

PARK CITY SCHOOL DISTRICT

Financial Statements

Year Ended June 30, 2022

PARK CITY SCHOOL DISTRICT

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FINANCIAL SECTION



Independent Auditor's Report

Board of Education
Park City School District

Report on the Basic Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Park City School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the *general fund* for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the District's proportionate share of the net pension liability (asset) – Utah Retirement Systems, the schedules of District contributions – Utah Retirement Systems, and the related notes to the required supplementary information 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 required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information section does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control over financial reporting and compliance.

Squire & Company, PC

Orem, Utah
October 28, 2022

Management's Discussion and Analysis

This section of the financial report of Park City School District (the District) presents management's discussion and analysis of the District's financial performance during the year ended June 30, 2022.

Financial Highlights

- The District's total net position was \$149.7 million at the close of the most recent fiscal year, most of which is invested in capital assets and capital outlay.
- The District is dependent on revenues generated by property taxes. Property tax revenues increased by 7.1% in 2022 to \$90.0 million, an increase of \$6.0 million compared to the prior year. The District contributed \$16.8 million of property taxes to other governments, of which \$13.2 million represents a recapture of its basic levy paid to the Utah State Board of Education. State and Federal revenues totaled \$11.1 million in 2022, an increase of \$0.7 million compared to the prior year.
- During the year, expenses were \$17.3 million less than the \$110.1 million generated in taxes and other revenues for governmental activities.
- The District's student enrollment decreased by 104 students to a total of 4,592 students for fiscal year 2022.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The basic financial statements comprise three components: a) government-wide financial statements, b) fund financial statements, and c) notes to the basic financial statements. This report also contains information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a consolidated broad overview of District finances, in a manner like a private-sector business.

The *statement of net position* presents information on all District assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the remainder being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as, uncollected taxes and pension benefits).

The government-wide financial statements are reported as *governmental activities*. The District's basic services are included here, such as instruction, various supporting services, nutrition services, and community services. Property taxes and state and federal grants finance most of these activities.

The government-wide financial statements include not only the District but also the Park City Education Foundation (the Foundation), a legally separate entity for which the District is financially accountable.

The Foundation is reported as one of the District's special revenue funds. The Foundation exclusively benefits the District and its students. The District finances a portion of the administrative costs of the Foundation.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds are grouped into two categories: governmental and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the *general fund* and the *capital projects fund*, each of which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the governmental funds is provided in the *combining and individual statements and schedules* section of this report.

The District adopts an annual budget for its *general fund*. A budgetary comparison statement has been provided for the *general fund* to demonstrate compliance with this budget.

The basic governmental fund financial statements and reconciliations can be found on pages 15 through 19 of this report.

Proprietary Fund

The District maintains one proprietary fund type. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses one internal service fund (the *self-insurance fund*) to account for employee health and accident and dental benefits and health care reimbursements provided as a service to all the other funds. This internal service fund is included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 20 through 22 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 23 through 43 of this report.

Additional Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's proportional share of the unfunded obligation of the defined benefit pension plans administered by Utah Retirement Systems and its progress in funding obligations to provide pension benefits to its employees. This required supplementary information and related notes can be found on pages 44 to 47 of this report.

The individual and combining statements and schedules referred to earlier in connection with governmental funds are presented as supplementary information on pages 48 through 56 of this report.

To provide comparative data, selected financial, tax, and demographic information is provided as other information. This other information can be found on pages 57 through 62 of this report.

Government-Wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the District's case, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$149.7 million at the close of the most recent fiscal year.

PARK CITY SCHOOL DISTRICT'S Net Position
June 30, 2022 and 2021
(in millions of dollars)

	Governmental activities		Total
	2022	2021	change
			2022-2021
Current and other assets	\$ 299.4	\$ 141.2	\$ 158.2
Capital assets	109.4	107.4	2.0
Total assets	<u>408.8</u>	<u>248.6</u>	<u>160.2</u>
Deferred outflows of resources	<u>11.6</u>	<u>7.8</u>	<u>3.8</u>
Current and other liabilities	11.4	10.3	1.1
Long-term liabilities outstanding	<u>126.3</u>	<u>17.8</u>	<u>108.5</u>
Total liabilities	<u>137.7</u>	<u>28.1</u>	<u>109.6</u>
Deferred inflows of resources	<u>133.0</u>	<u>95.9</u>	<u>37.1</u>
Net position:			
Net investment in capital assets	106.6	107.3	(0.7)
Restricted	17.1	14.6	2.5
Unrestricted	<u>26.0</u>	<u>10.5</u>	<u>15.5</u>
Total net position	<u>\$ 149.7</u>	<u>\$ 132.4</u>	<u>\$ 17.3</u>

The key elements of the District's net position at June 30, 2022 are as follows:

- The largest portion of the District's net position (\$17.0 million or 11.4%) reflects its investment in capital assets (e.g., land, construction in progress, buildings and improvements, and equipment and buses, net of accumulated depreciation and related debt). The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending.
- An additional portion of the District's net position (\$26.0 million or 17.4%) represents resources that are subject to external restrictions on how they may be used. Most of the restricted balance is for capital outlay. Restricted net position increased by \$2.5 million during the year ended June 30, 2022. Restricted fund balances represent net resources subject to constraints that are imposed by external entities or by law.
- The remaining net position (\$26.0 million) is unrestricted. This balance is net of the District's proportionate share of net pension assets and related deferred outflows and inflows of resources of the defined benefit pension plans administered by Utah Retirement Systems.

Changes in Net Position

The District’s total net position increased by \$17.3 million during the current year. The following discussion and analysis on governmental activities focuses on this increase:

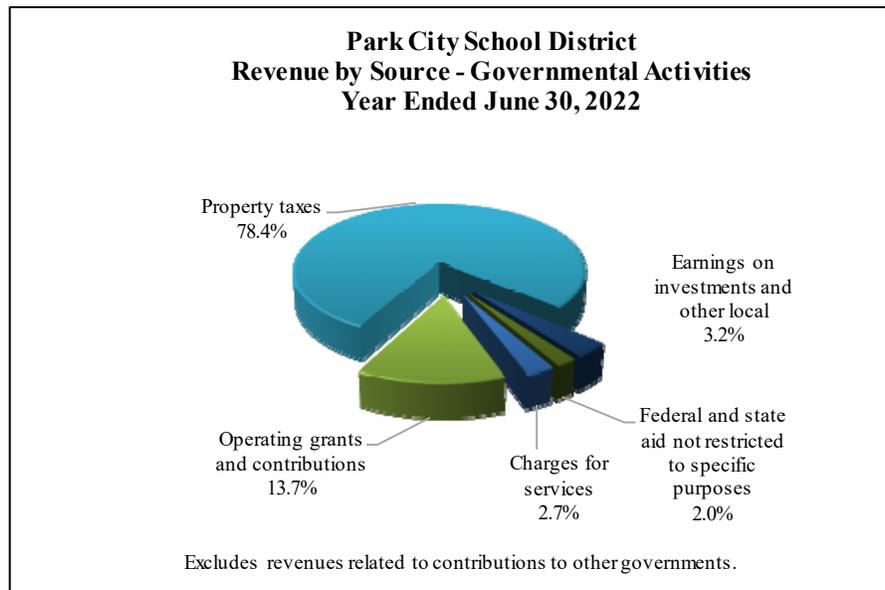
PARK CITY SCHOOL DISTRICT'S Changes in Net Position
Years Ended June 30, 2022 and 2021
(in millions of dollars)

	<u>Governmental activities</u>		Total
	<u>2022</u>	<u>2021</u>	<u>2022-2021</u>
Revenues:			
Program revenues:			
Charges for services	\$ 2.5	\$ 2.1	\$ 0.4
Operating grants and contributions	12.7	11.2	1.5
General revenues:			
Property taxes	90.0	84.0	6.0
Federal and state aid not restricted to specific purposes	1.8	1.8	-
Earnings on investments	0.3	0.5	(0.2)
Other local	2.8	8.7	(5.9)
Total revenues	<u>110.1</u>	<u>108.3</u>	<u>1.8</u>
Expenses:			
Instruction	43.1	50.0	(6.9)
Supporting services:			
Students	5.1	5.5	(0.4)
Instructional staff	4.3	4.7	(0.4)
Executive administration	0.9	0.9	-
School administration	3.4	3.8	(0.4)
Central	4.2	4.3	(0.1)
Operation and maintenance of facilities	6.3	7.2	(0.9)
Student transportation	2.7	2.8	(0.1)
Nutrition services	2.1	2.1	-
Community services	2.1	2.1	-
Contributions to other governments	16.8	12.9	3.9
Interest on long-term liabilities	1.1	-	1.1
Total expenses	<u>92.1</u>	<u>96.3</u>	<u>(4.2)</u>
Change in net position	18.0	12.0	6.0
Net position - beginning	<u>132.4</u>	<u>120.4</u>	<u>12.0</u>
Net position - ending	<u>\$ 150.4</u>	<u>\$ 132.4</u>	<u>\$ 18.0</u>

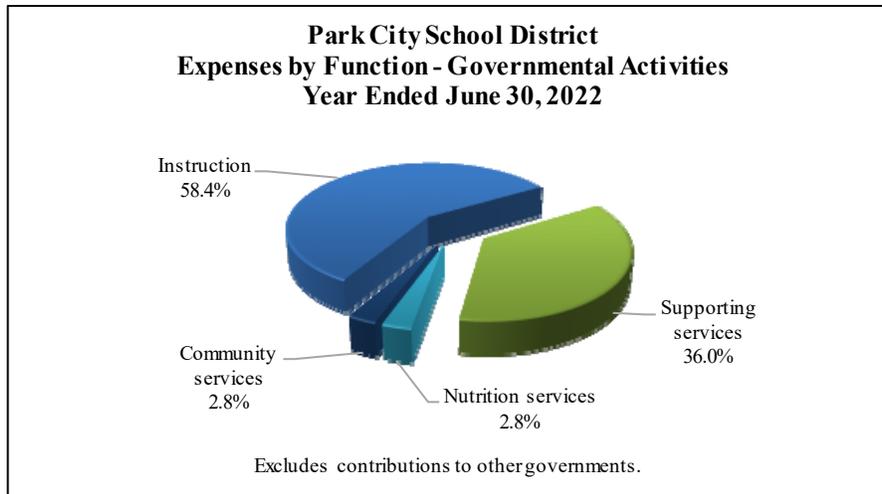
The key elements of the increase in the District’s net position for the year ended June 30, 2022 are as follows:

- Property tax revenues increased by 7.1% in 2022 to \$90.0 million as a result of a combination of an increase in the taxable value of property and a decrease in the overall tax rate. The District contributed \$16.8 million of property taxes to other governments, of which \$13.2 million represents a recapture of its basic levy paid to the Utah State Board of Education.

- State revenues decreased by \$0.9 million. State revenue is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards us one WPU. Certain students receive a weighting greater than one. The state guarantees that if taxes collected from the basic levy do not provide money equal to the WPU, the state will make up the difference with state funding. The value of the WPU increased by 5.9% during the year ended June 30, 2022 (\$3,809 during 2022 as compared to \$3,596 in 2021). The combination of an increase in the value of the WPU and a decrease in student membership resulted in a minimal increase of state WPU-based program revenue compared to the prior year. However, taxes collected from the basic levy exceeded the state guarantee by \$13.2 million. Consequently, the District received no state WPU funding in 2022 and were required to pay the excess to the state. Overall revenue from other state appropriations (both restricted and unrestricted) totaled \$6.2 million in 2022, a decrease of 12.7% from the prior year.
- Federal revenues increased by \$1.6 million. This increase was primarily a result of new federal grants to assist the District in responding to the COVID-19 pandemic.
- Other local revenues decreased by \$5.9 million, primarily from the donation of land in the prior year to be used for a new elementary school.



- The District's total expenses decreased by \$3.5 million to a total of \$92.8 million during 2022 as compared to the prior year. This decrease is primarily from the decrease instructional amount being spent in the current year.



Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$167.3 million, \$126.7 million increase from the previous year. Included in this year's change in the combined fund balance is an increase in the fund balance of the *general fund* of \$6.5 million and includes an increase in the fund balance of the *capital projects fund* of \$119.0 million. The increase in the fund balance of the *general fund* resulted primarily from increased property tax revenues. The increase in the fund balance of the *capital projects fund* resulted primarily from the issuance of bonds. In addition, the following other changes in fund balances should be noted:

- Expenditures for general purposes (excluding contributions to other governments) totaled \$73.1 million, an increase of \$0.1 during the current fiscal year. This compares to a 0.1% increase in 2021. Instruction represents 55.7% of *general fund* expenditures (excluding contributions to other governments).
- *General fund* salaries totaled \$42.1 million while the associated employee benefits of retirement, social security, and insurance added \$20.8 million to arrive at 72.9% of total *general fund* expenditures (excluding contributions to other governments).

Governmental funds report the differences between their assets, liabilities, and deferred inflows of resources as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. *Nonspendable* includes endowments, inventories, and prepaid items that are not expected to be converted to cash. *Restricted* includes net fund resources that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. Restrictions include tax revenues levied for specific purposes. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. *Committed* balances reflect the self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Assigned* balances in the *general fund* and other governmental funds are those that do not meet the requirements of restricted or committed but that are intended to be used for specific purposes. *Unassigned* balances in the *general fund* are all other available net fund resources. At June 30, 2022, the District's combined governmental fund balance is \$167.3 million (\$0.1 million in nonspendable, \$134.6 million in restricted, \$5.4 million in committed, \$5.3 million in assigned, and \$21.9 million in unassigned fund balances).

General Fund Budgetary Highlights

During the year, the District’s budget was revised by the Board. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget total revenue and the final amended budget was an increase of \$1.9 million in total *general fund* revenues to reflect increases in state and federal revenues. Final budgeted expenditures were more than original budgetary estimates by \$1.6 million. This increase primarily reflects higher expenditures in contributions to other governments due to better than anticipated property tax collections.

Actual expenditures were \$6.2 million less than final budgeted amounts. Actual revenues were \$0.1 million less than final budgeted amounts.

Capital Asset Administration

Capital Assets

The District’s investment in capital assets for its governmental activities as of June 30, 2022 amounts to \$109.4 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, equipment and buses, and leased assets. The total increase in capital assets for the current year was \$2.0 million or 1.9%, primarily from construction projects at various schools.

Additions to capital assets in 2022 included construction in progress and the acquisition of transportation equipment.

Capital assets at June 30, 2022 and 2021 are outlined below:

PARK CITY SCHOOL DISTRICT'S Capital Assets
June 30, 2022 and 2021
 (net of accumulated depreciation, in millions of dollars)

	Governmental activities		Total change
	2022	2021	2022-2021
Land and construction in progress	\$ 24.7	\$ 20.0	\$ 4.7
Buildings and improvements	79.9	82.8	(2.9)
Equipment and buses	4.8	4.6	0.2
Total capital assets	<u>\$ 109.4</u>	<u>\$ 107.4</u>	<u>\$ 2.0</u>

Refer to Note 5 to the basic financial statements for additional information on capital assets.

Debt Administration

At June 30, 2022 and 2021, the outstanding balance of debt obligations is summarized below:

PARK CITY SCHOOL DISTRICT'S Outstanding Debt June 30, 2022 and 2021 (in millions of dollars)

	Governmental activities		Total change
	2022	2021	2022-2021
General obligation bonds	\$ 71.3	\$ -	\$ 71.3
Lease revenue bonds	42.0	-	42.0
Unamortized amounts for bond premiums	9.3	-	9.3
Note payable	-	0.1	(0.1)
Total long-term debt	<u>\$ 122.6</u>	<u>\$ 0.1</u>	<u>\$ 122.5</u>

Refer to Note 8 to the basic financial statement for additional information on the District's long-term debt.

Enrollment

The District anticipates student membership to remain relatively constant for the foreseeable future. The following enrollment information is based on the annual October 1 count:

PARK CITY SCHOOL DISTRICT'S Enrollment October 1 Count

School Year	Enrollment	Change
2021-22	4,592	(2.21)%
2020-21	4,696	(1.28)%
2019-20	4,757	(0.48)%
2018-19	4,780	(0.75)%
2017-18	4,816	(1.53)%
2016-17	4,891	2.69 %
2015-16	4,763	0.51 %
2014-15	4,739	2.35 %
2013-14	4,630	4.73 %
2012-13	4,421	0.48 %

District enrollment for the 2021-2022 school year decreased by 104 students to a total of 4,592 students.

Contacting the District's Management

This financial report is designed to provide citizens, taxpayers, students, and investors and creditors with a general overview of Park City School District's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Business Administrator, Park City School District, 2700 Kearns Blvd., Park City, UT 84060.

Basic Financial Statements

PARK CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>
Assets:	
Cash and investments	\$ 182,745,355
Receivables:	
Property taxes	105,506,241
Local	2,485,302
State	221,625
Federal	1,170,169
Inventories and prepaid items	66,770
Net pension asset	7,222,177
Capital assets:	
Land and construction in progress	24,706,653
Other capital assets, net of accumulated depreciation	84,634,193
Total assets	<u>408,758,485</u>
 Deferred outflows of resources:	
Related to pensions	<u>11,612,502</u>
 Liabilities:	
Accounts and contracts payable	1,733,152
Accrued interest	1,211,071
Accrued payroll and related benefits	7,522,332
Unearned revenue:	
Local	146,657
State	619,490
Federal	194,226
Long-term liabilities:	
Portion due or payable within one year	6,877,936
Portion due or payable after one year	119,414,413
Total liabilities	<u>137,719,277</u>
 Deferred inflows of resources:	
Property taxes levied for future year	103,648,968
Related to pensions	29,340,979
Total deferred inflows of resources	<u>132,989,947</u>
 Net position:	
Net investment in capital assets	106,599,659
Restricted for:	
Capital outlay	12,452,337
Nutrition services	541,839
Scholarships	4,075,348
Unrestricted	25,992,580
Total net position	<u>\$ 149,661,763</u>

The accompanying notes are an integral part of this financial statement.

PARK CITY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2022

Activities / Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities:				
Instruction	\$ 43,184,072	\$ 1,909,962	\$ 7,982,816	\$ (33,291,294)
Supporting services:				
Student	5,221,780	-	970,150	(4,251,630)
Instructional staff	4,292,990	-	913,284	(3,379,706)
Executive administration	882,828	-	2,851	(879,977)
School administration	3,390,295	-	51,719	(3,338,576)
Central	4,211,255	-	17,396	(4,193,859)
Operation and maintenance of facilities	6,339,701	84,139	184,921	(6,070,641)
Student transportation	2,691,549	10	90,402	(2,601,137)
Nutrition services	2,078,828	294,784	2,299,766	515,722
Community services	2,075,225	191,406	145,012	(1,738,807)
Contributions to other governments	16,767,124	-	-	(16,767,124)
Interest on long-term liabilities	1,055,735	-	-	(1,055,735)
Total school district	<u>\$ 92,191,382</u>	<u>\$ 2,480,301</u>	<u>\$ 12,658,317</u>	<u>(77,052,764)</u>
General revenues:				
Property taxes levied for:				
Basic				34,891,160
Board local				26,299,658
Voted local				19,535,688
Capital local				5,671,651
Park City Redevelopment Agency				2,933,296
Charter schools				654,118
Total property taxes				89,985,571
Federal and state aid not restricted to specific purposes				1,844,853
Earnings on investments				326,118
Other local				2,823,570
Total general revenues				94,980,112
Change in net position				17,927,348
Net position – beginning				132,484,730
Net position – ending				<u>\$ 150,412,078</u>

The accompanying notes are an integral part of this financial statement.

PARK CITY SCHOOL DISTRICT
Balance Sheet – Governmental Funds
June 30, 2022

	Major Funds		Other	Total
	General	Capital Projects	Governmental Funds	Governmental Funds
Assets:				
Cash and investments	\$ 36,362,754	\$ 133,187,185	\$ 5,577,780	\$ 175,127,719
Receivables:				
Property taxes	94,434,638	7,202,747	3,868,856	105,506,241
Local	29,836	-	2,455,466	2,485,302
State	187,661	-	33,964	221,625
Federal	1,132,264	-	37,905	1,170,169
Inventories and prepaid items	6,803	-	59,967	66,770
Due from other funds	387,702	-	-	387,702
Total assets	<u>\$ 132,541,658</u>	<u>\$ 140,389,932</u>	<u>\$ 12,033,938</u>	<u>\$ 284,965,528</u>
Liabilities:				
Accounts and contracts payable	\$ 510,758	\$ 931,808	\$ 244,664	\$ 1,687,230
Accrued payroll and related benefits	7,522,332	-	-	7,522,332
Unearned revenue:				
Local	-	-	146,657	146,657
State	619,490	-	-	619,490
Federal	194,226	-	-	194,226
Due to other funds	-	-	387,702	387,702
Total liabilities	<u>8,846,806</u>	<u>931,808</u>	<u>779,023</u>	<u>10,557,637</u>
Deferred inflows of resources:				
Unavailable other local revenue	-	-	2,279,591	2,279,591
Unavailable property taxes	1,032,743	78,813	45,057	1,156,613
Property taxes levied for future year	92,747,229	7,077,940	3,823,799	103,648,968
Total deferred inflows of resources	<u>93,779,972</u>	<u>7,156,753</u>	<u>6,148,447</u>	<u>107,085,172</u>
Fund balances:				
Nonspendable:				
Scholarship endowments	-	-	53,848	53,848
Inventories and prepaid items	6,803	-	59,967	66,770
Restricted for:				
Capital outlay	-	132,301,371	-	132,301,371
Scholarships	-	-	1,741,909	1,741,909
Food services	-	-	514,467	514,467
Committed to:				
Economic stabilization	5,393,284	-	-	5,393,284
Assigned to:				
Compensated absences	1,596,943	-	-	1,596,943
Students	-	-	712,032	712,032
Foundation	-	-	2,024,245	2,024,245
Basic levy recapture	980,000	-	-	980,000
Unassigned	21,937,850	-	-	21,937,850
Total fund balances	<u>29,914,880</u>	<u>132,301,371</u>	<u>5,106,468</u>	<u>167,322,719</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 132,541,658</u>	<u>\$ 140,389,932</u>	<u>\$ 12,033,938</u>	<u>\$ 284,965,528</u>

The accompanying notes are an integral part of this financial statement.

PARK CITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2022

Total fund balances for governmental funds \$ 167,322,719

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

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

Land	\$ 19,077,646	
Construction in progress	5,629,007	
Buildings and improvements, net of \$65,986,331 accumulated depreciation	79,830,627	
Equipment and buses, net of \$7,466,285 accumulated depreciation	<u>4,803,566</u>	109,340,846

The net pension asset is not an available resource and therefore is not reported in the governmental funds. 7,222,177

Some of the District's local revenue will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.

Unavailable property taxes	1,156,613	
Unavailable other local revenue	<u>2,279,591</u>	3,436,204

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. All liabilities – both current and long-term portions – are reported in the statement of net position. These and related balances at year end are:

Bonds payable	(113,305,000)	
Unamortized amounts for bond premiums	(9,320,020)	
Accrued interest	(1,211,071)	
Deferred outflows of resources related to pensions	11,612,502	
Deferred inflows of resources related to pensions	(29,340,979)	
Note payable	(44,014)	
Unpaid vacation	(514,575)	
Accrued sick leave	<u>(1,082,368)</u>	(143,205,525)

The District's internal service fund charges the cost of health care benefits to our other funds. The assets and liabilities of our internal service fund are included with governmental activities in the statement of net position. The net position of the District's internal service fund is: 5,545,342

Total net position of governmental activities \$ 149,661,763

The accompanying notes are an integral part of this financial statement.

PARK CITY SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2022

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General	Capital Projects		
Revenues:				
Local:				
Property taxes	\$ 80,673,566	\$ 5,667,931	\$ 3,587,414	\$ 89,928,911
Earnings on investments	237,818	277,596	(189,296)	326,118
Other	3,329,727	239,455	4,693,936	8,263,118
State	5,875,718	-	314,887	6,190,605
Federal	2,876,855	-	1,982,814	4,859,669
Total revenues	<u>92,993,684</u>	<u>6,184,982</u>	<u>10,389,755</u>	<u>109,568,421</u>
Expenditures:				
Current:				
Instruction	40,693,425	-	3,674,684	44,368,109
Supporting services:				
Student	6,154,873	-	-	6,154,873
Instructional staff	5,107,994	-	-	5,107,994
Executive administration	972,457	-	-	972,457
School administration	3,934,655	-	-	3,934,655
Central	4,793,423	-	-	4,793,423
Operation and maintenance of facilities	6,574,036	-	-	6,574,036
Student transportation	2,513,642	-	-	2,513,642
Nutrition services	9,981	-	2,093,100	2,103,081
Community services	2,342,866	-	-	2,342,866
Contributions to other governments	13,179,710	-	3,587,414	16,767,124
Capital outlay	-	9,316,966	-	9,316,966
Debt service:				
Bond issuance costs	-	750,315	-	750,315
Total expenditures	<u>86,277,062</u>	<u>10,067,281</u>	<u>9,355,198</u>	<u>105,699,541</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,716,622</u>	<u>(3,882,299)</u>	<u>1,034,557</u>	<u>3,868,880</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	87,312	-	87,312
Issuance of general obligation bonds	-	71,305,000	-	71,305,000
Issuance of lease revenue bonds	-	42,000,000	-	42,000,000
Bond premiums	-	9,475,356	-	9,475,356
Transfers in	-	-	180,859	180,859
Transfers out	(180,859)	-	-	(180,859)
Total other financing sources (uses)	<u>(180,859)</u>	<u>122,867,668</u>	<u>180,859</u>	<u>122,867,668</u>
Net change in fund balances	6,535,763	118,985,369	1,215,416	126,736,548
Fund balances – beginning	<u>23,379,117</u>	<u>13,316,002</u>	<u>3,891,052</u>	<u>40,586,171</u>
Fund balances – ending	<u>\$ 29,914,880</u>	<u>\$ 132,301,371</u>	<u>\$ 5,106,468</u>	<u>\$ 167,322,719</u>

The accompanying notes are an integral part of this financial statement.

PARK CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

Net change in fund balances for governmental funds \$ 126,736,548

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for land, equipment and buses and \$100,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 5,610,003	
Proceeds from sales of capital assets	(87,312)	
Gain on sale of capital assets	83,775	
Depreciation expense	<u>(3,681,660)</u>	1,924,806

Bond proceeds provide current financial resources of governmental funds by issuing debt which increases long-term liabilities in the statement of net position. Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bonds issued	(113,305,000)	
Premiums on bonds issued	(9,475,356)	
Interest expense - bonds	(1,211,071)	
Principal payments on notes payable	60,477	
Amortization of bond premiums	<u>155,336</u>	(123,775,614)

Certain revenue sources are collected several months after the fiscal year end are not considered available revenues in the governmental funds and are, instead, counted as deferred inflows of resources at year end. They are, however, recorded as revenues in the statement of activities.

Property taxes	56,660	
Other local revenue	<u>1,685,796</u>	1,742,456

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 the governmental funds.

Pension expense	10,404,771	
Vacation and sick leave expense	<u>(82,826)</u>	10,321,945

The District's internal service fund charges the cost of health care benefits to the other funds. The net revenue (expense) of the internal service fund is reported with governmental activities. 226,892

Change in net position of governmental activities \$ 17,177,033

The accompanying notes are an integral part of this financial statement.

PARK CITY SCHOOL DISTRICT

**Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
General Fund**

Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Local:				
Property taxes	\$ 79,748,430	\$ 79,748,430	\$ 80,673,566	\$ 925,136
Earnings on investments	151,496	151,496	237,818	86,322
Other	2,924,372	3,238,790	3,329,727	90,937
State	6,208,593	6,948,337	5,875,718	(1,072,619)
Federal	2,157,947	3,021,222	2,876,855	(144,367)
Total revenues	<u>91,190,838</u>	<u>93,108,275</u>	<u>92,993,684</u>	<u>(114,591)</u>
Expenditures:				
Current:				
Instruction	44,088,232	43,698,343	40,693,425	3,004,918
Supporting services:				
Student	6,596,834	7,007,026	6,154,873	852,153
Instructional staff	6,246,575	6,481,112	5,107,994	1,373,118
Executive administration	1,166,482	1,165,373	972,457	192,916
School administration	3,940,267	3,959,991	3,934,655	25,336
Central	5,341,097	5,403,373	4,793,423	609,950
Operation and maintenance of facilities	6,153,502	6,302,278	6,574,036	(271,758)
Student transportation	2,793,248	2,821,724	2,513,642	308,082
Food services	-	-	9,981	(9,981)
Community services	2,437,700	2,547,174	2,342,866	204,308
Contributions to other governments	12,103,630	13,128,551	13,179,710	(51,159)
Total expenditures	<u>90,867,567</u>	<u>92,514,945</u>	<u>86,277,062</u>	<u>6,237,883</u>
Excess of revenues over expenditures	<u>323,271</u>	<u>593,330</u>	<u>6,716,622</u>	<u>6,123,292</u>
Other financing sources (uses):				
Transfers out	(245,000)	(245,000)	(180,859)	64,141
Net change in fund balances	78,271	348,330	6,535,763	6,187,433
Fund balances – beginning	<u>18,815,593</u>	<u>23,379,117</u>	<u>23,379,117</u>	<u>-</u>
Fund balances – ending	<u>\$ 18,893,864</u>	<u>\$ 23,727,447</u>	<u>\$ 29,914,880</u>	<u>\$ 6,187,433</u>

The accompanying notes are an integral part of this financial statement.

PARK CITY SCHOOL DISTRICT
Statement of Fund Net Position – Proprietary Fund
June 30, 2022

	Governmental Activities – Internal Service Fund
Assets:	
Cash and investments	\$ 7,617,636
Liabilities:	
Accounts payable	45,922
Medical claims payable	1,775,204
Health reimbursement accounts	251,168
Total liabilities	<u>2,072,294</u>
Net position:	
Unrestricted	<u>5,545,342</u>
Total net position	<u><u>\$ 5,545,342</u></u>

The accompanying notes are an integral part of this financial statement.

PARK CITY SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund

Year Ended June 30, 2022

	Governmental Activities – Internal Service Fund
Operating revenues:	
Premiums charged to other funds	\$ 8,524,555
Refunds	134,275
Total operating revenues	<u>8,658,830</u>
Operating expenses:	
Medical claims	7,172,422
Administrative expenses	927,488
Contributions to health savings accounts	332,028
Total operating expenses	<u>8,431,938</u>
Operating income	226,892
Net position – beginning	<u>5,318,450</u>
Net position – ending	<u><u>\$ 5,545,342</u></u>

The accompanying notes are an integral part of this financial statement.

PARK CITY SCHOOL DISTRICT
Statement of Fund Cash Flows – Proprietary Fund
Year Ended June 30, 2022

	Governmental Activities – Internal Service Fund
Cash flows from operating activities:	
Insurance premiums received	\$ 8,524,555
Refunds received	134,275
Medical claims paid	(7,349,219)
Administrative expenses paid	(927,488)
Contributions to health savings accounts	(332,028)
Healthcare reimbursements paid	(74,799)
Net cash used by operating activities	<u>(24,704)</u>
Cash and cash equivalents – beginning	<u>7,642,340</u>
Cash and cash equivalents – ending (displayed as <i>cash and investments</i> on the statement of fund net position)	<u><u>\$ 7,617,636</u></u>
 Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ 226,892
Adjustments to reconcile operating income to net cash used by operating activities:	
Increase in accounts payable	6,150
Decrease in medical claims payable	(182,947)
Decrease in health reimbursement accounts	(74,799)
Net cash used by operating activities	<u><u>\$ (24,704)</u></u>

The accompanying notes are an integral part of this financial statement.

PARK CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Park City School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

Reporting Entity

The Board of Education, comprised of five elected individuals, is the District's primary governing authority. As required by GAAP, these financial statements present the District and its blended component unit, Park City Education Foundation (the Foundation), for which the District is financially accountable. The Foundation exclusively benefits the District and its students. Most of the administrative costs of the Foundation are financed by the District. A blended component unit, although a legally separate entity, is in substance part of District operations.

Government-Wide and Fund Financial Statements

The *government-wide financial statements* (the statement of net position and the statement of activities) display information about the primary government (the District) and its component unit. These statements include the financial activities of the overall government. As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. *Governmental activities* generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a function. Depreciation expense for capital assets that can specifically be identified with a function are included in the District's direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instruction, school administration, operation and maintenance of facilities, and nutrition services) are ratably included in the direct expenses of the appropriate functions. Program revenues include a) fees and charges paid by students and other recipients of goods or services offered by a given function and b) grants and contributions that are restricted to meeting the operational or capital requirements of a function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students in the District.

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

Additionally, the District reports the following proprietary fund:

- The *self-insurance fund* accounts for the risk management services associated with the District's self-insurance plan covering employee health and accident and dental claims and healthcare reimbursements. Premiums are charged to other funds to cover anticipated costs.

Classifications of expenditures/expenses are reported by function. The function describes the activity for which a service or material object is acquired. District functions are classified into six broad areas: instruction, supporting services, nutrition services, community services, contributions to other governments, and capital outlay. Functions are further classified into subfunctions.

Instruction – Instruction includes the activities dealing directly with the interaction between teachers and students. This function includes teachers, aides, textbooks, and classroom supplies.

Supporting Services – Supporting services provide administrative, technical (such as guidance and curriculum development), and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, nutrition services, and community services rather than as entities within themselves.

- *Student*. Activities designed to assess and improve the well-being of students and to supplement the teaching process. This subfunction includes attendance, guidance, health, and therapy services.
- *Instructional staff*. Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students. This subfunction includes improvement of instruction, instruction and curriculum development, instructional staff training, library and media, instruction-related technology, and academic student assessment services.
- *Executive administration*. Activities concerned with establishing and administering policy for operating the District. This subfunction includes Board of Education, superintendent, and community relation services.
- *School administration*. Activities concerned with overall administrative responsibility for a school. This subfunction includes principals, assistants, records, and clerical services.
- *Central*. Activities that support other administrative and instructional functions, including fiscal services, purchasing, printing, human resources, planning, and administrative information technology.
- *Operation and maintenance of facilities*. Activities concerned with keeping physical facilities open, comfortable, and safe for use and with keeping grounds, buildings, and equipment in effective working conditions and state of repair.
- *Student transportation*. Activities concerned with conveying students to and from school, as provided by state and federal law. These include trips between home and school and trips to school activities as well as vehicle acquisition, operation, and maintenance.

Nutrition Services – Nutrition services include activities concerned with providing food to students and staff in a school as part of the National School Lunch Program. Program revenues include federal and state reimbursements, federal donated commodities, and lunch sales.

PARK CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

Community Services – Community services include activities concerned with providing services to the community. Examples of this function are offering after-school, operating a swimming pool, and providing other community recreation programs.

Contributions to Other Governments – Contributions to other governments include required payments to other governments of property taxes levied by the District of a) incremental taxes to a redevelopment agency, b) excess basic levy collections to the state, and c) the charter school levy to the state.

Capital Outlay – Capital outlay includes payments for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment.

Debt Service – Debt service includes payments of both principal, interest, and related debt costs.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements and proprietary fund financial statements are reported using the *economic resources measurement focus* and are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. The District generally considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Expenditures generally are recorded when the related fund liability is incurred, except pension benefits, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes and interest associated with the current fiscal period are susceptible to accrual and have been recognized as revenues in the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered measurable and available only when the District receives cash.

Budgetary Data

The District operates within the budget requirements for school districts as specified by state law and as interpreted by the Utah State Superintendent of Public Instruction. Budgets are presented on the modified accrual basis of accounting for all governmental funds, except for the Foundation, which operates within its own budget. A budget for the *self-insurance fund* is not required. All annual appropriations lapse at fiscal year-end except for those indicated as a fund balance commitment. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- By June 1 of each year, the business administrator prepares a proposed annual budget (for the fiscal year beginning July 1) for all applicable funds. The budget is presented to the Board of Education by the superintendent. This budget includes proposed expenditures and the means of financing them. Also included is a final budget for the current fiscal year ending June 30.

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

- Copies of the proposed budget are made available for public inspection and review by the District's patrons.
- If the District does not exceed the certified tax rate, a public hearing is held before June 30 at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted by August when data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the superintendent, can approve reductions in appropriations but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with state law, interim adjustments may be made by administrative budget reallocation from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2022 have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The pool's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to the funds based on the average balance of each participating fund.

Cash and Cash Equivalents

The District considers cash and cash equivalents in proprietary funds to be cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date the District acquired the investments, including investments in the Public Treasurers' Investment Fund (PTIF).

Receivables and Payables

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

Inventories and Prepaid Items

Inventories are valued at cost or, if donated, at acquisition value when received, stated at the lower of average cost or market. Inventories of governmental funds are recorded as expenditures when consumed. Donated food commodities are recorded as revenue when received. Inventories reported in the governmental funds are equally offset by a nonspendable portion of fund balance, indicating that they are not expected to be converted to cash.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed.

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, and equipment and buses, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for land, equipment and buses and \$100,000 for buildings and improvements. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The District's buildings and improvements and equipment and buses are depreciated using the straight-line method over the estimated useful lives as indicated in the following chart:

<u>Assets</u>	<u>Years</u>
Buildings	50
Athletic field improvements	20
Musical instruments	20
Kitchen equipment	15
Maintenance equipment	15
School buses and vehicles	10
Copiers	7
Computer equipment and software	5

Pensions

For purposes of measuring the net pension liability (asset), 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 (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. Pension plan investments are reported at fair value.

Vacation and Personal Time Off

Under terms of association agreements, employees are granted vacation leave in amounts varying with tenure. Under Board policy, the District provides personal time off incentive to its employees; this benefit is available to employees when they separate from the District. The benefit is up to 25% (based on years of service within the District) of the amount of unused personal days allowed to be accumulated using the daily rate of pay at the time of separation. The District records expenditures in the governmental funds for vacation and personal time off benefits when paid. An expense and related liability are recorded in the governmental-wide financial statements as these benefits are earned. The liability will be paid by the fund in which the employee worked.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term obligations are reported as liabilities in the statement of net position and include net pension liability, lease obligations, unpaid vacation, accrued sick leave, medical claims payable, and health reimbursement accounts.

In the fund financial statements, governmental funds usually recognize expenditures when paid; long-term obligations are not reported as liabilities in the governmental funds.

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

Deferred Outflows of Resources

In addition to assets, financial statements will sometimes report 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 so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report 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 so will not be recognized as an inflow of resources (revenue) until that time.

Net Position/Fund Balances

The residual of all other elements presented in a statement of net position is *net position* on the government-wide and proprietary fund financial statements and the residual of all other elements presented in a balance sheet on the governmental fund financial statements is *fund balance*.

Net position is divided into three components: investment in capital assets (capital assets net of accumulated depreciation and capital-related debt), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the District is bound to honor them. The District first determines and reports nonspendable balances, then restricted, then committed, and so forth.

Fund balance classifications are summarized as follows:

Nonspendable – This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Net fund resources related to endowments, inventories, and prepaid items are classified as nonspendable.

Restricted – This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include the unspent tax revenue for specific purposes (capital outlay), remaining amounts for nutrition services held in other governmental funds (*food services fund*), and unspent expendable donations for scholarships held in other governmental funds (*Park City Education Foundation*).

Committed – This category includes amounts that can only be used for specific purposes established by formal action of a government's highest level of decision-making authority. The Board is the highest level of decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. Committed fund balance also incorporates contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

As defined in state law as an “undistributed reserve,” the District maintains for economic stabilization up to 5% of *general fund* budgeted expenditures. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). Also as defined by state law, the commitment is not to be used “in the negotiation or settlement of contract salaries for school district employees” and the use of this reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and the Utah State Auditor.

Assigned – This category includes resources held in the governmental funds to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the business administrator to assign fund balances. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The District has assigned amounts in the *general fund* that it intends to be used for specific purposes but are neither restricted nor committed. Also, residual balances in other governmental funds are classified as assigned fund balances.

Unassigned – Residual balances in the *general fund* are classified as unassigned.

Net Position/Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report in each category of net position and fund balance, a flow assumption must be made about the order in which the resources are applied.

Net Position – It is District policy to consider restricted net position to have been depleted before unrestricted net position.

Fund Balance – It is District policy to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2022 as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 8,802,702
Carrying amount of investments	<u>173,942,653</u>
Total cash and investments	<u><u>\$ 182,745,355</u></u>
Governmental funds cash and investments	\$ 175,127,719
Internal service fund cash and investments	<u>7,617,636</u>
Total cash and investments	<u><u>\$ 182,745,355</u></u>

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

The District complies with the State Money Management Act (*Utah Code* Title 51, Chapter 7) (the Act) and related Rules of the Money Management Council (the Council) in handling the District’s depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers’ Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, first-tier commercial paper, banker’s acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the State of Utah.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The District considers the rules of the Council to be necessary and enough for adequate protection of its uninsured bank deposits.

Deposits

At June 30, 2022, the District and Foundation have the following deposits with financial institutions:

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Amount Insured</u>
Park City School District	\$ 6,528,913	\$ 6,679,479	\$ 258,371
Park City Education Foundation	<u>2,273,789</u>	<u>2,358,869</u>	<u>500,000</u>
	<u>\$ 8,802,702</u>	<u>\$ 9,038,348</u>	<u>\$ 758,371</u>

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government’s deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. At June 30, 2022, the uninsured amount of the District’s and Foundation’s bank deposits was uncollateralized nor is it required to be collateralized by state law.

Investments

At June 30, 2022, the District and Foundation have the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Park City School District: Utah Public Treasurers' Investment Fund (PTIF)	\$ 171,885,670
Park City Education Foundation: Common stock ETFs	<u>2,056,983</u>
Total investments	<u>\$ 173,942,653</u>

The District invests with the PTIF. The PTIF is an external local government investment pool managed by the Utah State Treasurer. The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state. Participants in the PTIF share proportionally in the income, costs, gains, and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio, which consists of debt securities held by the state or in the state’s name by the state’s custodial banks, including investment-grade corporate bonds and notes, money market mutual

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

funds, first-tier commercial paper, and certificates of deposit. The portfolio has a weighted average maturity of 90 days or less. The majority of the PTIF's corporate bonds and notes are variable-rate securities, which reset every three months to the prevailing market interest rates. The PTIF is not rated. The PTIF has no debt securities with more than 5% of its total investments in a single issuer. The reported value of the pool is the same as the fair value of the pool shares.

The Foundation invests through a broker in common stock exchange-traded funds (ETFs). An ETF is a marketable security that tracks an index. An ETF owns the underlying assets (shares of stocks) and divides ownership of those assets into shares. Shareholders indirectly own these assets and are entitled to a portion of the earnings. ETF shares are traded on public stock exchanges. The common stock ETFs seek to provide investment results that correspond to developed equities based in Europe, Australia, and the Far East or the S&P 500 Index (composed of five hundred selected stocks, all of which are listed on national stock exchanges and spans over 25 separate industry groups).

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments to not exceed the period of availability of the funds invested. Except endowments, the Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, and fixed-rate securities from 270 days to 15 months. In addition, variable-rate securities may not have a remaining term to final maturity exceeding three years. The Foundation can also invest private funds in fixed-income securities with a dollar-weighted average maturity not to exceed ten years.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. District policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first-tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody's Investors Service or by Standard & Poor's.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. District policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5% of its total portfolio with a single issuer. The Foundation can invest private funds in certain equity and fixed-income securities provided no more than 5% of all funds are invested in any one issuer and no more than 25% of all funds are invested in an industry. Also, for the Foundation's investments in private funds, no more than 75% may be invested in equity securities and no more than 5% in collateralized mortgage obligations.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. District policy for managing this risk is to comply with the Act and related rules. The Act requires the Foundation's public treasurer to have custody of all securities purchased or held or deposit these securities with a bank or trust company to be held in safekeeping by that custodian. The Foundation's investments held in a brokerage account are covered by Securities Investor Protection Corporation up to \$500,000.

NOTE 3 – FAIR VALUE MEASUREMENTS

The District, as well as the Foundation, categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2022:

- Public Treasurers' Investment Fund of \$171,885,670 is valued at the District's position in the PTIF multiplied by the published fair value factor (Level 2 inputs).

The Foundation has the following recurring fair value measurements as of June 30, 2022:

- Common stock exchange-traded funds of \$2,056,983 are valued at quoted market prices (Level 1 inputs).

NOTE 4 – PROPERTY TAXES

District Property Tax Revenue

The District's property tax revenue is collected and distributed by the Summit County treasurer as its agent. State statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the county board of equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30.

Motor vehicles are assessed an age-based fee that is due each time a vehicle is registered. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in the same proportion in which revenue collected from property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when collected.

As of June 30, 2022, District property taxes receivable includes uncollected taxes assessed as of January 1, 2022 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion.

Contributions to Other Governments

The District is required to allocate to other governments some of the property taxes it levies as follows:

Incremental Taxes for Park City Redevelopment Agency

In addition to property taxes it levies for its own purposes, the District levies property taxes for Park City Redevelopment Agency (the Agency), a legally separate governmental entity which is reported as a component unit of Park City Municipal Corporation. The incremental taxes are administered in accordance with the Community Development and Renewal Agencies Act (*Utah Code 17C-1*). Collections of these taxes are forwarded directly by Summit County to the Agency.

Property tax revenue (or incremental taxes) from increased assessed values within project areas are earmarked to finance urban renewal, economic development, and community development projects managed by the Agency. Project completion dates range from 2021 to 2031.

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

In 2022, incremental taxes levied by the District for the Agency totaling \$2,933,296 were recorded in the other governmental funds (*pass-through taxes fund*).

As part of a mitigation agreement between the District and the Agency, the Agency paid the District \$830,623 during the year ended June 30, 2022. Of the amount paid, the agreement requires the District to allocate 61% to general purposes and 39% to capital outlay.

Charter School Levy to the State

Per *Utah Code 53F-2-703*, a portion of the District’s board local levy is paid to the statewide charter school levy account. The portion is based on the number of charter school students residing within District boundaries. In 2022, the amount collected by the County and paid directly to the state was \$654,118; the District reports this amount in the *pass-through taxes fund*.

Basic Levy Recapture (and Basic Levy Incremental Tax) to the State

The state guarantees a contribution to a school district’s basic program when the amount generated by weighted pupil units exceeds the amount of tax revenue produced by the basic levy. When a school district produces tax revenue from the basic levy in excess of what is to be applied to the amount generated by weighted pupil units, the excess is paid (or recaptured) to the state. Per *Utah Code 53F-2-301.5*, the state added an incremental rate to the basic levy. The District pays this incremental tax to the state to fund certain state programs. The District is not eligible to participate in these state programs even though it is required to levy the incremental tax. In 2022, combined basic levy recapture and basic levy incremental tax of \$13,179,710 was paid to the state from the *general fund*.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 19,077,646	\$ -	\$ -	\$ 19,077,646
Construction in progress	943,612	4,685,395	-	5,629,007
Total capital assets, not being depreciated	20,021,258	4,685,395	-	24,706,653
Capital assets, being depreciated:				
Buildings and improvements	145,816,958	-	-	145,816,958
Equipment and buses	11,758,026	924,608	(412,783)	12,269,851
Total capital assets, being depreciated	157,574,984	924,608	(412,783)	158,086,809
Accumulated depreciation for:				
Buildings and improvements	(63,014,376)	(2,971,955)	-	(65,986,331)
Equipment and buses	(7,165,826)	(709,705)	409,246	(7,466,285)
Total accumulated depreciation	(70,180,202)	(3,681,660)	409,246	(73,452,616)
Total capital assets, being depreciated, net	87,394,782	(2,757,052)	(3,537)	84,634,193
Governmental activities capital assets, net	<u>\$ 107,416,040</u>	<u>\$ 1,928,343</u>	<u>\$ (3,537)</u>	<u>\$ 109,340,846</u>

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

For the year ended June 30, 2022, depreciation expense was charged to District functions as follows:

Governmental activities:	
Instruction	\$ 2,563,724
Supporting services:	
Student	1,390
Executive administration	52,431
School administration	142,740
Business	83,427
Operation and maintenance of facilities	182,201
Student transportation	449,909
Food services	167,268
Community services	38,570
Total depreciation expense, governmental activities	<u>\$ 3,681,660</u>

The District is obligated at June 30, 2022, under construction commitments as follows:

<u>Project</u>	<u>Project Authorized</u>	<u>Costs to Date</u>	<u>Costs to Complete</u>
Park City High School	\$ 6,435,479	\$ 2,192,460	\$ 4,243,019
Ecker Hill Middle School	3,321,021	531,854	2,789,167
Jeremy Ranch Elementary School	12,360,355	1,375,744	10,984,611
McPolin Elementary School	12,369,183	1,363,236	11,005,947
Trailside Elementary School	363,505	69,265	294,240
Parley's Park Elementary School	683,428	96,448	586,980
	<u>\$ 35,532,971</u>	<u>\$ 5,629,007</u>	<u>\$ 29,903,964</u>

NOTE 6 – LONG-TERM LIABILITES

Long-term liability activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Portion Due or Payable Within One Year</u>
General obligation bonds					
(direct placement)	\$ -	\$ 71,305,000	\$ -	\$ 71,305,000	\$ 2,560,000
Lease revenue bonds	-	42,000,000	-	42,000,000	1,745,000
Unamortized premiums	-	9,475,356	(155,336)	9,320,020	-
Total general obligation bonds payable, net	-	122,780,356	(155,336)	122,625,020	4,305,000
Net pension liability	13,896,193	27,222,883	(41,119,076)	-	-
Note payable (direct borrowing)	104,491	-	(60,477)	44,014	44,014
Unpaid vacation	448,595	401,065	(335,085)	514,575	411,660
Accrued personal time off	1,065,522	197,228	(180,382)	1,082,368	216,474
Medical claims payable	1,958,151	8,684,113	(8,867,060)	1,775,204	1,775,204
Health reimbursement accounts	325,967	-	(74,799)	251,168	125,584
Total long term liabilities	<u>\$ 17,798,919</u>	<u>\$ 159,285,645</u>	<u>\$ (50,792,215)</u>	<u>\$ 126,292,349</u>	<u>\$ 6,877,936</u>

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

The outstanding balance of bonds payable at June 30, 2022 is comprised of individual issues as follows:

Description/ Purpose	Maturity	Outstanding Amount
Bond Series 2021A - (direct placement) GO Bonds - original issue of \$71,305,000 with interest rates ranging from 3.0% to 5.0%	2/1/2042	\$ 71,305,000
Local Building Authority 2022 - Lease Revenue Bonds - original issue of \$42,000,000 with an interest rate of 2.99%	3/15/2042	42,000,000

General Obligation Bonds

In February 2022, the District issued \$71,305,000 of general obligation refunding bonds. The bonds were issued with interest rates from 3.0% to 5.0% and will mature on February 1, 2042.

The District issues general obligation bonds to provide funds for the construction of new facilities, acquisition of property, renovation and improvement of facilities, and procurement of new school equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the taxpayers. Debt service payments on the general obligation bonds are made by the debt service fund from property tax revenues.

The annual requirements to service all general obligation bonds outstanding of June 30, 2022, including interest payments, are listed as follows:

Year Ending June 30,	Direct Placement Outstanding Bonds		Total
	Principal	Interest	
2023	\$ 2,560,000	\$ 2,505,485	\$ 5,065,485
2024	2,335,000	2,726,350	5,061,350
2025	2,455,000	2,609,600	5,064,600
2026	2,575,000	2,486,850	5,061,850
2027	2,705,000	2,358,100	5,063,100
2028-2032	15,700,000	9,621,000	25,321,000
2033-2037	19,780,000	5,530,350	25,310,350
2038-2042	23,195,000	2,128,500	25,323,500
Total	<u>\$ 71,305,000</u>	<u>\$ 29,966,235</u>	<u>\$ 101,271,235</u>

Lease Revenue Bonds

In March 2022, the Local Building Authority of Park City School District issued \$42,000,000 of lease revenue bonds. The bonds were issued at an effective interest rate of 2.99% and will mature on March 15, 2042.

The Local Building Authority of Park City School District issues lease revenue bonds to finance improvements to schools. Debt service payments on the lease revenue bonds are made by the capital projects fund from property tax revenues.

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

The annual requirements to amortize all lease revenue bonds outstanding as of June 30, 2022, including interest payments, are listed as follows:

Year Ending June 30,	Lease Revenue Bonds		Total
	Principal	Interest	
2023	\$ 1,745,000	\$ 2,505,485	\$ 4,250,485
2024	1,605,000	2,726,350	4,331,350
2025	1,650,000	2,609,600	4,259,600
2026	1,700,000	2,486,850	4,186,850
2027	1,755,000	2,358,100	4,113,100
2028-2032	9,580,000	9,621,000	19,201,000
2033-2037	11,105,000	5,530,350	16,635,350
2038-2042	12,860,000	2,128,500	14,988,500
Total	<u>\$ 42,000,000</u>	<u>\$ 29,966,235</u>	<u>\$ 71,966,235</u>

Note Payable from Direct Borrowing

In 2019, the District issued a note payable from direct borrowing to help finance the purchase of equipment. Proceeds from the notes totaled \$200,501; the notes bears an interest rate of 5.0%. The note is payable in monthly installments of \$3,768, with a final maturity in June 1, 2023. Future debt service requirements for the note payable will be as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 44,014	\$ 1,202	\$ 45,216

NOTE 7 – STATE RETIREMENT PLANS

Description of Plans

Eligible employees are provided with the following plans through the Utah Retirement Systems (the URS) administered by the URS:

Defined Benefit Pension Plans (cost-sharing, multiple-employer plans):

- *Public Employees Noncontributory Retirement System* (Tier 1 Noncontributory System)
- *Tier 2 Public Employees Contributory Retirement System* (Tier 2 Contributory System)

Defined Contribution Plans (individual account plans):

- *401(k) Plan* which includes the *Tier 2 Public Employees Defined Contribution Plan* (Tier 2 Defined Contribution Plan)
- *457 Plan* and other individual plans

PARK CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

District employees qualify for membership in the retirement systems if a) employment, contemplated to continue during a fiscal or calendar year, normally requires an average of 20 or more hours per week and the employee receives benefits normally provided by the District as approved by the Utah State Retirement Board, b) the employee is a classified school employee whose employment normally requires an average of 20 hours or more per week regardless of benefits, c) the employee is a teacher who teaches half-time or more and receives benefits normally provided by the District as approved by the Utah State Retirement Board, or d) the employee is an appointed officer.

The Tier 2 systems became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with URS, are members of the Tier 2 systems.

The plans are established and governed by the respective sections of Title 49 of the *Utah Code*. The plans are amended statutorily by the Utah State Legislature. Title 49 provides for the administration of the plans under the direction of the Utah State Retirement Board, whose members are appointed by the Governor.

The URS (a component unit of the State of Utah) issues a publicly available financial report that can be obtained at www.urs.org.

Benefits Provided

The URS provides retirement, disability, and death benefits to participants in the plans.

Retirement benefits in the defined benefit pension plans are determined from 1.50% to 2.00% of the employee's highest 3 or 5 years of compensation times the employee's years of service depending on the pension plan; benefits are subject to cost-of-living adjustments up to 2.50% or 4.00%, limited to the actual Consumer Price Index increase for the year. Employees are eligible to retire based on years of service and age.

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required contributions and associated earnings are vested during the first four years of employment. If an employee terminates prior to the vesting period, employer contributions and associated earnings for that employee are subject to forfeiture. Forfeitures are used to cover a portion of the plan's administrative expenses paid by participants. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

Contributions

As a condition of participation in the plans, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement 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 SCHOOL DISTRICT
Notes to the Basic Financial Statements

For the year ended June 30, 2022, required contribution rates for the plans were as follows:

	Defined Benefit Plans Rates		District Rates	Totals
	District Contribution *	Amortization of UAAL **	for 401(k) Plan	
Tier 1 Noncontributory System	12.25%	9.94%	1.50%	23.69%
Tier 2 Contributory System	9.46%	9.94%	0.62%	20.02%
Tier 2 Defined Contribution Plan	0.08%	9.94%	10.00%	20.02%

* District contribution includes 0.08% of covered-employee payroll of the Tier 2 plans for death benefits.

** Required contributions include an additional amount to finance any unfunded actuarial accrued liability in the Tier 1 plans.

Employees can make additional contributions to defined contribution plans subject to limitations.

For the year ended June 30, 2022, District and employee contributions to the plans were as follows:

	District Contributions *	Employee Contributions
Tier 1 Noncontributory System	\$ 4,976,486	\$ -
Tier 2 Contributory System	2,920,372	-
Tier 2 Defined Benefit Plan	425,922	-
401(k) Plan	957,798	1,396,618
457 Plan and other individual plans	-	350,316

* A portion of required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability in the Tier 1 plans.

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

At June 30, 2022, the District reported a net pension asset of 7\$,222,177 and no net pension liability for the following plans:

	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	\$ 6,884,498	\$ -
Tier 2 Contributory System	337,679	-
Total	\$ 7,222,177	\$ -

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2021, rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability (asset) is equal to the ratio of its actual contributions compared to the total of all employer contributions during the plan year. The following presents the District's proportion (percentage) of the collective net pension liability (asset) at December 31, 2021, and the change in its proportion since the prior measurement date for each plan:

	Proportionate Share	
	2021	Change
Tier 1 Noncontributory System	1.0076188%	(0.0257238)%
Tier 2 Contributory System	0.7978475%	(0.0397974)%

For the year ended June 30, 2022, the District recognized pension expense for the plans as follows:

	Pension Expense
Defined benefit pension plans:	
Tier 1 Noncontributory System	\$ (3,263,317)
Tier 2 Contributory System	1,173,377
Total	<u>\$ (2,089,940)</u>
Defined contribution plans:	
Tier 2 Defined Contribution Plan	\$ 2,920,372
401(k) Plan	957,798
Total	<u>\$ 3,878,170</u>

At June 30, 2022, the District reported deferred outflows of resources related to defined benefit pension plans from the following sources:

	Deferred Outflows of Resources Related to Pensions		
	Tier 1 Noncontributory System	Tier 2 Contributory System	Total
Differences between expected and actual experience	\$ 4,129,605	\$ 164,051	\$ 4,293,656
Changes of assumptions	2,684,477	314,860	2,999,337
Changes in proportion and differences between District contributions and proportionate share of contributions	-	189,518	189,518
District contributions subsequent to the measurement date	2,454,109	1,675,882	4,129,991
Total	<u>\$ 9,268,191</u>	<u>\$ 2,344,311</u>	<u>\$ 11,612,502</u>

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

At June 30, 2022, the District reported deferred inflows of resources related to defined benefit pension plans from the following sources:

	Deferred Inflows of Resources Related to Pensions		
	Tier 1 Noncontributory System	Tier 2 Contributory System	Total
Differences between expected and actual experience	\$ -	\$ 43,507	\$ 43,507
Changes of assumptions	-	3,192	3,192
Net difference between projected and actual earnings on pension plan investments	27,765,886	834,361	28,600,247
Changes in proportion and differences between District contributions and proportionate share of contributions	694,033	-	694,033
Total	<u>\$ 28,459,919</u>	<u>\$ 881,060</u>	<u>\$ 29,340,979</u>

The \$4,129,991 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of December 31, 2021, will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

Year Ending June 30,	Tier 1 Noncontributory System	Tier 2 Contributory System	Total
2023	\$ (3,625,142)	\$ (155,950)	\$ (3,781,092)
2024	(7,007,497)	(200,160)	(7,207,657)
2025	(6,397,349)	(144,973)	(6,542,322)
2026	(4,615,849)	(83,122)	(4,698,971)
2027	-	66,338	66,338
Thereafter	-	305,236	305,236

Actuarial Assumptions

The total pension liability (asset) in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 9.25%, average, including inflation
Investment rate of return	6.85%, net of pension plan investment expense, including

Mortality rates were based on actual experience and mortality tables, considering 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, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2016. Assumptions remained unchanged that affect measurement of the total pension liability (asset) since the prior measurement date.

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

The long-term expected rate of return on defined benefit 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity securities	37%	2.43%
Debt securities	20%	(0.60)%
Real assets	15%	0.87%
Private equity	12%	1.18%
Absolute return	16%	0.47%
Cash and cash equivalents	0%	0.00%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the plans' 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 (asset).

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	<u>1% Decrease (5.85%)</u>	<u>Discount Rate (6.85%)</u>	<u>1% Increase (7.85%)</u>
District's proportionate share of the net pension liability (asset):			
Tier 1 Noncontributory System	\$ 24,724,608	\$ (6,884,498)	\$ (33,309,937)
Tier 2 Contributory System	<u>2,011,965</u>	<u>(337,679)</u>	<u>(2,141,717)</u>
Total	<u>\$ 26,736,573</u>	<u>\$ (7,222,177)</u>	<u>\$ (35,451,654)</u>

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plans

At June 30, 2022, the District reported payables of \$1,562,901 for contributions to defined benefit and defined contribution plans.

NOTE 8 – RISK MANAGEMENT

The District’s *self-insurance fund*, an internal service fund, was established to pay self-insurance claims for health and accident and dental coverage and healthcare reimbursements for qualified District employees. The District carries commercial insurance, which covers claims in excess of \$125,000. The fund collects premiums, as established by the District and the plan administrator, from other District funds. The District has recorded an estimate of claims incurred but not reported of \$1,775,204 as of June 30, 2022. This liability is based on experience and information provided by the plan administrator.

The following table shows a history of accrued claims payable for the years ended June 30, 2022 and 2021:

	Medical Coverage	
	2021	2020
Medical claims payable (beginning of year)	\$ 1,958,151	\$ 1,966,414
Medical claims (including incurred but not reported)	8,684,113	9,608,023
Payments of medical claims and administrative costs	<u>(8,867,060)</u>	<u>(9,616,286)</u>
Medical claims payable (end of year)	<u>\$ 1,775,204</u>	<u>\$ 1,958,151</u>

The District has established and made contributions to health reimbursement accounts (HRA) for certain qualifying employees not participating in the District’s health and accident plan. This benefit was closed to new entrants on August 31, 2017. The HRA balances are reduced by reimbursements paid up to the amount available in the HRA. Upon termination, any accumulated balance is forfeited to the District. The following table shows a history of accumulated balances in HRAs for the years ended June 30, 2022 and 2021:

	Health Reimbursement Accounts	
	2021	2020
Health reimbursement accounts (beginning of year)	\$ 325,967	\$ 399,525
Healthcare reimbursements paid	<u>(74,799)</u>	<u>(73,558)</u>
Health reimbursement accounts (end of year)	<u>\$ 251,168</u>	<u>\$ 325,967</u>

The District also maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10,000,000 per occurrence through policies administered by the Utah State Risk Management Fund. The District pays an annual premium to the Fund. The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Utah State Risk Management Fund. This all-risk insurance coverage provides for repair or replacement of damaged property at a replacement cost

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

basis subject to a deductible of \$1,000 per occurrence. The District also maintains a public treasurer's fidelity bond with the Utah State Risk Management Fund.

District employees are covered for workers compensation by the Utah School Boards Risk Management Mutual Insurance Association. The district covers unemployment claims on a pay-as-you-go basis.

Settled claims (other than those related to health-care benefits) for the past three years have been insignificant.

NOTE 9 – TRANSFERS AND INTERFUND BALANCES

The District transferred \$180,859 from the *general fund* to its other governmental funds to cover \$180,859 of administrative costs incurred by the Park City Education Foundation.

Amounts due to and due from other funds at June 30, 2022 include \$387,702 due from other governmental funds (the *Park City Education Foundation fund*) to the *general fund* for personnel and other administrative costs.

NOTE 10 – LITIGATION AND COMPLAINTS

At certain times, claims or lawsuits are pending in which the District is involved. The District's legal counsel and insurance carriers estimate that its potential obligations resulting from such claims (other than health-care related claims disclosed in Note 7) or litigation would not significantly affect the District's financial statements.

All fund balances are positive at June 30, 2022.

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of resources received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the *general fund* or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be insignificant.

Required Supplementary Information

PARK CITY SCHOOL DISTRICT

**Schedules of the District's Proportionate Share of the Net Pension Liability (Asset) –
Utah Retirement Systems**

Last Eight Plan (Calendar) Years

	District's Proportion of Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Tier 1 Noncontributory System:					
2021	1.0076188 %	\$ (6,884,498)	\$ 23,673,847	(29.08)%	102.7 %
2020	1.0333426 %	13,775,716	24,157,631	57.02 %	94.3 %
2019	1.0497175 %	23,321,593	24,579,344	94.88 %	90.1 %
2018	0.9829048 %	36,569,142	24,941,777	146.62 %	84.1 %
2017	0.9267600 %	22,662,639	23,821,730	95.13 %	89.2 %
2016	0.8960120 %	29,039,004	23,880,531	121.60 %	84.9 %
2015	0.9162832 %	28,783,079	24,539,515	117.29 %	84.5 %
2014	0.9007547 %	22,631,720	24,778,611	91.34 %	87.2 %
Tier 2 Contributory System:					
2021	0.7978475 %	\$ (337,679)	\$ 14,887,770	(2.27)%	103.8 %
2020	0.8376449 %	120,477	13,426,501	0.90 %	98.3 %
2019	0.8609425 %	193,632	11,990,444	1.61 %	96.5 %
2018	0.8435607 %	361,279	9,922,780	3.64 %	90.8 %
2017	0.7350711 %	64,809	7,214,233	0.90 %	97.4 %
2016	0.6041406 %	67,391	4,954,443	1.36 %	95.1 %
2015	0.5764658 %	(1,258)	3,722,327	(0.03)%	100.2 %
2014	0.5797030 %	(17,568)	2,836,017	(0.62)%	103.5 %

The accompanying notes are an integral part of this financial statement.

PARK CITY SCHOOL DISTRICT
Schedules of District Contributions – Utah Retirement Systems
Last Eight Reporting (Fiscal) Years

	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Tier 1 Noncontributory System:					
2022	\$ 4,976,486	\$ 4,976,486	\$ -	\$ 22,649,663	21.97 %
2021	5,336,578	5,336,578	-	24,333,393	21.93 %
2020	5,301,349	5,301,349	-	24,169,221	21.93 %
2019	5,459,127	5,459,127	-	24,881,095	21.94 %
2018	5,417,125	5,417,125	-	24,695,340	21.94 %
2017	5,137,730	5,137,730	-	23,482,993	21.88 %
2016	5,315,383	5,315,383	-	24,295,601	21.88 %
2015	5,313,716	5,313,716	-	24,617,692	21.58 %
Tier 2 Contributory System:					
2022	\$ 2,920,372	\$ 2,920,372	\$ -	\$ 15,095,776	19.35 %
2021	2,715,260	2,715,260	-	14,221,490	19.09 %
2020	2,466,132	2,466,132	-	13,030,929	18.93 %
2019	2,068,319	2,068,319	-	11,005,686	18.79 %
2018	1,610,583	1,610,583	-	8,735,480	18.44 %
2017	1,075,785	1,075,785	-	5,893,766	18.25 %
2016	768,661	768,661	-	4,217,092	18.23 %
2015	588,177	588,177	-	3,244,261	18.13 %
Tier 2 Defined Contribution Plan:					
2021	\$ 425,922	\$ 425,922	\$ -	\$ 4,233,839	10.06 %
2021	386,037	386,037	-	3,696,835	10.44 %
2020	276,422	276,422	-	2,699,523	10.24 %
2019	236,436	236,436	-	2,332,220	10.14 %
2018	210,172	210,172	-	2,073,778	10.13 %
2017	168,438	168,438	-	1,675,567	10.05 %
2016	148,591	148,591	-	1,468,700	10.12 %
2015	114,630	114,630	-	1,121,756	10.22 %

The accompanying notes are an integral part of this financial statement.

PARK CITY SCHOOL DISTRICT
Notes to the Required Supplementary Information

NOTE A – CHANGES IN ASSUMPTIONS – UTAH RETIREMENT SYSTEMS

Amounts reported in plan year 2021 reflect the following assumption changes adopted from the January 1, 2021 valuation:

- The investment return assumption was decreased from 6.95% to 6.85%.

Amounts reported in plan year 2020 reflect the following assumption changes adopted from the January 1, 2020 valuation:

- The payroll growth assumption decreased from 3.00% to 2.90%.
- Other assumptions that were modified: retirement rates, termination rates, disability rates, rate of salary increase, and pre and post retirement mortality tables.

Assumptions for plan years 2019 and 2018 remain unchanged from the prior years.

Amounts reported in plan year 2017 reflect the following assumption changes adopted from the January 1, 2017 valuation:

- The investment return assumption was decreased from 7.20% to 6.95%.
- The inflation assumption decreased from 2.60% to 2.50%.
- The life expectancy assumption increased for most groups.
- The wage inflation assumption decreased from 3.35% to 3.25%.
- The payroll growth assumption decreased from 3.10% to 3.00%

Amounts reported in plan year 2016 reflect the following assumption changes adopted from the January 1, 2016 valuation:

- The investment return assumption was decreased from 7.50% to 7.20%.
- The inflation assumption decreased from 2.75% to 2.60%.
- Both the payroll growth and wage inflation assumptions were decreased by 0.15%.

Amounts reported in plan year 2015 reflect the following assumption changes adopted from the January 1, 2015 valuation:

- The wage inflation assumption for all employee groups was decreased from 3.75% to 3.50%.
- The payroll growth assumption was decreased from 3.50% to 3.25%.
- Other assumptions that were modified: rate of salary increases, post retirement mortality, and certain demographics.

NOTE B – SCHEDULES OF THE DISTRICT'S PROPORTIONAL SHARE OF THE NET PENSION LIABILITY (ASSET) – UTAH RETIREMENT SYSTEMS

These schedules only present information for the 2014 and subsequent measurement periods of the plans; prior-year information is not available.

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

NOTE C – SCHEDULES OF DISTRICT CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS

These schedules only present information for the 2015 and subsequent reporting periods of the plans; prior-year information is not available.

Contributions as a percentage of covered payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. A portion of the required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability of the Tier 1 plans.

**Combining and Individual Fund
Statements and Schedules**

PARK CITY SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –

General Fund

Year Ended June 30, 2022 with Comparative Totals for 2021

	2022			2021
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Property taxes	\$ 79,748,430	\$ 80,673,566	\$ 925,136	\$ 76,130,598
Earnings on investments	151,496	237,818	86,322	174,855
Other	3,238,790	3,329,727	90,937	2,617,796
State	6,948,337	5,875,718	(1,072,619)	6,769,518
Federal	3,021,222	2,876,855	(144,367)	2,223,040
Total revenues	<u>93,108,275</u>	<u>92,993,684</u>	<u>(114,591)</u>	<u>87,915,807</u>
Expenditures:				
Current:				
Salaries	44,995,129	42,128,960	2,866,169	42,535,242
Employee benefits	21,903,970	20,772,857	1,131,113	20,882,457
Purchased professional services	2,600,198	1,231,933	1,368,265	790,195
Purchased property services	1,968,560	2,461,236	(492,676)	2,125,843
Other purchased services	1,374,383	1,157,372	217,011	911,498
Supplies	6,398,505	5,191,418	1,207,087	5,377,940
Equipment	94,349	102,109	(7,760)	316,753
Other objects	141	51,467	(51,326)	1,478,787
Contributions to other governments	13,179,710	13,179,710	-	8,218,495
Total expenditures	<u>92,514,945</u>	<u>86,277,062</u>	<u>6,237,883</u>	<u>82,637,210</u>
Excess of revenues over expenditures	<u>593,330</u>	<u>6,716,622</u>	<u>6,123,292</u>	<u>5,278,597</u>
Other financing sources (uses):				
Transfers out	<u>(245,000)</u>	<u>(180,859)</u>	<u>64,141</u>	<u>(240,683)</u>
Net change in fund balances	348,330	6,535,763	6,187,433	5,037,914
Fund balances – beginning	<u>23,379,117</u>	<u>23,379,117</u>	<u>-</u>	<u>18,341,203</u>
Fund balances – ending	<u>\$ 23,727,447</u>	<u>\$ 29,914,880</u>	<u>\$ 6,187,433</u>	<u>\$ 23,379,117</u>

PARK CITY SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –

Capital Projects Fund

Year Ended June 30, 2022 with Comparative Totals for 2021

	2022			2021
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Property taxes	\$ 5,602,934	\$ 5,667,931	\$ 64,997	\$ 5,556,561
Earnings on investments	103,067	277,596	174,529	102,945
Other	226,363	239,455	13,092	239,580
Total revenues	<u>5,932,364</u>	<u>6,184,982</u>	<u>252,618</u>	<u>5,899,086</u>
Expenditures:				
Capital outlay:				
Purchased professional services	-	-	-	83,246
Purchased property services	12,917,000	731,051	12,185,949	125,073
Supplies	-	-	-	17,124
Equipment	5,890,891	8,585,915	(2,695,024)	12,170,489
Debt service:				
Bond issuance costs	750,315	750,315	-	-
Total expenditures	<u>19,558,206</u>	<u>10,067,281</u>	<u>9,490,925</u>	<u>12,395,932</u>
Excess (deficiency) of revenues over (under) expenditures	(13,625,842)	(3,882,299)	9,743,543	(6,496,846)
Other financing sources (uses):				
Issuance of general obligation bonds	70,952,100	71,305,000	352,900	-
Issuance of lease revenue bonds	42,000,000	42,000,000	-	-
Bond premiums	9,475,356	9,475,356	-	-
Proceeds from sale of capital assets	-	87,312	87,312	76,889
Total other financing sources (uses)	<u>122,427,456</u>	<u>122,867,668</u>	<u>440,212</u>	<u>76,889</u>
Net change in fund balances	108,801,614	118,985,369	10,183,755	(6,419,957)
Fund balances – beginning	<u>13,316,002</u>	<u>13,316,002</u>	<u>-</u>	<u>19,735,959</u>
Fund balances – ending	<u>\$ 122,117,616</u>	<u>\$ 132,301,371</u>	<u>\$ 10,183,755</u>	<u>\$ 13,316,002</u>

PARK CITY SCHOOL DISTRICT
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Food Services	Student Activities	Pass-Through Taxes	Park City Education Foundation	
Assets:					
Cash and investments	\$ 543,143	\$ 703,865	\$ -	\$ 4,330,772	\$ 5,577,780
Receivables:					
Property taxes	-	-	3,868,856	-	3,868,856
Local	-	14,575	-	2,440,891	2,455,466
State	33,964	-	-	-	33,964
Federal	37,905	-	-	-	37,905
Inventories and prepaid items	27,372	-	-	32,595	59,967
Total assets	<u>\$ 642,384</u>	<u>\$ 718,440</u>	<u>\$ 3,868,856</u>	<u>\$ 6,804,258</u>	<u>\$ 12,033,938</u>
Liabilities:					
Accounts payable	\$ 4,388	\$ 6,408	\$ -	\$ 233,868	\$ 244,664
Unearned revenue:					
Local	96,157	-	-	50,500	146,657
Due to other funds	-	-	-	387,702	387,702
Total liabilities	<u>100,545</u>	<u>6,408</u>	<u>-</u>	<u>672,070</u>	<u>779,023</u>
Deferred inflows of resources:					
Unavailable other local revenue	-	-	-	2,279,591	2,279,591
Unavailable property taxes	-	-	45,057	-	45,057
Property taxes levied for future year	-	-	3,823,799	-	3,823,799
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>3,868,856</u>	<u>2,279,591</u>	<u>6,148,447</u>
Fund balances:					
Nonspendable:					
Scholarship endowments	-	-	-	53,848	53,848
Inventories and prepaid items	27,372	-	-	32,595	59,967
Restricted for:					
Scholarships	-	-	-	1,741,909	1,741,909
Food services	514,467	-	-	-	514,467
Assigned to:					
Students	-	712,032	-	-	712,032
Foundation	-	-	-	2,024,245	2,024,245
Total fund balances	<u>541,839</u>	<u>712,032</u>	<u>-</u>	<u>3,852,597</u>	<u>5,106,468</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 642,384</u>	<u>\$ 718,440</u>	<u>\$ 3,868,856</u>	<u>\$ 6,804,258</u>	<u>\$ 12,033,938</u>

PARK CITY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds

Year Ended June 30, 2022

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Food Services	Student Activities	Pass-Through Taxes	Park City Education Foundation	
Revenues:					
Local:					
Property taxes	\$ -	\$ -	\$ 3,587,414	\$ -	\$ 3,587,414
Earnings on investments	174	-	-	(189,470)	(189,296)
Lunch sales	294,784	-	-	-	294,784
Other	-	1,170,244	-	3,228,908	4,399,152
State	314,887	-	-	-	314,887
Federal	1,982,814	-	-	-	1,982,814
Total revenues	<u>2,592,659</u>	<u>1,170,244</u>	<u>3,587,414</u>	<u>3,039,438</u>	<u>10,389,755</u>
Expenditures:					
Current:					
Instruction	-	1,129,589	-	2,545,095	3,674,684
Nutrition services	2,093,100	-	-	-	2,093,100
Contributions to other governments	-	-	3,587,414	-	3,587,414
Total expenditures	<u>2,093,100</u>	<u>1,129,589</u>	<u>3,587,414</u>	<u>2,545,095</u>	<u>9,355,198</u>
Excess of revenues over expenditures	<u>499,559</u>	<u>40,655</u>	<u>-</u>	<u>494,343</u>	<u>1,034,557</u>
Other financing sources (uses):					
Transfers in	-	-	-	180,859	180,859
Net change in fund balances	499,559	40,655	-	675,202	1,215,416
Fund balances – beginning	<u>42,280</u>	<u>671,377</u>	<u>-</u>	<u>3,177,395</u>	<u>3,891,052</u>
Fund balances – ending	<u>\$ 541,839</u>	<u>\$ 712,032</u>	<u>\$ -</u>	<u>\$ 3,852,597</u>	<u>\$ 5,106,468</u>

PARK CITY SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –

Food Services Fund

Year Ended June 30, 2022 with Comparative Totals for 2021

	2022			2021
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Earnings on investments	\$ -	\$ 174	\$ 174	\$ 147
Lunch sales	297,952	294,784	(3,168)	281,055
State	278,188	314,887	36,699	298,782
Federal	1,829,281	1,982,814	153,533	1,082,206
Total revenues	<u>2,405,421</u>	<u>2,592,659</u>	<u>187,238</u>	<u>1,662,190</u>
Expenditures:				
Current:				
Salaries	796,537	779,693	16,844	786,733
Employee benefits	480,517	469,079	11,438	452,650
Purchased professional services	2,000	2,155	(155)	2,155
Purchased property services	4,954	5,722	(768)	-
Other purchased services	82,505	82,134	371	42,629
Food and other supplies	672,443	752,797	(80,354)	613,448
Equipment	54,150	1,520	52,630	-
Total expenditures	<u>2,093,106</u>	<u>2,093,100</u>	<u>6</u>	<u>1,897,615</u>
Excess (deficiency) of revenues over (under) expenditures	<u>312,315</u>	<u>499,559</u>	<u>187,244</u>	<u>(235,425)</u>
Other financing sources (uses):				
Transfers in	-	-	-	60,000
Net change in fund balances	<u>312,315</u>	<u>499,559</u>	<u>187,244</u>	<u>(175,425)</u>
Fund balances – beginning	<u>42,280</u>	<u>42,280</u>	<u>-</u>	<u>217,705</u>
Fund balances – ending	<u>\$ 354,595</u>	<u>\$ 541,839</u>	<u>\$ 187,244</u>	<u>\$ 42,280</u>

PARK CITY SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –

Student Activities Fund

Year Ended June 30, 2022 with Comparative Totals for 2021

	<u>2022</u>			<u>2021</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Local:				
Other	\$ 913,505	\$ 1,170,244	\$ 256,739	\$ 1,194,380
Expenditures:				
Current:				
Salaries	44,276	63,421	(19,145)	50,083
Employee benefits	29,347	33,728	(4,381)	29,901
Other purchased services	-	55,155	(55,155)	23,902
Supplies	1,056,021	977,285	78,736	815,296
Other objects	500	-	500	196
Total expenditures	<u>1,130,144</u>	<u>1,129,589</u>	<u>555</u>	<u>919,378</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	<u>(216,639)</u>	<u>40,655</u>	<u>257,294</u>	<u>275,002</u>
Fund balances – beginning	<u>671,377</u>	<u>671,377</u>	<u>-</u>	<u>396,375</u>
Fund balances – ending	<u>\$ 454,738</u>	<u>\$ 712,032</u>	<u>\$ 257,294</u>	<u>\$ 671,377</u>

PARK CITY SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –

Pass-Through Taxes Fund

Year Ended June 30, 2022 with Comparative Totals for 2021

	<u>2022</u>			<u>2021</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Property taxes	\$ 3,587,414	\$ 3,587,414	\$ -	\$ 3,245,999
Expenditures:				
Contributions to other governments	3,587,414	3,587,414	-	3,245,999
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	-	-	-	-
Fund balances – beginning	-	-	-	-
Fund balances – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PARK CITY SCHOOL DISTRICT
Comparative Balance Sheets –
Park City Education Foundation Fund
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets:		
Cash and investments	\$ 4,330,772	\$ 3,573,052
Receivables:		
Local	2,440,891	667,733
Prepaid items	32,595	25,539
Total assets	<u>\$ 6,804,258</u>	<u>\$ 4,266,324</u>
Liabilities:		
Accounts payable	\$ 233,868	\$ 109,995
Unearned revenue:		
Local	50,500	37,500
Due to other funds	387,702	347,639
Total liabilities	<u>672,070</u>	<u>495,134</u>
Deferred inflows of resources:		
Unavailable other local revenue	<u>2,279,591</u>	<u>593,795</u>
Fund balances:		
Nonspendable:		
Scholarship endowments	53,848	53,848
Prepaid items	32,595	25,539
Restricted for:		
Scholarships	1,741,909	563,980
Assigned to:		
Foundation	<u>2,024,245</u>	<u>2,534,028</u>
Total fund balances	<u>3,852,597</u>	<u>3,177,395</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,804,258</u>	<u>\$ 4,266,324</u>

PARK CITY SCHOOL DISTRICT**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances –*****Park City Education Foundation Fund***

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues:		
Local:		
Earnings on investments	\$ (189,470)	\$ 226,589
Other	<u>3,228,908</u>	<u>2,469,481</u>
Total revenues	<u>3,039,438</u>	<u>2,696,070</u>
Expenditures:		
Current:		
Salaries	502,283	401,593
Employee benefits	196,897	201,883
Other purchased services	820	683
Instructional grants and scholarships	1,275,922	1,146,454
Supplies	<u>569,173</u>	<u>329,789</u>
Total expenditures	<u>2,545,095</u>	<u>2,080,402</u>
Excess of revenues over expenditures	<u>494,343</u>	<u>615,668</u>
Other financing sources (uses):		
Transfers in	<u>180,859</u>	<u>180,683</u>
Net change in fund balances	675,202	796,351
Fund balances – beginning	<u>3,177,395</u>	<u>2,381,044</u>
Fund balances – ending	<u><u>\$ 3,852,597</u></u>	<u><u>\$ 3,177,395</u></u>

OTHER INFORMATION

PARK CITY SCHOOL DISTRICT

Comparative Statements of Net Position (Accrual Basis) – Governmental Activities

Last Five Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets:					
Cash and investments	\$ 182,745,355	\$ 56,312,116	\$ 57,641,518	\$ 55,621,498	\$ 53,910,658
Receivables:					
Property taxes	105,506,241	83,048,927	78,398,271	82,380,056	71,093,961
Other governments	3,877,096	1,815,474	1,597,407	1,133,402	1,114,094
Inventories and prepaid items	66,770	78,142	172,375	310,128	360,991
Net pension asset	7,222,177	-	-	-	-
Capital assets:					
Land and construction in progress	24,706,653	20,021,258	6,152,243	6,176,369	6,078,012
Other capital assets, net of accumulated depreciation	84,634,193	87,394,782	90,175,058	90,922,924	92,494,372
Total assets	<u>408,758,485</u>	<u>248,670,699</u>	<u>234,136,872</u>	<u>236,544,377</u>	<u>225,052,088</u>
Deferred outflows of resources:					
Related to pensions	<u>11,612,502</u>	<u>7,778,520</u>	<u>6,832,958</u>	<u>15,633,122</u>	<u>13,977,342</u>
Liabilities:					
Accounts and contracts payable	1,733,152	1,107,749	1,396,680	2,016,695	896,399
Accrued interest	1,211,071	-	-	-	-
Accrued payroll and related benefits	7,522,332	8,485,377	7,176,779	7,211,135	6,763,503
Unearned revenue	960,373	721,313	764,533	305,383	275,163
Noncurrent liabilities:					
Portion due or payable within one year	6,877,936	2,753,592	2,745,813	2,760,886	2,564,395
Portion due or payable after one year	119,414,413	15,045,327	24,728,552	38,150,239	23,780,431
Total liabilities	<u>137,719,277</u>	<u>28,113,358</u>	<u>36,812,357</u>	<u>50,444,338</u>	<u>34,279,891</u>
Deferred inflows of resources:					
Property taxes levied for future year	103,648,968	81,057,733	75,869,645	80,836,743	70,037,139
Related to pensions	<u>29,340,979</u>	<u>14,793,398</u>	<u>7,905,246</u>	<u>757,406</u>	<u>11,443,069</u>
Total deferred inflow of resources	132,989,947	95,851,131	83,774,891	81,594,149	81,480,208
Net position:					
Net investment in capital assets	106,599,659	107,311,549	96,175,023	96,901,773	98,572,384
Restricted for:					
Capital outlay	12,452,337	13,385,318	19,869,399	21,859,502	22,136,419
Nutrition services	541,839	49,390	200,093	448,215	513,881
Foundation	4,075,348	1,211,623	1,129,058	759,204	599,668
Unrestricted	<u>25,992,580</u>	<u>10,526,850</u>	<u>3,009,009</u>	<u>170,318</u>	<u>1,446,979</u>
Total net position	<u>\$ 149,661,763</u>	<u>\$ 132,484,730</u>	<u>\$ 120,382,582</u>	<u>\$ 120,139,012</u>	<u>\$ 123,269,331</u>

PARK CITY SCHOOL DISTRICT

Comparative Statements of Activities (Accrual Basis) – Governmental Activities

Last Five Fiscal Years

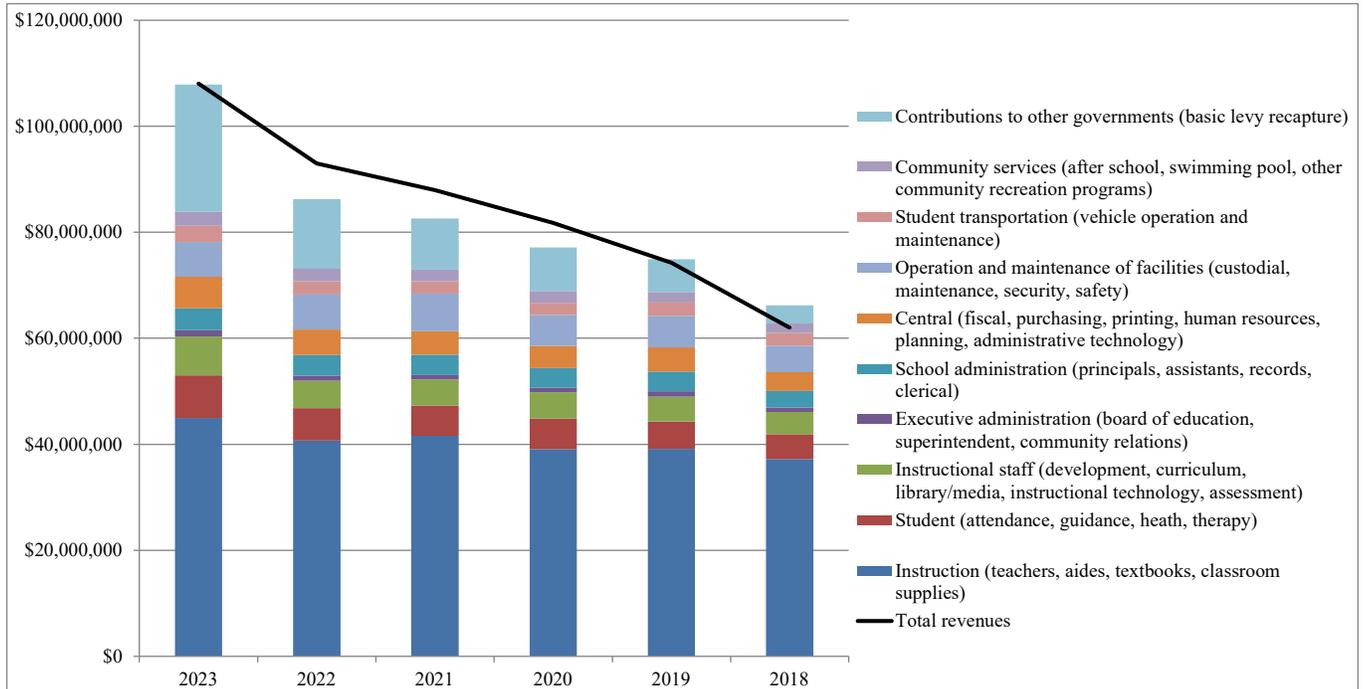
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses:					
Instruction	\$ 43,184,072	\$ 49,912,770	\$ 50,646,209	\$ 49,399,837	\$ 44,511,959
Supporting services:					
Student	5,221,780	5,534,846	5,986,110	5,159,901	4,517,928
Instructional staff	4,292,990	4,716,421	5,088,948	4,790,973	4,047,876
Executive administration	882,828	873,959	934,655	1,042,963	868,181
School administration	3,390,295	3,803,221	4,004,104	3,890,780	3,155,508
Central	4,211,255	4,315,278	4,375,924	4,676,160	3,465,128
Operation and maintenance of facilities	6,339,701	7,206,920	6,052,238	6,096,846	5,066,170
Student transportation	2,691,549	2,784,603	2,699,082	2,809,513	2,639,078
Nutrition services	2,078,828	2,089,869	1,961,497	1,981,048	1,774,614
Community services	2,075,225	2,117,105	2,269,064	2,071,092	1,794,031
Contributions to other governments	16,767,124	12,897,730	11,488,234	8,937,744	6,148,472
Contributions to other governments	1,055,735	-	-	-	-
Total school district	<u>92,191,382</u>	<u>96,252,722</u>	<u>95,506,065</u>	<u>90,856,857</u>	<u>77,988,945</u>
Program revenues:					
Instruction	9,892,778	7,976,802	6,294,605	6,486,221	6,449,284
Supporting services:					
Student	970,150	809,752	777,851	612,922	553,659
Instructional staff	913,284	504,406	370,086	280,541	134,865
Executive administration	2,851	-	-	-	-
School administration	51,719	84,840	-	-	-
Central	17,396	80,018	-	-	-
Operation and maintenance of facilities	269,060	534,665	8,652	23,357	13,435
Student transportation	90,412	1,199,620	1,203,929	1,062,703	819,130
Nutrition services	2,594,550	1,682,698	1,327,719	1,619,869	1,544,581
Community services	336,418	432,473	381,396	306,371	361,455
Total program revenues	<u>15,138,618</u>	<u>13,305,274</u>	<u>10,364,238</u>	<u>10,391,984</u>	<u>9,876,409</u>
Net (expense) revenue	<u>(77,052,764)</u>	<u>(82,947,448)</u>	<u>(85,141,827)</u>	<u>(80,464,873)</u>	<u>(68,112,536)</u>
General revenues:					
Property taxes levied for:					
General purposes	80,726,506	75,245,934	72,507,311	64,415,406	54,007,971
Capital outlay	5,671,651	5,491,991	5,326,198	5,279,424	4,426,440
Park City Redevelopment Agency	2,933,296	2,674,627	2,572,089	2,137,616	2,058,720
Charter schools	654,118	571,372	697,650	619,025	691,220
Total property taxes	<u>89,985,571</u>	<u>83,983,924</u>	<u>81,103,248</u>	<u>72,451,471</u>	<u>61,184,351</u>
Federal and state aid not restricted to specific purposes	1,844,853	1,841,361	1,945,554	2,410,040	1,845,066
Earnings on investments	326,118	504,536	1,148,248	1,611,163	1,015,160
Other local	2,823,570	8,719,775	1,188,347	861,880	797,533
Total general revenues	<u>94,980,112</u>	<u>95,049,596</u>	<u>85,385,397</u>	<u>77,334,554</u>	<u>64,842,110</u>
Change in net position	17,927,348	12,102,148	243,570	(3,130,319)	(3,270,426)
Net position - beginning	<u>132,484,730</u>	<u>120,382,582</u>	<u>120,139,012</u>	<u>123,269,331</u>	<u>126,539,757</u>
Net position - ending	<u>\$ 150,412,078</u>	<u>\$ 132,484,730</u>	<u>\$ 120,382,582</u>	<u>\$ 120,139,012</u>	<u>\$ 123,269,331</u>

PARK CITY SCHOOL DISTRICT
Comparative Balance Sheets (Modified Accrual Basis) – General Fund
Last Five Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets:					
Cash and investments	\$ 36,362,754	\$ 30,716,886	\$ 24,932,516	\$ 20,411,347	\$ 20,654,313
Receivables:					
Property taxes	94,434,638	74,531,903	70,114,894	73,460,466	62,859,153
Local	29,836	211,712	169,506	216,924	233,194
State	187,661	173,957	165,298	158,387	54,364
Federal	1,132,264	698,377	543,257	491,501	604,866
Prepaid items	6,803	3,213	-	140,072	16,926
Due from other funds	387,702	347,639	271,865	431,365	416,510
Total assets	<u>\$ 132,541,658</u>	<u>\$ 106,683,687</u>	<u>\$ 96,197,336</u>	<u>\$ 95,310,062</u>	<u>\$ 84,839,326</u>
Liabilities:					
Accounts and contracts payable	\$ 510,758	\$ 576,693	\$ 622,806	\$ 414,097	\$ 330,286
Accrued payroll and related benefits	7,522,332	8,485,377	7,176,779	7,211,135	6,763,503
Unearned revenue:					
Local	-	-	-	-	1,000
State	619,490	536,999	388,285	204,163	172,233
Federal	194,226	4,214	-	-	-
Total liabilities	<u>8,846,806</u>	<u>9,603,283</u>	<u>8,187,870</u>	<u>7,829,395</u>	<u>7,267,022</u>
Deferred inflows of resources:					
Unavailable property taxes	1,032,743	986,604	1,828,270	1,122,839	650,596
Property taxes levied for future year	92,747,229	72,714,683	67,839,993	72,075,159	61,915,401
Total deferred inflows of resources	<u>93,779,972</u>	<u>73,701,287</u>	<u>69,668,263</u>	<u>73,197,998</u>	<u>62,565,997</u>
Fund balances:					
Nonspendable:					
Prepaid items	6,803	3,213	-	140,072	16,926
Committed to:					
Economic stabilization	5,393,284	4,331,341	4,052,675	4,079,506	3,816,486
Community services	-	-	-	250,000	190,000
Assigned to:					
Compensated absences	1,596,943	1,514,117	1,396,277	1,199,904	981,942
Basic levy recapture	980,000	1,080,000	690,000	500,000	250,000
Unassigned	21,937,850	16,450,446	12,202,251	8,113,187	9,750,953
Total fund balances	<u>29,914,880</u>	<u>23,379,117</u>	<u>18,341,203</u>	<u>14,282,669</u>	<u>15,006,307</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 132,541,658</u>	<u>\$ 106,683,687</u>	<u>\$ 96,197,336</u>	<u>\$ 95,310,062</u>	<u>\$ 84,839,326</u>
Unassigned fund balance as a percent of general fund expenditures	25.4%	19.1%	14.8%	10.8%	14.7%

PARK CITY SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances (Modified Accrual Basis) – General Fund
 Last Five Fiscal Years with Anticipated Budget for 2023

	Anticipated Budget 2023	2022	2021	2020	2019	2018
Revenues:						
Local:						
Property taxes	\$ 95,248,563	\$ 80,673,566	\$ 76,130,598	\$ 71,771,507	\$ 63,931,659	\$ 53,441,044
Earnings on investments	151,496	237,818	174,855	597,794	865,213	525,908
Other	3,007,475	3,329,727	2,617,796	2,508,735	3,075,057	2,904,398
State	7,145,403	5,875,718	6,769,518	5,692,208	5,144,564	3,961,605
Federal	2,457,796	2,876,855	2,223,040	1,155,070	1,256,404	1,170,253
Total revenues	108,010,733	92,993,684	87,915,807	81,725,314	74,272,897	62,003,208
Expenditures:						
Current:						
Instruction	44,974,583	40,693,425	41,579,811	39,048,178	39,147,787	37,217,345
Supporting services:						
Student	8,034,206	6,154,873	5,725,340	5,813,474	5,125,559	4,680,945
Instructional staff	7,307,740	5,107,994	4,923,586	4,930,937	4,734,101	4,182,792
Executive administration	1,177,862	972,457	855,796	858,061	986,234	850,374
School administration	4,173,547	3,934,655	3,812,506	3,734,819	3,712,270	3,131,401
Central	5,929,092	4,793,423	4,419,842	4,206,201	4,587,670	3,529,221
Operation and maintenance of facilities	6,561,441	6,574,036	7,090,014	5,805,444	5,911,871	4,979,799
Student transportation	3,059,522	2,513,642	2,374,249	2,312,828	2,518,372	2,435,312
Nutrition services	-	9,981	51,500	-	-	-
Community services	2,647,889	2,342,866	2,152,835	2,176,259	2,017,614	1,800,111
Contributions to other governments	23,999,799	13,179,710	9,651,731	8,218,495	6,181,103	3,398,532
Total expenditures	107,865,681	86,277,062	82,637,210	77,104,696	74,922,581	66,205,832
Excess (deficiency) of revenues over (under) expenditures	145,052	6,716,622	5,278,597	4,620,618	(649,684)	(4,202,624)
Other financing sources (uses):						
Net transfers and other financing sources (uses)	(1,185,000)	(180,859)	(240,683)	(562,084)	(73,954)	(261,222)
Net change in fund balances	(1,039,948)	6,535,763	5,037,914	4,058,534	(723,638)	(4,463,846)
Fund Balances – Beginning	23,787,447	23,379,117	18,341,203	14,282,669	15,006,307	19,470,153
Fund Balances – Ending	\$ 22,747,499	\$ 29,914,880	\$ 23,379,117	\$ 18,341,203	\$ 14,282,669	\$ 15,006,307



The 2023 anticipated budget is from the proposed budget approved by the Board in August 2022.

**PARK CITY SCHOOL DISTRICT
HISTORICAL SUMMARIES OF TAXABLE VALUES OF PROPERTY**

Last Five Tax (Calendar) Years

	<u>2021</u>		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
	<u>Taxable Value</u>	<u>% of TV</u>	<u>Taxable Value</u>				
Set by County Assessor-Locally Assessed							
Real property:							
Primary residential	\$ 5,977,607,152	28.0 %	\$ 5,292,610,582	\$ 4,936,094,886	\$ 4,415,827,442	\$ 4,156,101,905	\$ 3,830,045,477
Other residential	13,049,150,128	61.1	11,705,003,508	11,112,387,490	9,767,069,332	8,335,624,542	7,774,700,795
Commercial and industrial	1,788,629,901	8.4	1,620,730,613	1,461,459,788	1,490,008,627	1,300,628,768	1,242,128,912
Agricultural and Farmland Assessment Act (FAA)	22,627,356	0.1	19,864,382	17,672,947	16,219,108	14,634,463	14,299,539
Unimproved non FAA	14,660,572	0.1	17,632,388	14,125,866	15,869,677	889,532,119	904,724,555
Total real property	<u>20,852,675,109</u>	<u>97.6</u>	<u>18,655,841,473</u>	<u>17,541,740,977</u>	<u>15,704,994,186</u>	<u>14,696,521,797</u>	<u>13,765,899,278</u>
Personal property	<u>238,190,624</u>	<u>1.1</u>	<u>232,184,568</u>	<u>215,987,584</u>	<u>206,088,550</u>	<u>194,029,604</u>	<u>194,919,398</u>
Fee in lieu (motor vehicles, etc.) estimate	<u>138,609,491</u>	<u>0.6</u>	<u>109,149,267</u>	<u>111,342,095</u>	<u>106,725,922</u>	<u>101,908,744</u>	<u>101,305,708</u>
Total locally assessed	<u>21,229,475,224</u>	<u>99.4</u>	<u>18,997,175,308</u>	<u>17,869,070,656</u>	<u>16,017,808,658</u>	<u>14,992,460,145</u>	<u>14,062,124,384</u>
Set by State Tax Commission-Centrally Assessed	<u>128,883,461</u>	<u>0.6</u>	<u>142,244,462</u>	<u>131,289,146</u>	<u>126,251,620</u>	<u>111,581,005</u>	<u>100,919,989</u>
Total taxable value	<u>\$ 21,358,358,685</u>	<u>100.0 %</u>	<u>\$ 19,139,419,770</u>	<u>\$ 18,000,359,802</u>	<u>\$ 16,144,060,278</u>	<u>\$ 15,104,041,150</u>	<u>\$ 14,163,044,373</u>
Total taxable value (less fee in lieu property)	<u>\$ 21,219,749,194</u>		<u>\$ 19,030,270,503</u>	<u>\$ 17,889,017,707</u>	<u>\$ 16,037,334,356</u>	<u>\$ 15,002,132,406</u>	<u>\$ 14,061,738,665</u>
Amounts include increases in taxable values within tax increment financing (TIF) districts located within the taxing area of Park City School District as follows:							
Redevelopment incremental taxable value	<u>\$ 674,633,684</u>		<u>\$ 674,633,684</u>	<u>\$ 608,729,493</u>	<u>\$ 554,741,827</u>	<u>\$ 549,037,775</u>	<u>\$ 478,210,726</u>

Source: Utah State Tax Commission.

PARK CITY SCHOOL DISTRICT

Tax Rates and Collections

Last Four Fiscal Years with Anticipated Budget for 2023

	Anticipated Budget		2022		2021		2020		2019	
	Tax Rate	Budget	Tax Rate	Collections						
General Fund:										
Basic	0.001652	\$ 46,844,485	0.001661	\$ 34,868,278	0.001628	\$ 31,086,183	0.001661	\$ 29,190,126	0.001666	\$ 26,614,228
Board local	0.001194	27,928,628	0.001252	26,282,410	0.001355	25,873,328	0.001388	24,392,471	0.001206	19,335,767
Voted local	0.000692	19,893,937	0.000930	19,522,878	0.001004	19,171,086	0.001035	18,188,910	0.001130	17,981,664
Total general fund	0.003538	94,667,050	0.003843	80,673,566	0.003987	76,130,597	0.004084	71,771,507	0.004002	63,931,659
Pass-Through Taxes Fund:										
Incremental taxes	-	2,155,468	-	2,933,296	-	2,674,627	-	2,572,089	-	2,137,616
Charter school	0.000021	595,481	0.000031	654,118	0.000030	571,372	0.000040	697,650	0.000039	619,025
Total pass-through taxes fund	0.000021	2,750,949	0.000031	3,587,414	0.000030	3,245,999	0.000040	3,269,739	0.000051	2,756,641
Capital Projects Fund:										
Capital local	0.000270	7,656,182	0.000270	5,667,931	0.000291	5,556,561	0.000300	5,272,148	0.000328	5,239,776
Total tax rate / collections	0.003829	105,074,181	0.004144	89,928,911	0.004308	84,933,157	0.004424	80,313,394	0.004381	71,928,076
Contributions to Other Governments:										
Basic levy recapture		23,999,799		13,179,710		9,651,731		8,218,495		6,181,103
Park City Redevelopment Agency		2,155,468		2,933,296		2,674,627		2,572,089		2,137,616
Charter school levy		595,481		654,118		571,372		697,650		619,025
Total contributed		26,750,748		16,767,124		12,897,730		11,488,234		8,937,744
Net taxes retained by the District		\$ 78,323,433		\$ 73,161,787		\$ 72,035,427		\$ 68,825,160		\$ 62,990,332

Notes:

Tax rates are levied for the calendar year. For example, calendar year 2022 tax rates apply to our fiscal year ended June 30, 2023.

Collections include current taxes, redemptions (delinquent taxes collected in the current year) and fees in lieu of taxes (primarily motor vehicle fees).

Collections may differ from tax revenue reported in the fund financial statements which use the modified accrual basis of accounting.

The 2023 budget reflects the rates and anticipated collections as approved by our Board in August 2022.