82.5	82.9	80.8	77.2	75.6	75.7	107.8 (5)	123.8 (5)	<b>124.6</b>
Fleet services	8.0	8.0	8.0	8.0	9.4	9.8	9.8	9.9	10.1	<b>9.9</b>
Parking	-	-	-	7.8 (2)	8.0	8.2	8.2	10.5	12.5	<b>10.7</b>
Street maintenance	17.5	17.5	17.5	17.4	17.3	17.0	14.8	15.3	15.3	<b>17.2</b>
Parks and cemetery	17.3	18.8	18.2	18.2	18.6	19.0	19.0	19.0	19.0	<b>19.3</b>
Other	9.6	9.6	9.6	9.0	9.0	9.0	9.0	9.0	9.0	<b>8.5</b>
Library and recreation										
Library	11.2	11.4	11.4	11.4	11.4	11.9	12.3	13.0	13.5	<b>13.5</b>
Golf	5.7	5.5	5.4	5.2	6.0	6.0	7.8	7.8	8.1	<b>8.1</b>
Recreation	27.4	27.3	29.9	29.7	28.2	28.2	29.3	27.8	27.0	<b>27.0</b>
Tennis	6.9	7.4	7.9	4.0	4.7	4.7	4.7	5.2	2.9	<b>2.9</b>
Ice	11.0	11.0	9.0	8.4	11.4	11.3	12.3	11.3	11.3	<b>11.6</b>
Water										
Water billing	1.0	1.0	1.0	1.0	- (3)	-	-	-	-	<b>-</b>
Water operations	17.5	17.6	21.9	21.9	23.0	24.4	26.5	27.5	29.5	<b>29.2</b>
Stormwater										
Stormwater operations	-	-	-	-	-	-	6.1 (4)	6.6	6.6	<b>5.9</b>
<b>Total</b>	<b>334.4</b>	<b>339.1</b>	<b>342.7</b>	<b>345.4</b>	<b>349.8</b>	<b>353.1</b>	<b>369.2</b>	<b>403.1</b>	<b>424.2</b>	<b>430.8</b>

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 2011 the IT Department was taken out of other and listed individually.
- (2) In 2014 the Parking Department was added, until that time it had been outsourced.
- (3) In 2015 Water Billing was combined with Water Operations.
- (4) In 2017 the Stormwater Operations Department was created.
- (5) Significant increase in transit operators and total route miles.
- (6) McPolin Barn FTE transferred from Recreation to Executive.
- (7) In 2020 the Social Equity position was created.

**Schedule 23**  
**Park City Municipal Corporation, Utah**  
**Population Statistics**

<b>Census:</b>	<b>Calendar Year</b>	<b>Park City Population</b>	<b>Percent Change from Prior Period</b>	<b>Summit County Population</b>	<b>Percent Change from Prior Period</b>
	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	7,596	(4.81)	40,451	36.03
	2011	7,547	(0.65)	36,324	(10.20)
	2012	7,702	2.05	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
	<b>2019</b>	<b>8,488</b>	<b>2.51</b>	<b>42,145</b>	<b>0.51</b>

**Age distribution of 2019 population:**

<b>Age</b>	<b>Number</b>	<b>Percent</b>
Under 5 Years	319	3.76 %
5-14	978	11.52
15-24	1,230	14.49
25-34	1,380	16.26
35-44	1,034	12.18
45-54	1,221	14.39
55-64	1,227	14.46
65-74	837	9.86
75 and over	262	3.08
	<b>8,488</b>	<b>100.00 %</b>

Median age: 39.3

**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>
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
<b>2020</b>	<b>28,670</b>	<b>8,488</b>	<b>338</b>

Sources:

Park City Chamber/Visitor Bureau

Note:

(1) Beginning 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**

<u>Fiscal Year</u>	<u>Pledged Sales &amp; Use Taxes</u>	<u>% Change From Prior Year</u>	<u>Pledged Resort Tax (3)</u>	<u>% Change From Prior Year</u>	<u>Pledged Municipal Transient Room Tax</u>	<u>% Change From Prior Year</u>	<u>Total Pledged Taxes</u>	<u>% Change From Prior Year</u>
2011	\$ 3,966,554	(0.6) %	\$ 6,696,333	12.0 %	\$ -	n/a %	\$ 10,662,887	7.0 %
2012	4,125,435	4.0	7,257,641	8.4	-	n/a	11,383,076	6.8
2013	4,187,472	1.5	7,837,545 (1)	8.0	-	n/a	12,025,017	5.6
2014	4,347,534	3.8	11,070,470 (2)	41.2	-	n/a	15,418,004	28.2
2015	4,731,904	8.8	12,158,993	9.8	-	n/a	16,890,897	9.6
2016	5,180,094	9.5	13,472,260	10.8	-	n/a	18,652,354	10.4
2017	5,620,687	8.5	14,695,621	9.1	-	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	13.6
2019	6,403,710	8.3	16,915,887	8.6	2,733,084	71.6	26,052,681	12.9
<b>2020</b>	<b>6,389,540</b>	<b>(0.2)</b>	<b>16,624,398</b>	<b>(1.7)</b>	<b>2,692,669</b>	<b>(1.5)</b>	<b>25,706,607</b>	<b>(1.3)</b>

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police</b>										
Physical arrests	583	468	616	623	516	506	449	426	318	255
Parking citations	102	342	326	219	282	236	291	129	132	214
Traffic citations	1,984	963	950	904	454	966	712	697	608	761
<b>Public works</b>										
Street resurfacing (tons of asphalt)	5,500	4,616	4,616	5,133	5,526	6,034	5,486	6,500	6,000	8,200
Potholes repaired	275	235	230	240	210	380	400	200	800	1,100
<b>Water</b>										
Number of customers	5,161	5,171	5,180	5,203	5,226	5,230	5,276	5,331	5,450	5,502
New connections	26	10	22	37	42	56	56	75	82	100
Average daily consumption (Tgal)	4,152	4,915	4,822	4,660	4,430	4,647	4,890	3,475	3,475	4,326
Peak daily consumption (Tgal)	8,120	8,529	8,873	8,820	7,786	7,767	8,660	5,839	5,839	8,669
Average monthly billings (3/4" meter)	54.82	57.61	82.51	86.22	88	83.32	105.87	90.63	111.32	100.44
<b>Residential billing rates</b>										
Base rate (per 3/4" meter)	25.23	28.26	33.35	39.35	44	44.07	44.95	47.65	49.08	50.55
Base rate (per 1" meter)	34.06	45.02	45.02	53.12	59	59.49	60.68	64.32	66.25	68.24
Base rate (per 1-1/2" meter)	40.39	53.38	53.38	62.99	71	70.55	71.96	76.28	78.57	80.93
Rate per Tgal (winter months only)	4.42	5.84	5.84	6.89	8	7.72	5.60	5.94	6.12	6.30
<b>Commercial billing rates</b>										
Base rate (per 3/4" meter)	32.80	43.35	43.35	51.15	57	57.29	58.44	61.95	63.61	65.52
Base rate (per 1" meter)	55.50	73.35	73.35	86.55	97	96.94	98.88	104.81	107.95	111.19
Base rate (per 1-1/2" meter)	118.56	156.69	156.69	184.89	207	207.08	211.22	223.89	230.61	237.53
Base rate (per 2" meter)	247.24	326.75	326.75	385.57	432	431.84	440.48	466.91	480.92	495.35
Base rate (per 3" meter)	643.38	850.30	850.30	1,003.35	1,124	1,123.75	1,146.23	1,215.15	1,251.60	1,289.15
Base rate (per 4" meter)	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	2,340.35
Base rate (per 6" meter)	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	4,411.64
Base rate (per 8" meter)	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	7,597.24
Rate per 1,000 gallons	4.42	5.84	5.84	6.89	8	7.72	7.87	8.34	8.59	8.85
<b>Building activity</b>										
Building permits issued	903	984	1,615	1,432	1,289	1,102	999	1,422	1,252	1,575
Number of residential units	17	24	40	51	119	57	54	66	132	39
Residential value (in thousands)	9,429	15,673	21,260	40,646	64,102	30,826	36,092	48,420	97,683	68,878
Commercial value (in thousands)	8,929	198	173	14,420	17,951	3,663	8,912	40,266	46,236	125,390
<b>Parks and recreation</b>										
Racquet club passes	1,368	3,304 (1)	5,037	7,038	7,893	7,922	7,067	7,415	7,859	8,476
Golf rounds	25,852	29,282	30,151	30,887	29,269	29,537	30,731	29,484	27,382	30,085
<b>Library</b>										
Total volumes borrowed	89,174	93,626	91,955	79,709 (2)	54,262 (2)	98,930 (3)	111,388	155,683 (4)	193,795 (4)	115,463 (6)
Circulation per capita	12	12	12	10	7	12	13	13	14	14
<b>Transit</b>										
Total route miles	1,051,995	1,111,456	1,113,567	1,116,067	986,500	1,065,755	1,141,405	1,924,148 (5)	2,159,537	1,942,609 (6)
Passengers	1,965,455	1,934,382	1,882,533	1,823,459	1,701,758	1,798,482	2,100,455	2,288,730 (5)	2,659,826	2,394,311 (6)

Sources: Various City departments.

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

- (1) New PC MARC facility opened in December 2011, resulting in a large increase in pass sales.
- (2) 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.
- (3) Significant increase in Library total volumes borrowed and circulation per capita in 2015 and 2016, was due to the completion of the Library renovation.
- (4) 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).
- (5) Significant increase in total route miles in 2018 was due to the addition of several new routes including the Kamas circulator.
- (6) Significant decrease is due to the COVID-19 pandemic. The City cut back on Transit routes and limited passenger numbers. Additionally, the library switched to curbside delivery for several months.

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

Function	Fiscal Year										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
City Area (sq. miles)	18	18	18	18	20	20	20	20	20	20	<b>20</b>
Police station	1	1	1	1	1	1	1	1	1	1	
Transit buses	37	36	36	36	37	37	38	39	47		
Public works											
Streets (lane miles)	111	111	111	126	126	126	126	126	128		<b>128</b>
Street lights	530	545	545	712	712	712	964	985	985		<b>985</b>
Water											
Fire hydrants	1,100	1,105	1,105	1,105	1,081	1,090	1,091	1,104	1,131		<b>1,137</b>
Water mains (miles)	130	131	132	135	137	140	142	142	142		<b>142</b>
Storage capacity (Tgal)	14,650	14,650	13,650	13,650	13,650	13,650	13,650	18,250	18,250		<b>18,250</b>
Recreation and culture											
Acreage	223	223	223	223	223	223	1,536 (1)	1,580	1,675 (3)		<b>1,625 (4)</b>
Parks	40	40	40	40	40	40	42	42	42		<b>42</b>
Covered picnic areas	4	4	4	4	4	4	6	6	6		<b>6</b>
Tennis courts	9	13	13	14	14	14	14	14	14		<b>14</b>
Soccer fields	6	6	6	6	6	6	6	6	6		<b>6</b>
Baseball diamonds	10	10	10	10	10	10	10	10	10		<b>10</b>
Library	1	1	1	1	1	1	1	1	1		<b>1</b>
Volumes in library	71,164	82,291	74,071	85,138	97,160	126,999	117,482	155,683 (2)	193,795 (2)		<b>115,463 (5)</b>
Golf course	1	1	1	1	1	1	1	1	1		<b>1</b>
Ice Rink	1	1	1	1	1	1	1	1	1		<b>1</b>

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.

(4) Bonanza Flat (55 acres) sold to Salt Lake City Corporation in fiscal year 2020. Armstrong Property (5 acres) purchased in fiscal year 2020.

(5) Significant decrease is due to the COVID-19 pandemic. Additionally, the library switched to curbside delivery for several months.



**Schedule 28**  
**Park City Municipal Corporation, Utah**  
**Schedule of Insurance in Force**  
**As of June 30, 2020**

<u>COMPANY &amp; COVERAGE TYPE, POLICY #</u>	<u>LIMITS</u>	<u>EXPIRATION</u>	<u>PREMIUM</u>	<u>DEDUCTIBLE</u>
<b>LIBERTY MUTUAL</b> <b>(Property Coverage) YU2-Z51-292161-020</b>	\$ 199,839,500	1/1/2021	\$ 187,222	
All other Perils				\$ 10,000
Flood				500,000
Earthquake				100,000
Data, Programs/Software & Computer Systems				500,000
<b>ST. PAUL/TRAVELERS</b> <b>(Crime Policy) 105540277</b>		1/1/2023	\$ 12,579	
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
<b>WORKERS COMPENSATION FUND</b> <b>(Workers Compensation) 1638608</b>	\$ 1,000,000	1/1/2021	\$ 153,976	\$ -
<b>STATES RISK RETENTION GROUP</b> <b>(Liability) 30000233</b>	\$ 10,000,000	1/1/2021	\$ 174,523	\$ 250,000
(General Liability, Automobile Liability, Employment Practice Liability, Law Enforcement Liability and Public Officials Errors & Omission Liability)				
<b>BEAZLEY</b> <b>(Cyber Insurance) V29A1B200101</b>	\$ 5,000,000	1/1/2021	\$ 32,650	\$ -
Information Security & Privacy Insurance				
<b>GLOBAL AEROSPACE</b> <b>(Drone Coverage) 9007087</b>	\$ 1,000,000	1/1/2021	\$ 625	\$ -

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

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

	Fiscal Year Ended June 30				
	2020	2019(1)	2018	2017 (1)	2016 (1)
<b>ASSETS</b>					
Cash, cash equivalents and investments held by city	\$ 91,143,933	\$ 68,768,707	\$ 66,635,201	\$ 64,906,033	\$ 77,276,957
Cash, cash equivalents and investments held by fiscal agent	71,929,505	30,394,766	11,398,912	6,380,142	6,690,285
Restricted cash, cash equivalents and investments, other	10,856,824	9,194,635 (5)	6,604,245	6,318,540	6,312,535
Receivables:					
Taxes	28,481,976	28,179,289	24,009,992	23,385,693	20,740,471
Accounts	15,297,972	11,479,937	9,079,648	11,928,740	2,553,439
Notes receivable	263,386	768,356	1,273,106	1,799,575	314,353
Inventories	935,683	864,724	794,366	665,040	772,836
Prepays	2,066,110	2,582,703	1,263,500	2,239,181	528,089
Assets held for resale	-	-	166,096	-	-
Capital assets not being depreciated:					
Land and water rights	266,062,802	264,361,177	200,070,570	178,027,967	129,838,076
Construction in progress	51,527,332	28,017,548 (5)	28,003,663	12,273,194	10,931,485
Art	917,603	889,333	839,333	827,833	827,833
Capital assets (net of accumulated depreciation):	3,338,722				
Buildings	50,598,244	49,424,165	46,155,763	43,758,490	42,117,192
Improvements other than buildings	77,590,523	79,765,683	82,480,502	82,274,536	77,669,009
Vehicles and equipment	23,505,583	25,690,978	23,770,469	23,909,704	15,058,504
Infrastructure	21,566,939	22,956,314	23,161,347	25,660,425	29,114,178
Intangibles	8,571,769	8,486,048	8,271,741	5,608,810	5,652,891
Net pension assets	-	-	3,365	3,713	7,661
<b>Total assets</b>	<b>724,654,906</b>	<b>631,824,363</b>	<b>533,981,819</b>	<b>489,967,616</b>	<b>426,405,794</b>
<b>Deferred outflows of resources</b>					
Deferred charge on refunding	-	-	-	-	7,477
Deferred outflows of resources related to pensions	3,315,414	7,434,656	7,335,717	6,578,882	5,277,742
<b>Total deferred outflows of resources</b>	<b>\$ 3,315,414</b>	<b>\$ 7,434,656</b>	<b>\$ 7,335,717</b>	<b>\$ 6,578,882</b>	<b>\$ 5,285,219</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 6,992,699	\$ 5,966,218	\$ 5,395,183	\$ 10,204,455	\$ 4,243,398
Accrued liabilities	7,210,548	4,221,062	3,174,630	2,674,359	2,868,301
Long-term debt due within one year:					
Compensated absences	992,375	913,654	525,320	534,198	431,558
Contracts payable	141,311	-	-	-	-
General obligation bonds	6,030,000	5,910,000	4,360,000	4,945,000	3,300,000
Revenue bonds	7,530,000	8,035,000	6,495,000	4,720,000	4,530,000
Long-term debt due in more than one year:					
Compensated absences	368,788	313,404	699,776	670,641	681,413
Contracts payable	3,039,674	-	-	-	-
General obligation bonds	83,708,177	85,722,655	40,913,366	45,540,922	22,709,111
Revenue bonds	166,096,899	102,476,579	80,928,230	54,793,151	59,904,698
Net pension liability	7,174,185	14,568,026	7,780,234	11,020,794	10,109,665
<b>Total liabilities</b>	<b>289,284,656</b>	<b>228,126,598</b>	<b>150,271,739</b>	<b>135,103,520</b>	<b>108,778,144</b>
<b>Deferred inflows of resources</b>					
Property taxes	24,703,651	23,863,826	20,046,312	19,785,339	17,605,701
Deferred gain on refunding	704,659	500,262	217,783	321,672	425,561
Deferred inflows of resources related to pensions	4,155,340	514,445	6,025,822	1,803,202	1,142,122
Deferred inflows of resources - unavailable revenue	-	-	166,096	-	-
<b>Total deferred inflows of resources</b>	<b>29,563,650</b>	<b>24,878,533</b>	<b>26,456,013</b>	<b>21,910,213</b>	<b>19,173,384</b>
<b>NET POSITION</b>					
Net investment in capital assets	331,580,232	311,830,787 (5)	294,285,169	273,727,467 (3)	233,610,613 (2)
Restricted for:					
Capital projects	8,956,824	7,194,635	6,604,245 (4)	6,318,540 (4)	6,312,535 (4)
Other	58,940	58,940	57,571 (4)	59,674 (4)	48,640 (4)
Unrestricted	68,526,018	67,169,526 (5)	63,642,799 (4)	59,427,084 (4)	63,767,697 (4)
Total net position	409,122,014	386,253,888	364,589,784	339,532,765	303,739,485
<b>Total liabilities and deferred inflows of resources and net position</b>	<b>\$ 727,970,320</b>	<b>\$ 639,259,019</b>	<b>\$ 541,317,536</b>	<b>\$ 496,546,498</b>	<b>\$ 431,691,013</b>

Source: Information extracted from the City's fiscal years ended June 30, 2016 through 2020 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.
- (5) Fiscal year 2020 - Capital asset adjustment, required restatement of fiscal year 2019.

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# **COMPLIANCE SECTION**

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## **Independent Auditor's 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 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 Park City Municipal Corporation (the "City"), as of and for the year ended June 30, 2020, 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 January 29, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the 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 entity's 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a significant deficiency.

### **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 financial statements. 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*.

#### **The City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

#### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BDO USA, LLP*

Salt Lake City, Utah  
January 29, 2021

**Park City Municipal Corporation**  
**Schedule of Findings and Responses**  
**June 30, 2020**

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**Financial Statement Finding – Significant Deficiency in Internal Control Over Financial Reporting**

**2020-001 Capital asset expenditure**

Criteria: Expenditures should be recorded in the proper period.

Condition: Park City Municipal Corporation (the City) misclassified a capital outlay transaction in a prior period that requires an adjustment to beginning fund balance.

Cause: The City thought that the capital outlay transaction would occur in the near-term and did not anticipate that the transaction may be delayed.

Effect: The City made the adjustment to beginning fund balance of the Capital Project fund as disclosed in Note R.

Recommendation: The City should record the capital outlay as a deposit rather than as a capital expenditure until the transaction is closed.

Management's response: Management informed us that procedures have been established to ensure that transactions are recorded according to Finance Department policy.