

**PARK CITY SCHOOL DISTRICT**

**Financial Statements**

Year Ended June 30, 2020

# 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**

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, 2020, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

## ***Opinions***

In our opinion, the 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 Park City School District as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the *general fund* for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***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.

### ***Combining and Individual Fund Statements and Schedules and Other 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 and other information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2020, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Squire & Company, PC*

Orem, Utah

October 29, 2020

## 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, 2020.

### Financial Highlights

- The District is dependent on revenues generated by property taxes. Property tax revenues increased by 12.0% in 2020 to \$81.2 million as a result of a combination of an increase in the taxable value of property and an increase in the overall tax rate. \$11.5 million of the District's property taxes were contributed to other governments, of which \$8.2 million represents a recapture of its basic levy paid to the Utah State Board of Education.
- The District's total net position was \$120.4 million at the close of the most recent fiscal year, most of which is invested in capital assets or restricted for capital outlay.
- During the year, expenses were \$0.3 million less than the \$95.8 million generated in taxes and other revenues for governmental activities.
- The District's student enrollment decreased by 23 students to a total of 4,757 students as of October 1, 2019 for the 2019-2020 school year.

### 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 42 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 43 to 45 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 46 through 54 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 55 through 61 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 \$120.4 million at the close of the most recent fiscal year.

**PARK CITY SCHOOL DISTRICT'S Net Position**  
**June 30, 2020 and 2019**  
(in millions of dollars)

	<b>Governmental activities</b>		<b>Total change</b>
	<b>2020</b>	<b>2019</b>	<b>2020-2019</b>
Current and other assets	\$ 137.9	\$ 139.4	\$ (1.5)
Capital assets	96.3	97.1	(0.8)
Total assets	234.2	236.5	(2.3)
Deferred outflows of resources	6.8	15.6	(8.8)
Current and other liabilities	9.3	9.5	(0.2)
Long-term liabilities outstanding	27.5	40.9	(13.4)
Total liabilities	36.8	50.4	(13.6)
Deferred inflows of resources	83.8	81.6	2.2
Net position:			
Net investment in capital assets	96.2	96.9	(0.7)
Restricted	21.2	23.0	(1.8)
Unrestricted	3.0	0.2	2.8
Total net position	\$ 120.4	\$ 120.1	\$ 0.3

The largest portion of the District's net position (\$96.2 million or 79.9%) reflects its investment in capital assets (e.g., land, 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 (\$21.2 million or 17.6%) 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 decreased by \$1.8 million during the year ended June 30, 2020. Restricted fund balances represent net resources subject to constraints that are imposed by external entities or by law.

The remaining net position (\$3.0 million) is unrestricted. This balance is net of the District's proportionate share of the unfunded obligation of the defined benefit pension plans administered by Utah Retirement Systems. Unrestricted net position increased by \$2.8 million during the year ended June 30, 2020. This net increase reflects increased property tax revenues offset by increases in personnel costs and increased contributions to other governments.

## Changes in Net Position

The District's total net position increased by \$0.3 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, 2020 and 2019 (in millions of dollars)

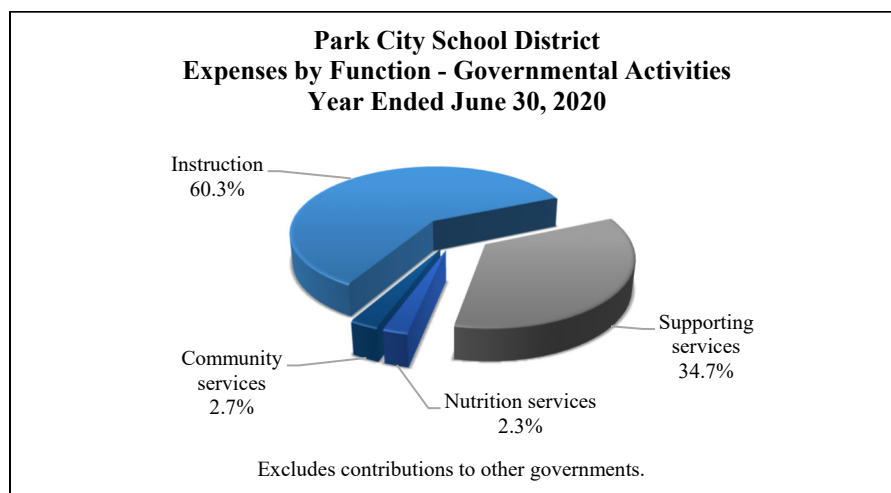
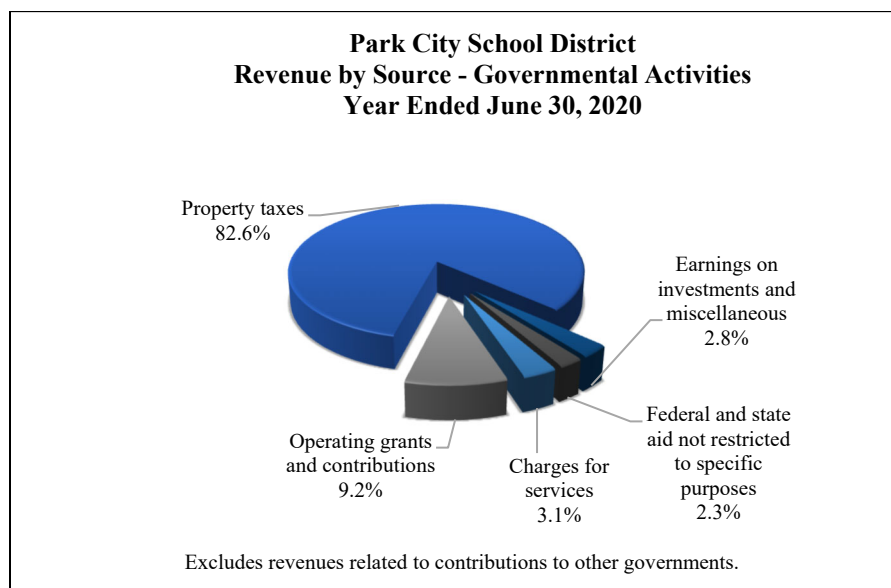
	<b>Governmental activities</b>		<b>Total change</b>
	<b>2020</b>	<b>2019</b>	<b>2020-2019</b>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 2.7	\$ 3.8	\$ (1.1)
Operating grants and contributions	7.7	6.6	1.1
General revenues:			
Property taxes	81.2	72.5	8.7
Federal and state aid not restricted to specific purposes	1.9	2.4	(0.5)
Earnings on investments	1.1	1.6	(0.5)
Miscellaneous	1.2	0.9	0.3
Total revenues	<u>95.8</u>	<u>87.8</u>	<u>8.0</u>
<b>Expenses:</b>			
Instruction	50.5	49.4	1.1
Supporting services:			
Students	6.0	5.2	0.8
Instructional staff	5.1	4.8	0.3
Executive administration	0.9	1.0	(0.1)
School administration	4.0	3.9	0.1
Central	4.4	4.7	(0.3)
Operation and maintenance of facilities	6.1	6.1	-
Student transportation	2.7	2.8	(0.1)
Nutrition services	2.0	2.0	-
Community services	2.3	2.1	0.2
Contributions to other governments	11.5	8.9	2.6
Total expenses	<u>95.5</u>	<u>90.9</u>	<u>4.6</u>
Change in net position	0.3	(3.1)	3.4
<b>Net position - beginning</b>	<u>120.1</u>	<u>123.2</u>	<u>(3.1)</u>
<b>Net position - ending</b>	<u>\$ 120.4</u>	<u>\$ 120.1</u>	<u>\$ 0.3</u>

The District is dependent on revenues generated by property taxes. Property tax revenues increased by 12.0% in 2020 to \$81.2 million as a result of a combination of an increase in the taxable value of property and an increase in the overall tax rate. \$11.5 million of the District's property taxes were contributed to other governments.

State aid 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 4.0% during the year ended June 30, 2020 (\$3,532 during 2020 as compared to \$3,395 in 2019). The combination of an increase in the value of the WPU and a decrease in student membership resulted in an increase of state WPU-based program revenue of \$0.8 million compared to the prior year. However, taxes collected from the basic levy exceeded the state guarantee by \$8.2 million. Consequently, the District received no state WPU funding in 2020 and were required to pay the excess to the state.



Overall revenue from other state appropriations (both restricted and unrestricted) totaled \$6.0 million in 2020, an increase of 11.1% from the prior year.

Federal aid is received through the state primarily for students eligible to participate in child nutrition, special education, and economically disadvantaged programs. Overall revenue from federal programs totaled \$1.7 million in 2020, somewhat less than the amount that was received in the prior year.

The District's total expenses increased by \$4.6 million to a total of \$95.5 million during 2020 as compared to the prior year. This increase is primarily from increases in salaries and benefits and the recapture of the basic levy.

## 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 \$41.1 million, \$2.0 million more than 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 \$4.1 million; this year's change also includes a decrease in the fund balance of the *capital projects fund* of \$2.0 million. The increase in the fund balance of the *general fund* resulted primarily from increased property tax revenues. The decrease in the fund balance of the *capital projects fund* resulted primarily from an increase in capital outlay expenditures. In addition, the following other changes in fund balances should be noted:

- Expenditures for general purposes (excluding contributions to other governments) totaled \$68.9 million, an increase of 0.3% during the current fiscal year. This compares to a 9.4% increase in 2019. Instruction represents 56.7% of *general fund* expenditures (excluding contributions to other governments).
- *General fund* salaries totaled \$40.2 million while the associated employee benefits of retirement, social security, and insurance added \$20.7 million to arrive at 79.0% 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, 2020, the District's combined governmental fund balance is \$41.1 million (\$0.2 million in nonspendable, \$20.4 million in restricted, \$4.1 million in committed, \$4.2 million in assigned, and \$12.2 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 and the final amended budget was an increase of \$0.8 million in total *general fund* revenues to reflect increases in state and other local revenues.

Actual expenditures were \$3.7 million less than final budgeted amounts. Actual revenues were \$0.2 million more than final budgeted amounts primarily due to negative variances in revenue from state and federal sources. Property tax collection rates exceeded expectations.

## Capital Asset Administration

### *Capital Assets*

The District's investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$96.3 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and equipment and buses. The total decrease in capital assets for the current year was \$0.8 million or 0.8%, primarily for depreciation expense.

Additions to capital assets in 2020 included security enhancements to elementary schools and the acquisition of transportation equipment.

Capital assets at June 30, 2020 and 2019 are outlined below:

**PARK CITY SCHOOL DISTRICT'S Capital Assets**  
**June 30, 2020 and 2019**  
(net of accumulated depreciation, in millions of dollars)

	<b>Governmental activities</b>		<b>Total change</b>
	<b>2020</b>	<b>2019</b>	<b>2020-2019</b>
Land and construction in progress	\$ 6.2	\$ 6.2	\$ -
Buildings and improvements	85.7	88.2	(2.5)
Equipment and buses	4.2	2.5	1.7
Lease assets	0.2	0.2	-
Total capital assets	<u>\$ 96.3</u>	<u>\$ 97.1</u>	<u>\$ (0.8)</u>

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

### *Debt Administration*

At June 30, 2020 and 2019, the outstanding balance of lease obligations is summarized below:

**PARK CITY SCHOOL DISTRICT'S Outstanding Debt**  
**June 30, 2020 and 2019**  
(in millions of dollars)

	<b>Governmental activities</b>		<b>Total change</b>
	<b>2020</b>	<b>2019</b>	<b>2020-2019</b>
Lease obligations	<u>\$ 0.2</u>	<u>\$ 0.2</u>	<u>\$ -</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**

<b>School Year</b>	<b>Enrollment</b>	<b>Change</b>
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 %
2011-12	4,400	1.13 %

District enrollment for the 2019-2020 school year decreased by 23 students to a total of 4,757 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, 2020

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 57,641,518
Receivables:	
Property taxes	78,398,271
Local	859,156
State	188,167
Federal	550,084
Inventories and prepaid items	172,375
Capital assets:	
Land and construction in progress	6,152,243
Other capital assets, net of accumulated depreciation	90,175,058
Total assets	<u>234,136,872</u>
 <b>Deferred outflows of resources:</b>	
Related to pensions	<u>6,832,958</u>
 <b>Liabilities:</b>	
Accounts and contracts payable	1,396,680
Accrued payroll and related benefits	7,176,779
Unearned revenue:	
Local	376,248
State	388,285
Long-term liabilities:	
Portion due or payable within one year	2,745,813
Portion due or payable after one year	24,728,552
Total liabilities	<u>36,812,357</u>
 <b>Deferred inflows of resources:</b>	
Property taxes levied for future year	75,869,645
Related to pensions	7,905,246
Total deferred inflows of resources	<u>83,774,891</u>
 <b>Net position:</b>	
Net investment in capital assets	96,175,023
Restricted for:	
Capital outlay	19,869,399
Nutrition services	200,093
Scholarships	1,129,058
Unrestricted	3,009,009
Total net position	<u><u>\$ 120,382,582</u></u>

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

# PARK CITY SCHOOL DISTRICT

## Statement of Activities

Year Ended June 30, 2020

Activities / Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
<b>Governmental activities:</b>				
Instruction	\$ 50,646,209	\$ 1,843,441	\$ 4,451,164	\$ (44,351,604)
Supporting services:				
Student	5,986,110	-	777,851	(5,208,259)
Instructional staff	5,088,948	-	370,086	(4,718,862)
Executive administration	934,655	-	-	(934,655)
School administration	4,004,104	-	-	(4,004,104)
Central	4,375,924	-	-	(4,375,924)
Operation and maintenance of facilities	6,052,238	8,440	212	(6,043,586)
Student transportation	2,699,082	315	1,203,614	(1,495,153)
Nutrition services	1,961,497	608,403	719,316	(633,778)
Community services	2,269,064	193,301	188,095	(1,887,668)
Contributions to other governments	11,488,234	-	-	(11,488,234)
Total school district	<u>\$ 95,506,065</u>	<u>\$ 2,653,900</u>	<u>\$ 7,710,338</u>	<u>(85,141,827)</u>
<b>General revenues:</b>				
Property taxes levied for:				
Basic				29,489,384
Board local				24,642,543
Voted local				18,375,384
Capital local				5,326,198
Park City Redevelopment Agency				2,572,089
Charter schools				697,650
Total property taxes				81,103,248
Federal and state aid not restricted to specific purposes				1,945,554
Earnings on investments				1,148,248
Miscellaneous				1,188,347
Total general revenues				85,385,397
Change in net position				243,570
<b>Net position – beginning</b>				120,139,012
<b>Net position – ending</b>				<u>\$ 120,382,582</u>

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

**PARK CITY SCHOOL DISTRICT**  
**Balance Sheet – Governmental Funds**  
June 30, 2020

	<b>Major Funds</b>		<b>Other</b>	<b>Total</b>
	<b>General</b>	<b>Capital Projects</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Assets:</b>				
Cash and investments	\$ 24,932,516	\$ 20,249,509	\$ 3,441,507	\$ 48,623,532
Receivables:				
Property taxes	70,114,894	5,117,700	3,165,677	78,398,271
Local	169,506	-	689,650	859,156
State	165,298	-	22,869	188,167
Federal	543,257	-	6,827	550,084
Inventories and prepaid items	-	89,600	82,775	172,375
Due from other funds	271,865	-	-	271,865
Total assets	<u>\$ 96,197,336</u>	<u>\$ 25,456,809</u>	<u>\$ 7,409,305</u>	<u>\$ 129,063,450</u>
<b>Liabilities:</b>				
Accounts and contracts payable	\$ 622,806	\$ 635,958	\$ 98,121	\$ 1,356,885
Accrued payroll and related benefits	7,176,779	-	-	7,176,779
Unearned revenue:				
Local	-	-	376,248	376,248
State	388,285	-	-	388,285
Due to other funds	-	-	271,865	271,865
Total liabilities	<u>8,187,870</u>	<u>635,958</u>	<u>746,234</u>	<u>9,570,062</u>
<b>Deferred inflows of resources:</b>				
Unavailable other local revenue	-	-	502,270	502,270
Unavailable property taxes	1,828,270	133,440	87,477	2,049,187
Property taxes levied for future year	67,839,993	4,951,452	3,078,200	75,869,645
Total deferred inflows of resources	<u>69,668,263</u>	<u>5,084,892</u>	<u>3,667,947</u>	<u>78,421,102</u>
<b>Fund balances:</b>				
Nonspendable:				
Scholarship endowments	-	-	53,848	53,848
Inventories and prepaid items	-	89,600	82,775	172,375
Restricted for:				
Capital outlay	-	19,646,359	-	19,646,359
Nutrition services	-	-	135,569	135,569
Scholarships	-	-	572,940	572,940
Committed to:				
Economic stabilization	4,052,675	-	-	4,052,675
Assigned to:				
Compensated absences	1,396,277	-	44,645	1,440,922
Students	-	-	396,375	396,375
Foundation	-	-	1,708,972	1,708,972
Basic levy recapture	690,000	-	-	690,000
Unassigned	12,202,251	-	-	12,202,251
Total fund balances	<u>18,341,203</u>	<u>19,735,959</u>	<u>2,995,124</u>	<u>41,072,286</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 96,197,336</u>	<u>\$ 25,456,809</u>	<u>\$ 7,409,305</u>	<u>\$ 129,063,450</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, 2020

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<b>Total fund balances for governmental funds</b>	<b>\$ 41,072,286</b>
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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	\$ 5,208,631	
Construction in progress	943,612	
Buildings and improvements, net of \$60,019,526 accumulated depreciation	85,797,432	
Equipment and buses, net of \$6,685,412 accumulated depreciation	4,217,678	
Lease assets – equipment and buses, net of \$54,718 accumulated amortization	159,948	
	<u>96,327,301</u>	

Some of our 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	2,049,187	
Unavailable other local revenue	502,270	
	<u>2,551,457</u>	

Long-term liabilities, including the net pension liability, 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:

Net pension liability	(23,515,225)	
Deferred outflows of resources related to pensions	6,832,958	
Deferred inflows of resources related to pensions	(7,905,246)	
Lease obligations	(152,278)	
Unpaid vacation	(406,108)	
Accrued sick leave	(1,034,815)	
	<u>(26,180,714)</u>	

Our 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 our internal service fund is:

	<u>6,612,252</u>	
<b>Total net position of governmental activities</b>	<b>\$ 120,382,582</b>	

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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, 2020

	<b>Major Funds</b>		<b>Other</b>	<b>Total</b>
	<b>General</b>	<b>Capital Projects</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Revenues:</b>				
Local:				
Property taxes	\$ 71,771,507	\$ 5,272,148	\$ 3,269,739	\$ 80,313,394
Earnings on investments	597,794	507,005	43,449	1,148,248
Other	2,508,735	226,363	3,797,054	6,532,152
State	5,692,208	115,500	198,990	6,006,698
Federal	1,155,070	-	520,326	1,675,396
Total revenues	<u>81,725,314</u>	<u>6,121,016</u>	<u>7,829,558</u>	<u>95,675,888</u>
<b>Expenditures:</b>				
Current:				
Instruction	39,048,178	-	3,163,647	42,211,825
Supporting services:				
Student	5,813,474	-	-	5,813,474
Instructional staff	4,930,937	-	-	4,930,937
General administration	858,061	-	-	858,061
School administration	3,734,819	-	-	3,734,819
Central	4,206,201	-	-	4,206,201
Operation and maintenance of facilities	5,805,444	-	-	5,805,444
Student transportation	2,312,828	-	-	2,312,828
Nutrition services	-	-	1,766,322	1,766,322
Community services	2,176,259	-	-	2,176,259
Contributions to other governments	8,218,495	-	3,269,739	11,488,234
Capital outlay	-	8,389,844	-	8,389,844
Total expenditures	<u>77,104,696</u>	<u>8,389,844</u>	<u>8,199,708</u>	<u>93,694,248</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,620,618</u>	<u>(2,268,828)</u>	<u>(370,150)</u>	<u>1,981,640</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	37,766	-	37,766
Transfers in	-	190,000	372,084	562,084
Transfers out	(562,084)	-	-	(562,084)
Total other financing sources (uses)	<u>(562,084)</u>	<u>227,766</u>	<u>372,084</u>	<u>37,766</u>
Net change in fund balances	4,058,534	(2,041,062)	1,934	2,019,406
<b>Fund balances – beginning</b>	<u>14,282,669</u>	<u>21,777,021</u>	<u>2,993,190</u>	<u>39,052,880</u>
<b>Fund balances – ending</b>	<u>\$ 18,341,203</u>	<u>\$ 19,735,959</u>	<u>\$ 2,995,124</u>	<u>\$ 41,072,286</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, 2020

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**Net change in fund balances for governmental funds** \$ 2,019,406

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	\$ 2,783,842	
Proceeds from sales of capital assets	(37,766)	
Gain on sale of capital assets	37,766	
Depreciation expense	<u>(3,555,834)</u>	(771,992)

Certain revenue sources are collected several months after our 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	789,854	
Other local revenue	<u>343,525</u>	1,133,379

Debt is not due and payable in the current period and therefore is not reported in the funds. Debt is reported in the statement of net position. Repayment of debt is reported as an expenditure in the funds but is reported as a reduction of debt in the statement of net position.

Repayment of lease obligation	<u>45,242</u>	45,242
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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	(2,532,808)	
Vacation and sick leave expense	<u>(212,986)</u>	(2,745,794)

Our internal service fund charges the cost of health care benefits to our other funds. The net revenue (expense) of our internal service fund is reported with governmental activities.

	<u>563,329</u>	
<b>Change in net position of governmental activities</b>	<u><u>\$ 243,570</u></u>	

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, 2020

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues:</b>				
Local:				
Property taxes	71,764,031	\$ 70,744,840	\$ 71,771,507	\$ 1,026,667
Earnings on investments	526,288	592,012	597,794	5,782
Other	2,015,746	2,865,281	2,508,735	(356,546)
State	5,538,677	6,209,310	5,692,208	(517,102)
Federal	1,223,273	1,491,034	1,155,070	(335,964)
Total revenues	<u>81,068,015</u>	<u>81,902,477</u>	<u>81,725,314</u>	<u>(177,163)</u>
<b>Expenditures:</b>				
Current:				
Instruction	42,288,875	41,111,554	39,048,178	2,063,376
Supporting services:				
Student	5,897,695	5,995,271	5,813,474	181,797
Instructional staff	5,597,161	5,944,224	4,930,937	1,013,287
Executive administration	955,458	883,925	858,061	25,864
School administration	3,915,172	3,710,781	3,734,819	(24,038)
Central	4,309,915	4,324,094	4,206,201	117,893
Operation and maintenance of facilities	5,769,688	5,767,041	5,805,444	(38,403)
Student transportation	2,689,732	2,480,407	2,312,828	167,579
Community services	2,310,629	2,242,320	2,176,259	66,061
Contributions to other governments	7,855,797	8,387,780	8,218,495	169,285
Total expenditures	<u>81,590,122</u>	<u>80,847,397</u>	<u>77,104,696</u>	<u>3,742,701</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(522,107)</u>	<u>1,055,080</u>	<u>4,620,618</u>	<u>3,565,538</u>
<b>Other financing sources (uses):</b>				
Transfers out	(565,000)	(565,000)	(562,084)	2,916
Total other financing sources (uses)	<u>(565,000)</u>	<u>(565,000)</u>	<u>(562,084)</u>	<u>2,916</u>
Net change in fund balances	42,893	1,620,080	5,182,702	3,562,622
<b>Fund balances – beginning</b>	<u>10,273,446</u>	<u>14,282,669</u>	<u>14,282,669</u>	<u>-</u>
<b>Fund balances – ending</b>	<u>\$ 10,316,339</u>	<u>\$ 15,902,749</u>	<u>\$ 19,465,371</u>	<u>\$ 3,562,622</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, 2020

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	<b>Governmental Activities – Internal Service Fund</b>
<b>Assets:</b>	
Cash and investments	\$ 9,017,986
<b>Liabilities:</b>	
Accounts payable	39,795
Medical claims payable	1,966,414
Health reimbursement accounts	399,525
Total liabilities	<u>2,405,734</u>
<b>Net position:</b>	
Unrestricted	<u>6,612,252</u>
Total net position	<u><u>\$ 6,612,252</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, 2020

	<b>Governmental Activities – Internal Service Fund</b>
<b>Operating revenues:</b>	
Premiums charged to other funds	\$ 8,805,479
Refunds	206,783
Total operating revenues	9,012,262
<b>Operating expenses:</b>	
Medical claims	7,448,116
Administrative expenses	798,512
Contributions to health savings accounts	202,305
Total operating expenses	8,448,933
Total operating income / change in fund net position	563,329
<b>Net position – beginning</b>	6,048,923
<b>Net position – ending</b>	<u><u>\$ 6,612,252</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, 2020

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	<b>Governmental Activities – Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Insurance premiums received	\$ 8,805,479
Refunds received	206,783
Medical claims paid	(7,584,903)
Administrative expenses paid	(798,512)
Contributions to health savings accounts	(202,305)
Healthcare reimbursements paid	(111,208)
	<hr/>
Net cash provided by operating activities	315,334
<b>Cash and cash equivalents – beginning</b>	<hr/> 8,702,652
<b>Cash and cash equivalents – ending</b> (displayed as <i>cash and investments</i> on the statement of fund net position)	<hr/> <hr/> \$ 9,017,986
 <b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 563,329
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts payable	(58,687)
Increase in medical claims payable	(78,100)
Decrease in health reimbursement accounts	(111,208)
	<hr/>
Net cash provided by operating activities	<hr/> <hr/> \$ 315,334

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

## **PARK CITY SCHOOL DISTRICT**

### **Notes to the Basic Financial Statements**

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#### **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**

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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.

## **PARK CITY SCHOOL DISTRICT**

### **Notes to the Basic Financial Statements**

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*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.

*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.

### **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.

## **PARK CITY SCHOOL DISTRICT**

### **Notes to the Basic Financial Statements**

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- 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.
- 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, 2020 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.

## **PARK CITY SCHOOL DISTRICT**

### **Notes to the Basic Financial Statements**

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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.

#### **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:

<b>Assets</b>	<b>Years</b>
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 Sick Leave**

Under terms of association agreements, employees are granted vacation leave in amounts varying with tenure. Under Board policy, the District provides a sick leave 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 sick leave 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 sick pay 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.



## **PARK CITY SCHOOL DISTRICT**

### **Notes to the Basic Financial Statements**

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#### **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.

#### **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

**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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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.

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.

**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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**NOTE 2 – DEPOSITS AND INVESTMENTS**

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2020 as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 4,735,921
Carrying amount of investments	<u>52,905,597</u>
Total cash and investments	<u>\$ 57,641,518</u>
Governmental funds cash and investments	\$ 48,623,532
Internal service fund cash and investments	<u>9,017,986</u>
Total cash and investments	<u>\$ 57,641,518</u>

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, 2020, 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	\$ 3,243,199	\$ 4,341,352	\$ 256,892
Park City Education Foundation	<u>1,492,722</u>	<u>1,500,612</u>	<u>500,000</u>
	<u>\$ 4,735,921</u>	<u>\$ 5,841,964</u>	<u>\$ 756,892</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, 2020, the uninsured amount of the District's and Foundation's bank deposits was uncollateralized nor is it required to be collateralized by state law.

**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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**Investments**

At June 30, 2020, 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)	\$ 51,534,075
Park City Education Foundation:	
U.S. Treasury bond ETF	651,221
Common stock ETF	720,301
Total investments	<u>\$ 52,905,597</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 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 three exchange-traded funds (ETFs): a U.S. Treasury bond ETF and two common stock ETFs. An ETF is a marketable security that tracks an index or bonds. An ETF owns the underlying assets (shares of stocks or bonds) 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 U.S. Treasury bond ETF invests only in U.S. Treasury bonds with maturities from one to three years. This fund has a AAA credit rating and a weighted average maturity of two years. 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

**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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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 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, 2020:

- Public Treasurers' Investment Fund of \$51,534,075 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, 2020:

- U.S. Treasury bond exchange-traded fund of \$651,221 is valued using quoted market prices (Level 1 inputs).
- Common stock exchange-traded fund of \$720,301 is 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.

## **PARK CITY SCHOOL DISTRICT**

### **Notes to the Basic Financial Statements**

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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, 2020, District property taxes receivable includes uncollected taxes assessed as of January 1, 2020 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.

In 2020, incremental taxes levied by the District for the Agency totaling \$2,572,089 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 \$768,088 during the year ended June 30, 2020. Of the amount paid, the agreement requires the District to allocate 61% to general purposes and 39% to capital outlay.

##### ***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 2020, combined basic levy recapture and basic levy incremental tax of \$8,218,495 was paid to the state from the *general fund*.

**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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***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 2020, the amount collected by the County and paid directly to the state was \$697,650; the District reports this amount in the *pass-through taxes fund*.

**NOTE 5 – CAPITAL ASSETS**

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

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 5,208,631	\$ -	\$ -	\$ 5,208,631
Construction in progress	967,738	542,412	(566,538)	943,612
Total capital assets, not being depreciated	6,176,369	542,412	(566,538)	6,152,243
Capital assets, being depreciated:				
Buildings and improvements	145,250,420	566,538	-	145,816,958
Equipment and buses	9,026,052	2,241,430	(364,392)	10,903,090
Lease assets - equipment and buses	274,651	-	-	274,651
Total capital assets, being depreciated	154,551,123	2,807,968	(364,392)	156,994,699
Accumulated depreciation for:				
Buildings and improvements	(57,031,424)	(2,988,102)	-	(60,019,526)
Equipment and buses	(6,542,057)	(507,747)	364,392	(6,685,412)
Lease assets - equipment and buses	(54,718)	(59,985)	-	(114,703)
Total accumulated depreciation	(63,628,199)	(3,555,834)	364,392	(66,819,641)
Total capital assets, being depreciated, net	90,922,924	(747,866)	-	90,175,058
Governmental activities capital assets, net	<u>\$ 97,099,293</u>	<u>\$ (205,454)</u>	<u>\$ (566,538)</u>	<u>\$ 96,327,301</u>

For the year ended June 30, 2020, depreciation expense was charged to District functions as follows:

<b>Governmental activities:</b>	
Instruction	\$ 2,527,748
Supporting services:	
Student	1,390
General administration	52,431
School administration	143,548
Business	86,144
Operation and maintenance of facilities	183,473
Student transportation	356,619
Food services	166,480
Community services	38,001
Total depreciation expense, governmental activities	<u>\$ 3,555,834</u>

**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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**NOTE 6 – 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

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](http://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 1.25% 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.



**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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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.

For the year ended June 30, 2020, required contribution rates for the plans were as follows:

	<b>Defined Benefit Plans Rates</b>		<b>District Rates</b>	
	<b>District Contribution *</b>	<b>Amortization of UAAL **</b>	<b>for 401(k) Plan</b>	<b>Totals</b>
Tier 1 Noncontributory System	12.25%	9.94%	1.50%	23.69%
Tier 2 Contributory System	9.05%	9.94%	1.03%	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, 2020, District and employee contributions to the plans were as follows:

	<b>District Contributions *</b>	<b>Employee Contributions</b>
Tier 1 Noncontributory System	\$ 5,301,349	\$ -
Tier 2 Contributory System	2,466,132	-
Tier 2 Defined Benefit Plan	276,422	-
401(k) Plan	830,996	1,180,876
457 Plan and other individual plans	-	273,960

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

**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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

At June 30, 2020, the District reported a net pension asset of zero and a net pension liability of \$23,515,225 for the following plans:

	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Tier 1 Noncontributory System	\$ -	\$ 23,321,593
Tier 2 Contributory System	-	193,632
Total	<u>\$ -</u>	<u>\$ 23,515,225</u>

The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2019, 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, 2019 and the change in its proportion since the prior measurement date for each plan:

	<u>Proportionate Share 2019</u>	<u>Change</u>
Tier 1 Noncontributory System	1.0497175%	0.0668127 %
Tier 2 Contributory System	0.8609425%	0.0173818 %

For the year ended June 30, 2020, the District recognized pension expense for the plans as follows:

	<u>Pension Expense</u>
Defined benefit pension plans:	
Tier 1 Noncontributory System	\$ 9,481,395
Tier 2 Contributory System	1,088,950
Total	<u>\$ 10,570,345</u>
Defined contribution plans:	
Tier 2 Defined Contribution Plan	\$ 276,422
401(k) Plan	830,996
Total	<u>\$ 1,107,418</u>

**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

At June 30, 2020, the District reported deferred outflows of resources related to defined benefit pension plans from the following sources:

	<b>Deferred Outflows of Resources Related to Pensions</b>		
	<b>Tier 1 Noncontributory System</b>	<b>Tier 2 Contributory System</b>	<b>Total</b>
Differences between expected and actual experience	\$ 362,565	\$ 54,168	\$ 416,733
Changes of assumptions	1,351,864	82,680	1,434,544
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	793,653	151,601	945,254
District contributions subsequent to the measurement date	2,635,629	1,400,798	4,036,427
<b>Total</b>	<b>\$ 5,143,711</b>	<b>\$ 1,689,247</b>	<b>\$ 6,832,958</b>

At June 30, 2020, the District reported deferred inflows of resources related to defined benefit pension plans from the following sources:

	<b>Deferred Inflows of Resources Related to Pensions</b>		
	<b>Tier 1 Noncontributory System</b>	<b>Tier 2 Contributory System</b>	<b>Total</b>
Differences between expected and actual experience	\$ 143,072	\$ 66,454	\$ 209,526
Changes of assumptions	-	5,565	5,565
Net difference between projected and actual earnings on pension plan investments	7,220,237	148,844	7,369,081
Changes in proportion and differences between District contributions and proportionate share of contributions	321,074	-	321,074
<b>Total</b>	<b>\$ 7,684,383</b>	<b>\$ 220,863</b>	<b>\$ 7,905,246</b>

The \$4,036,427 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of December 31, 2019 will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2021. 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:

<b>Year Ending June 30,</b>	<b>Tier 1 Noncontributory System</b>	<b>Tier 2 Contributory System</b>	<b>Total</b>
2020	\$ (699,707)	\$ (20,308)	\$ (720,015)
2021	(1,784,844)	(17,411)	(1,802,255)
2022	70,296	8,020	78,316
2023	(2,762,047)	(39,686)	(2,801,733)
2024	-	19,865	19,865
Thereafter	-	117,105	117,105

**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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**Actuarial Assumptions**

The total pension liability (asset) in the January 1, 2019 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 9.75%, average, including inflation
Investment rate of return	6.95%, 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, 2019 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.

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Equity securities	40%	6.15%
Debt securities	20%	0.40%
Real assets	15%	5.75%
Private equity	9%	9.95%
Absolute return	16%	2.85%
Cash and cash equivalents	0%	0.00%
Total	100%	

**Discount Rate**

The discount rate used to measure the total pension liability (asset) was 6.95%. 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).

**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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**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 6.95%, 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 (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	<b>1% Decrease (5.95%)</b>	<b>Discount Rate (6.95%)</b>	<b>1% Increase (7.95%)</b>
District's proportionate share of the net pension liability (asset):			
Tier 1 Noncontributory System	\$ 52,610,804	\$ 23,321,593	\$ (1,230,173)
Tier 2 Contributory System	<u>1,669,777</u>	<u>193,632</u>	<u>(947,157)</u>
Total	<u>\$ 54,280,581</u>	<u>\$ 23,515,225</u>	<u>\$ (2,177,330)</u>

**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, 2020, the District reported payables of \$1,231,255 for contributions to defined benefit and defined contribution plans.

**NOTE 7 – 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 \$1,966,414 as of June 30, 2020. 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, 2020 and 2019:

	<b>Medical Coverage</b>	
	<b>2020</b>	<b>2019</b>
Medical claims payable (beginning of year)	\$ 2,044,514	\$ 1,886,758
Medical claims (including incurred but not reported)	8,701,797	7,581,699
Payments of medical claims and administrative costs	<u>(8,779,897)</u>	<u>(7,423,943)</u>
Medical claims payable (end of year)	<u>\$ 1,966,414</u>	<u>\$ 2,044,514</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

**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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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, 2020 and 2019:

	<b>Health Reimbursement Accounts</b>	
	<b>2020</b>	<b>2019</b>
Health reimbursement accounts (beginning of year)	\$ 510,733	\$ 673,459
Healthcare reimbursements paid	(111,208)	(162,726)
Health reimbursement accounts (end of year)	<u>\$ 399,525</u>	<u>\$ 510,733</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 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 8 – LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Portion Due or Payable Within One Year</b>
Net pension liability	\$ 36,930,421	\$ 22,540,631	\$ (35,955,827)	\$ 23,515,225	\$ -
Lease obligation	197,520	-	(45,242)	152,278	47,787
Unpaid vacation	283,627	294,826	(172,345)	406,108	324,887
Accrued sick leave	944,310	193,989	(103,484)	1,034,815	206,963
Medical claims payable	2,044,514	8,701,797	(8,779,897)	1,966,414	1,966,414
Health reimbursement accounts	510,733	-	(111,208)	399,525	199,763
Total long term liabilities	<u>\$ 40,911,125</u>	<u>\$ 31,731,243</u>	<u>\$ (45,168,003)</u>	<u>\$ 27,474,365</u>	<u>\$ 2,745,813</u>

**PARK CITY SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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In 2019, the District entered agreements to lease copiers and a vehicle. The unamortized value of the lease assets is \$159,948 at June 30, 2020. Future debt service requirements for the leases at June 30, 2020 will be as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 47,787	\$ 7,209	\$ 54,996
2022	60,477	3,914	64,391
2023	44,014	1,202	45,216
Total	<u>\$ 152,278</u>	<u>\$ 12,325</u>	<u>\$ 164,603</u>

**NOTE 9 – TRANSFERS AND INTERFUND BALANCES**

The District transferred \$190,000 from the *general fund* to its *capital projects funds* to subsidize certain capital expenditures. The District also transferred \$372,084 from the *general fund* to its other governmental funds to cover \$182,084 of administrative costs incurred by the Park City Education Foundation and \$190,000 to subsidize food services.

Amounts due to and due from other funds at June 30, 2020 include \$271,865 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 COMPLAINT**

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.

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.

All fund balances are positive at June 30, 2020.

Fund expenditures are within budgeted amounts during the year ended June 30, 2020.

### **Required Supplementary Information**



# **PARK CITY SCHOOL DISTRICT**

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

### **Utah Retirement Systems**

Last Six Plan (Calendar) Years

					<b>District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
	<b>District's Proportion of Net Pension Liability (Asset)</b>		<b>District's Proportionate Share of the Net Pension Liability (Asset)</b>	<b>District's Covered Payroll</b>		
<b>Tier 1 Noncontributory System:</b>						
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 %
<b>Tier 2 Contributory System:</b>						
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 Six Reporting (Fiscal) Years

	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to the Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Tier 1 Noncontributory System:</b>					
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 %
<b>Tier 2 Contributory System:</b>					
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 %
<b>Tier 2 Defined Contribution Plan:</b>					
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**

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**NOTE A – CHANGES IN ASSUMPTIONS – UTAH RETIREMENT SYSTEMS**

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.

**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, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Property taxes	\$ 70,744,840	\$ 71,771,507	\$ 1,026,667	\$ 63,931,659
Earnings on investments	592,012	597,794	5,782	865,213
Other	2,865,281	2,508,735	(356,546)	3,075,057
State	6,209,310	5,692,208	(517,102)	5,144,564
Federal	1,491,034	1,155,070	(335,964)	1,256,404
Total revenues	81,902,477	81,725,314	(177,163)	74,272,897
<b>Expenditures:</b>				
Current:				
Salaries	41,059,295	40,161,660	897,635	39,040,376
Employee benefits	20,694,915	20,748,013	(53,098)	20,146,149
Purchased professional services	1,332,208	782,160	550,048	1,535,928
Purchased property services	1,870,964	1,904,350	(33,386)	2,235,154
Other purchased services	1,281,611	991,967	289,644	1,089,284
Supplies	5,891,975	3,993,725	1,898,250	4,233,827
Equipment	293,370	274,003	19,367	392,580
Other objects	35,279	30,323	4,956	68,180
Contributions to other governments	8,387,780	8,218,495	169,285	6,181,103
Total expenditures	80,847,397	77,104,696	3,742,701	74,922,581
Excess (deficiency) of revenues over (under) expenditures	1,055,080	4,620,618	3,565,538	(649,684)
<b>Other financing sources (uses):</b>				
Proceeds from leases	-	-	-	238,426
Transfers out	(565,000)	(562,084)	2,916	(312,380)
Total other financing sources (uses)	(565,000)	(562,084)	2,916	(73,954)
Net change in fund balances	490,080	4,058,534	3,568,454	(723,638)
<b>Fund balances – beginning</b>	14,282,669	14,282,669	-	15,006,307
<b>Fund balances – ending</b>	\$ 14,772,749	\$ 18,341,203	\$ 3,568,454	\$ 14,282,669

**PARK CITY SCHOOL DISTRICT****Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –*****Capital Projects Fund***

Year Ended June 30, 2020 with Comparative Totals for 2019

	<b>2020</b>			<b>2019</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Local:				
Property taxes	\$ 5,196,548	\$ 5,272,148	\$ 75,600	\$ 5,239,776
Earnings on investments	832,223	507,005	(325,218)	670,598
Other	285,605	226,363	(59,242)	240,086
State	80,000	115,500	35,500	-
Total revenues	6,394,376	6,121,016	(273,360)	6,150,460
<b>Expenditures:</b>				
Capital outlay:				
Purchased professional services	1,645,000	1,490,500	154,500	-
Purchased property services	2,172,009	2,032,130	139,879	3,878,352
Equipment	5,575,726	4,867,214	708,512	2,592,872
Total expenditures	9,392,735	8,389,844	1,002,891	6,471,224
Excess (deficiency) of revenues over (under) expenditures	(2,998,359)	(2,268,828)	729,531	(320,764)
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	37,766	37,766	14,688
Transfers in	190,000	190,000	-	-
Total other financing sources (uses)	190,000	227,766	37,766	14,688
Net change in fund balances	(2,808,359)	(2,041,062)	767,297	(306,076)
<b>Fund balances – beginning</b>	21,777,021	21,777,021	-	22,083,097
<b>Fund balances – ending</b>	<u>\$ 18,968,662</u>	<u>\$ 19,735,959</u>	<u>\$ 767,297</u>	<u>\$ 21,777,021</u>

**PARK CITY SCHOOL DISTRICT**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
June 30, 2020

	<b>Special Revenue Funds</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>Food Services</b>	<b>Student Activities</b>	<b>Pass-Through Taxes</b>	<b>Park City Education Foundation</b>	
<b>Assets:</b>					
Cash and investments	\$ 272,226	\$ 396,375	\$ -	\$ 2,772,906	\$ 3,441,507
Receivables:					
Property taxes	-	-	3,165,677	-	3,165,677
Local	-	-	-	689,650	689,650
State	22,869	-	-	-	22,869
Federal	6,827	-	-	-	6,827
Inventories and prepaid items	64,524	-	-	18,251	82,775
Total assets	<u>\$ 366,446</u>	<u>\$ 396,375</u>	<u>\$ 3,165,677</u>	<u>\$ 3,480,807</u>	<u>\$ 7,409,305</u>
<b>Liabilities:</b>					
Accounts payable	\$ 838	\$ -	\$ -	\$ 97,283	\$ 98,121
Unearned revenue:					
Local	147,903	-	-	228,345	376,248
Due to other funds	-	-	-	271,865	271,865
Total liabilities	<u>148,741</u>	<u>-</u>	<u>-</u>	<u>597,493</u>	<u>746,234</u>
<b>Deferred inflows of resources:</b>					
Unavailable other local revenue	-	-	-	502,270	502,270
Unavailable property taxes	-	-	87,477	-	87,477
Property taxes levied for future year	-	-	3,078,200	-	3,078,200
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>3,165,677</u>	<u>502,270</u>	<u>3,667,947</u>
<b>Fund balances:</b>					
Nonspendable:					
Scholarship endowments	-	-	-	53,848	53,848
Inventories and prepaid items	64,524	-	-	18,251	82,775
Restricted for:					
Nutrition services	135,569	-	-	-	135,569
Scholarships	-	-	-	572,940	572,940
Assigned to:					
Compensated absences	17,612	-	-	27,033	44,645
Students	-	396,375	-	-	396,375
Foundation	-	-	-	1,708,972	1,708,972
Total fund balances	<u>217,705</u>	<u>396,375</u>	<u>-</u>	<u>2,381,044</u>	<u>2,995,124</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 366,446</u>	<u>\$ 396,375</u>	<u>\$ 3,165,677</u>	<u>\$ 3,480,807</u>	<u>\$ 7,409,305</u>

**PARK CITY SCHOOL DISTRICT****Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds**

Year Ended June 30, 2020

	<b>Special Revenue Funds</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>Food Services</b>	<b>Student Activities</b>	<b>Pass-Through Taxes</b>	<b>Park City Education Foundation</b>	
<b>Revenues:</b>					
Local:					
Property taxes	\$ -	\$ -	\$ 3,269,739	\$ -	\$ 3,269,739
Earnings on investments	4,262	-	-	39,187	43,449
Lunch sales	539,272	-	-	-	539,272
Other	69,131	951,899	-	2,236,752	3,257,782
State	198,990	-	-	-	198,990
Federal	520,326	-	-	-	520,326
Total revenues	1,331,981	951,899	3,269,739	2,275,939	7,829,558
<b>Expenditures:</b>					
Current:					
Instruction	-	1,144,168	-	2,019,479	3,163,647
Nutrition services	1,766,322	-	-	-	1,766,322
Contributions to other governments	-	-	3,269,739	-	3,269,739
Total expenditures	1,766,322	1,144,168	3,269,739	2,019,479	8,199,708
Excess (deficiency) of revenues over (under) expenditures	(434,341)	(192,269)	-	256,460	(370,150)
<b>Other financing sources (uses):</b>					
Transfers in	190,000	-	-	182,084	372,084
Net change in fund balances	(244,341)	(192,269)	-	438,544	1,934
<b>Fund balances – beginning</b>	462,046	588,644	-	1,942,500	2,993,190
<b>Fund balances – ending</b>	<u>\$ 217,705</u>	<u>\$ 396,375</u>	<u>\$ -</u>	<u>\$ 2,381,044</u>	<u>\$ 2,995,124</u>



**PARK CITY SCHOOL DISTRICT****Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –*****Food Services Fund***

Year Ended June 30, 2020 with Comparative Totals for 2019

	<b>2020</b>			<b>2019</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Local:				
Earnings on investments	\$ 11,015	\$ 4,262	\$ (6,753)	\$ 8,711
Lunch sales	591,385	539,272	(52,113)	639,019
Vending	67,614	69,131	1,517	69,497
State	139,693	198,990	59,297	262,781
Federal	457,024	520,326	63,302	648,572
Total revenues	<u>1,266,731</u>	<u>1,331,981</u>	<u>65,250</u>	<u>1,628,580</u>
<b>Expenditures:</b>				
Current:				
Salaries	697,019	722,990	(25,971)	693,131
Employee benefits	467,855	473,368	(5,513)	434,729
Purchased professional services	2,000	12,523	(10,523)	7,236
Purchased property services	3,323	2,770	553	9,233
Other purchased services	53,142	52,767	375	58,415
Food and other supplies	576,690	501,904	74,786	592,079
Equipment	-	-	-	28,550
Total expenditures	<u>1,800,029</u>	<u>1,766,322</u>	<u>33,707</u>	<u>1,823,373</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(533,298)</u>	<u>(434,341)</u>	<u>98,957</u>	<u>(194,793)</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>190,000</u>	<u>190,000</u>	<u>-</u>	<u>130,000</u>
Net change in fund balances	<u>(343,298)</u>	<u>(244,341)</u>	<u>98,957</u>	<u>(64,793)</u>
<b>Fund balances – beginning</b>	<u>462,046</u>	<u>462,046</u>	<u>-</u>	<u>526,839</u>
<b>Fund balances – ending</b>	<u><u>\$ 118,748</u></u>	<u><u>\$ 217,705</u></u>	<u><u>\$ 98,957</u></u>	<u><u>\$ 462,046</u></u>

**PARK CITY SCHOOL DISTRICT****Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –*****Student Activities Fund***

Year Ended June 30, 2020 with Comparative Totals for 2019

	<b>2020</b>			<b>2019</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Local:				
Other	\$ 1,245,000	\$ 951,899	\$ (293,101)	\$ 1,704,097
<b>Expenditures:</b>				
Current:				
Salaries	93,019	73,251	19,768	49,666
Employee benefits	34,533	36,032	(1,499)	19,080
Purchased property services	8,235	27	8,208	-
Other purchased services	80,708	80,708	-	43,402
Supplies	1,028,045	953,740	74,305	1,655,886
Other objects	460	410	50	244
Total expenditures	1,245,000	1,144,168	100,832	1,768,278
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	-	(192,269)	(192,269)	(64,181)
<b>Fund balances – beginning</b>	588,644	588,644	-	652,825
<b>Fund balances – ending</b>	\$ 588,644	\$ 396,375	\$ (192,269)	\$ 588,644

**PARK CITY SCHOOL DISTRICT****Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –*****Pass-Through Taxes Fund***

Year Ended June 30, 2020 with Comparative Totals for 2019

	<b>2020</b>			<b>2019</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Property taxes	\$ 3,428,825	\$ 3,269,739	\$ (159,086)	\$ 2,756,641
<b>Expenditures:</b>				
Contributions to other governments	3,428,825	3,269,739	159,086	2,756,641
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	-	-	-	-
<b>Fund balances – beginning</b>	-	-	-	-
<b>Fund balances – ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PARK CITY SCHOOL DISTRICT**  
**Comparative Balance Sheets –**  
*Park City Education Foundation Fund*  
June 30, 2020 and 2019

	<b>2020</b>	<b>2019</b>
<b>Assets:</b>		
Cash and investments	\$ 2,772,906	\$ 2,410,091
Receivables:		
Local	689,650	174,745
Prepaid items	18,251	32,147
Total assets	<u>\$ 3,480,807</u>	<u>\$ 2,616,983</u>
<b>Liabilities:</b>		
Accounts payable	\$ 97,283	\$ 84,373
Unearned revenue:		
Local	228,345	-
Due to other funds	271,865	431,365
Total liabilities	<u>597,493</u>	<u>515,738</u>
<b>Deferred inflows of resources:</b>		
Unavailable other local revenue	<u>502,270</u>	<u>158,745</u>
<b>Fund balances:</b>		
Nonspendable:		
Scholarship endowments	53,848	53,848
Prepaid items	18,251	32,147
Restricted for:		
Scholarships	572,940	546,611
Assigned to:		
Compensated absences	27,033	14,203
Foundation	1,708,972	1,295,691
Total fund balances	<u>2,381,044</u>	<u>1,942,500</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,480,807</u>	<u>\$ 2,616,983</u>

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

Years Ended June 30, 2020 and 2019

	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>		
Local:		
Earnings on investments	\$ 39,187	\$ 66,641
Other	2,236,752	1,854,837
Total revenues	2,275,939	1,921,478
<b>Expenditures:</b>		
Current:		
Salaries	364,960	358,153
Employee benefits	196,688	194,022
Other purchased services	2,086	2,380
Instructional grants and scholarships	1,097,398	1,289,488
Supplies	358,347	375,586
Total expenditures	2,019,479	2,219,629
Excess (deficiency) of revenues over (under) expenditures	256,460	(298,151)
<b>Other financing sources (uses):</b>		
Transfers in	182,084	182,380
Net change in fund balances	438,544	(115,771)
<b>Fund balances – beginning</b>	1,942,500	2,058,271
<b>Fund balances – ending</b>	<u>\$ 2,381,044</u>	<u>\$ 1,942,500</u>

## **OTHER INFORMATION**

# **PARK CITY SCHOOL DISTRICT**

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

Last Five Fiscal Years

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Assets:</b>					
Cash and investments	\$ 57,641,518	\$ 55,621,498	\$ 53,910,658	\$ 59,209,117	\$ 57,794,712
Receivables:					
Property taxes	78,398,271	82,380,056	71,093,961	59,957,002	60,050,209
Other governments	1,597,407	1,133,402	1,114,094	1,308,806	780,198
Inventories and prepaid items	172,375	310,128	360,991	52,573	119,399
Net pension asset	-	-	-	-	1,258
Capital assets:					
Land and construction in progress	6,152,243	6,176,369	6,078,012	5,174,771	4,928,568
Other capital assets, net of accumulated depreciation	90,175,058	90,922,924	92,494,372	94,501,482	97,055,896
Total assets	<u>234,136,872</u>	<u>236,544,377</u>	<u>225,052,088</u>	<u>220,203,751</u>	<u>220,730,240</u>
<b>Deferred outflows of resources:</b>					
Related to pensions	<u>6,832,958</u>	<u>15,633,122</u>	<u>13,977,342</u>	<u>12,170,576</u>	<u>11,102,953</u>
<b>Liabilities:</b>					
Accounts and contracts payable	1,396,680	2,016,695	896,399	2,945,082	3,446,679
Accrued payroll and related benefits	7,176,779	7,211,135	6,763,503	5,927,921	5,595,832
Unearned revenue	764,533	305,383	275,163	253,450	382,168
Noncurrent liabilities:					
Portion due or payable within one year	2,745,813	2,760,886	2,564,395	2,578,653	2,722,001
Portion due or payable after one year	<u>24,728,552</u>	<u>38,150,239</u>	<u>23,780,431</u>	<u>30,518,931</u>	<u>30,544,574</u>
Total liabilities	<u>36,812,357</u>	<u>50,444,338</u>	<u>34,279,891</u>	<u>42,224,037</u>	<u>42,691,254</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for future year	75,869,645	80,836,743	70,037,139	59,581,310	59,628,969
Related to pensions	<u>7,905,246</u>	<u>757,406</u>	<u>11,443,069</u>	<u>4,029,223</u>	<u>2,839,926</u>
Total deferred inflow of resources	<u>83,774,891</u>	<u>81,594,149</u>	<u>81,480,208</u>	<u>63,610,533</u>	<u>62,468,895</u>
<b>Net position:</b>					
Net investment in capital assets	96,175,023	96,901,773	98,572,384	99,676,253	101,984,464
Restricted for:					
Capital outlay	19,869,399	21,859,502	22,136,419	21,714,421	21,729,757
Nutrition services	200,093	448,215	513,881	611,959	381,558
Foundation	1,129,058	759,204	599,668	522,476	219,015
Unrestricted	<u>3,009,009</u>	<u>170,318</u>	<u>1,446,979</u>	<u>4,014,648</u>	<u>2,358,250</u>
Total net position	<u>\$ 120,382,582</u>	<u>\$ 120,139,012</u>	<u>\$ 123,269,331</u>	<u>\$ 126,539,757</u>	<u>\$ 126,673,044</u>

# **PARK CITY SCHOOL DISTRICT**

## **Comparative Statements of Activities (Accrual Basis) – Governmental Activities**

Last Five Fiscal Years

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Expenses:</b>					
Instruction	\$ 50,646,209	\$ 49,399,837	\$ 44,511,959	\$ 43,903,218	\$ 42,253,598
Supporting services:					
Student	5,986,110	5,159,901	4,517,928	2,736,234	2,474,259
Instructional staff	5,088,948	4,790,973	4,047,876	3,086,593	3,086,850
Executive administration	934,655	1,042,963	868,181	1,138,540	574,325
School administration	4,004,104	3,890,780	3,155,508	2,850,555	2,947,831
Central	4,375,924	4,676,160	3,465,128	3,169,395	2,992,336
Operation and maintenance of facilities	6,052,238	6,096,846	5,066,170	5,161,691	5,136,891
Student transportation	2,699,082	2,809,513	2,639,078	2,368,461	2,502,914
Nutrition services	1,961,497	1,981,048	1,774,614	1,613,107	1,655,328
Community services	2,269,064	2,071,092	1,794,031	1,597,440	1,793,806
Contributions to other governments	11,488,234	8,937,744	6,148,472	6,619,678	6,411,576
Total school district	<u>95,506,065</u>	<u>90,856,857</u>	<u>77,988,945</u>	<u>74,244,912</u>	<u>71,829,714</u>
<b>Program revenues:</b>					
Instruction	6,294,605	6,486,221	6,449,284	6,681,106	6,218,189
Supporting services:					
Student	777,851	612,922	553,659	273,566	301,090
Instructional staff	370,086	280,541	134,865	114,909	128,972
Operation and maintenance of facilities	8,652	23,357	13,435	26,806	9,500
Student transportation	1,203,929	1,062,703	819,130	905,289	889,784
Nutrition services	1,327,719	1,619,869	1,544,581	1,513,012	1,512,989
Community services	381,396	306,371	361,455	314,956	507,983
Total program revenues	<u>10,364,238</u>	<u>10,391,984</u>	<u>9,876,409</u>	<u>9,829,644</u>	<u>9,568,507</u>
Net (expense) revenue	<u>(85,141,827)</u>	<u>(80,464,873)</u>	<u>(68,112,536)</u>	<u>(64,415,268)</u>	<u>(62,261,207)</u>
<b>General revenues:</b>					
Property taxes levied for:					
General purposes	72,507,311	64,415,406	54,007,971	53,938,571	52,981,595
Capital outlay	5,326,198	5,279,424	4,426,440	5,030,540	4,990,172
Park City Redevelopment Agency	2,572,089	2,137,616	2,058,720	1,886,023	1,962,976
Charter schools	697,650	619,025	691,220	-	-
Total property taxes	<u>81,103,248</u>	<u>72,451,471</u>	<u>61,184,351</u>	<u>60,855,134</u>	<u>59,934,743</u>
Federal and state aid not restricted to specific purposes	1,945,554	2,410,040	1,845,066	1,763,122	1,815,407
Earnings on investments	1,148,248	1,611,163	1,015,160	674,278	499,706
Miscellaneous	1,188,347	861,880	797,533	989,447	819,547
Total general revenues	<u>85,385,397</u>	<u>77,334,554</u>	<u>64,842,110</u>	<u>64,281,981</u>	<u>63,069,403</u>
Change in net position	243,570	(3,130,319)	(3,270,426)	(133,287)	808,196
<b>Net position - beginning</b>	<u>120,139,012</u>	<u>123,269,331</u>	<u>126,539,757</u>	<u>126,673,044</u>	<u>125,864,848</u>
<b>Net position - ending</b>	<u>\$ 120,382,582</u>	<u>\$ 120,139,012</u>	<u>\$ 123,269,331</u>	<u>\$ 126,539,757</u>	<u>\$ 126,673,044</u>



# **PARK CITY SCHOOL DISTRICT**

## **Comparative Balance Sheets (Modified Accrual Basis) – General Fund**

Last Five Fiscal Years

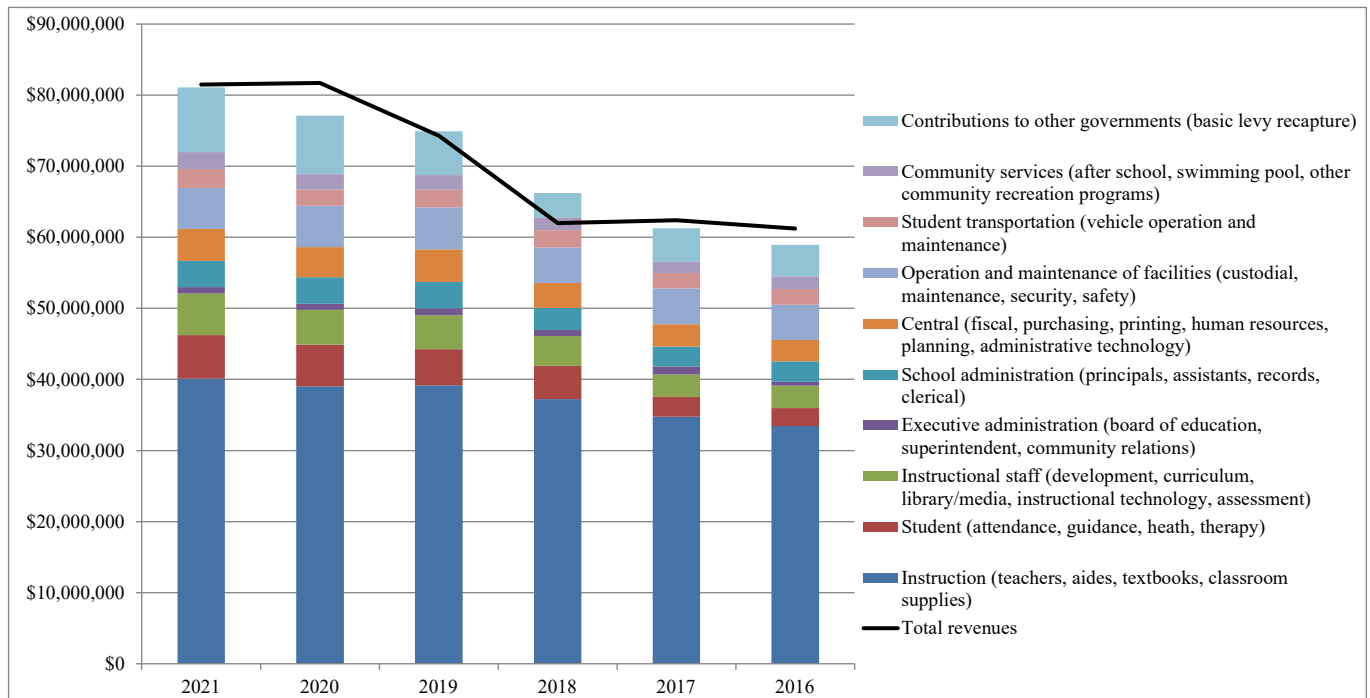
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Assets:</b>					
Cash and investments	\$ 24,932,516	\$ 20,411,347	\$ 20,654,313	\$ 25,333,380	\$ 25,482,817
Receivables:					
Property taxes	70,114,894	73,460,466	62,859,153	52,138,474	53,059,297
Local	169,506	216,924	233,194	217,179	65,865
State	165,298	158,387	54,364	79,585	43,635
Federal	543,257	491,501	604,866	677,903	540,664
Prepaid items	-	140,072	16,926	16,348	72,835
Due from other funds	271,865	431,365	416,510	478,181	276,448
Total assets	<u>\$ 96,197,336</u>	<u>\$ 95,310,062</u>	<u>\$ 84,839,326</u>	<u>\$ 78,941,050</u>	<u>\$ 79,541,561</u>
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 622,806	\$ 414,097	\$ 330,286	\$ 849,068	\$ 1,476,609
Accrued payroll and related benefits	7,176,779	7,211,135	6,763,503	5,927,921	5,595,832
Unearned revenue:					
Local	-	-	1,000	34,738	100,075
State	388,285	204,163	172,233	131,145	206,513
Federal	-	-	-	992	-
Total liabilities	<u>8,187,870</u>	<u>7,829,395</u>	<u>7,267,022</u>	<u>6,943,864</u>	<u>7,379,029</u>
<b>Deferred inflows of resources:</b>					
Unavailable property taxes	1,828,270	1,122,839	650,596	697,060	715,803
Property taxes levied for future year	67,839,993	72,075,159	61,915,401	51,829,973	52,699,028
Total deferred inflows of resources	<u>69,668,263</u>	<u>73,197,998</u>	<u>62,565,997</u>	<u>52,527,033</u>	<u>53,414,831</u>
<b>Fund balances:</b>					
Nonspendable:					
Prepaid items	-	140,072	16,926	16,348	72,835
Committed to:					
Economic stabilization	4,052,675	4,079,506	3,816,486	3,432,024	3,156,478
Community services	-	-	190,000	-	-
Food services program	-	250,000	-	-	-
Assigned to:					
Compensated absences	1,396,277	1,199,904	981,942	945,765	975,235
Basic levy recapture	690,000	500,000	250,000	350,000	350,000
Unassigned	12,202,251	8,113,187	9,750,953	14,726,016	14,193,153
Total fund balances	<u>18,341,203</u>	<u>14,282,669</u>	<u>15,006,307</u>	<u>19,470,153</u>	<u>18,747,701</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 96,197,336</u>	<u>\$ 95,310,062</u>	<u>\$ 84,839,326</u>	<u>\$ 78,941,050</u>	<u>\$ 79,541,561</u>
Unassigned fund balance as a percent of general fund expenditures	15.8%	10.5%	13.0%	24.0%	24.1%

# **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 2021

	Anticipated Budget 2021	2020	2019	2018	2017	2016
<b>Revenues:</b>						
Local:						
Property taxes	\$ 73,399,459	\$ 71,771,507	\$ 63,931,659	\$ 53,441,044	\$ 53,988,820	\$ 53,026,849
Earnings on investments	592,012	597,794	865,213	525,908	343,803	220,872
Other	3,200,404	2,508,735	3,075,057	2,904,398	2,955,019	2,960,715
State	2,966,504	5,692,208	5,144,564	3,961,605	3,883,227	3,892,264
Federal	1,316,126	1,155,070	1,256,404	1,170,253	1,200,145	1,139,370
Total revenues	81,474,505	81,725,314	74,272,897	62,003,208	62,371,014	61,240,070
<b>Expenditures:</b>						
Current:						
Instruction	40,102,108	39,048,178	39,147,787	37,217,345	34,756,028	33,433,848
Supporting services:						
Student	6,133,292	5,813,474	5,125,559	4,680,945	2,800,881	2,524,099
Instructional staff	5,834,092	4,930,937	4,734,101	4,182,792	3,135,669	3,141,797
Executive administration	928,146	858,061	986,234	850,374	1,133,207	558,830
School administration	3,671,153	3,734,819	3,712,270	3,131,401	2,770,965	2,865,742
Central	4,489,366	4,206,201	4,587,670	3,529,221	3,183,306	3,012,737
Operation and maintenance of facilities	5,788,479	5,805,444	5,911,871	4,979,799	5,042,549	4,992,209
Student transportation	2,666,563	2,312,828	2,518,372	2,435,312	2,125,058	2,184,942
Community services	2,374,371	2,176,259	2,017,614	1,800,111	1,584,358	1,785,190
Contributions to other governments	9,065,926	8,218,495	6,181,103	3,398,532	4,733,655	4,448,600
Total expenditures	81,053,496	77,104,696	74,922,581	66,205,832	61,265,676	58,947,994
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>421,009</b>	<b>4,620,618</b>	<b>(649,684)</b>	<b>(4,202,624)</b>	<b>1,105,338</b>	<b>2,292,076</b>
<b>Other financing sources (uses):</b>						
Net transfers and other financing sources (uses)	(245,000)	(562,084)	(73,954)	(261,222)	(382,886)	(180,609)
Net change in fund balances	176,009	4,058,534	(723,638)	(4,463,846)	722,452	2,111,467
<b>Fund Balances – Beginning</b>	<b>14,772,761</b>	<b>14,282,669</b>	<b>15,006,307</b>	<b>19,470,153</b>	<b>18,747,701</b>	<b>16,636,234</b>
<b>Fund Balances – Ending</b>	<b>\$ 14,948,770</b>	<b>\$ 18,341,203</b>	<b>\$ 14,282,669</b>	<b>\$ 15,006,307</b>	<b>\$ 19,470,153</b>	<b>\$ 18,747,701</b>



The 2020 anticipated budget is from the proposed budget approved by the Board in August 2019.

**PARK CITY SCHOOL DISTRICT****Expenditures Per Student – General Fund \***

Last Five Fiscal Years with Anticipated Budget for 2021

	<b>Anticipated Budget 2021</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Expenditures per student – general fund :</b>						
Instruction	\$ 8,545	\$ 8,209	\$ 8,190	\$ 7,728	\$ 7,106	\$ 7,019
Supporting services:						
Student	1,307	1,222	1,072	972	573	530
Instructional staff	1,243	1,037	990	869	641	660
Executive administration	198	180	206	177	232	117
School administration	782	785	777	650	567	602
Central	957	884	960	733	651	633
Operation and maintenance of facilities	1,233	1,220	1,237	1,034	1,031	1,048
Student transportation	568	486	527	506	434	459
Total expenditures per student – general fund *	<u>\$ 14,833</u>	<u>\$ 14,023</u>	<u>\$ 13,959</u>	<u>\$ 12,669</u>	<u>\$ 11,235</u>	<u>\$ 11,068</u>
<b>Student fall enrollment count</b>	4,693	4,757	4,780	4,816	4,891	4,763

\* In this schedule, community service expenditures and contributions to other governments have been excluded.  
Student fall enrollment count for the 2021 budget is projected.

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

Last Five Tax (Calendar) Years

	<b>2019</b>		<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	Taxable Value	% of TV	Taxable Value	Taxable Value	Taxable Value	Taxable Value
<b>Set by County Assessor-Locally Assessed</b>						
Real property:						
Primary residential	\$ 4,936,094,886	27.4 %	\$ 4,415,827,442	\$ 4,156,101,905	\$ 3,830,045,477	\$ 3,443,252,037
Other residential	11,112,387,490	61.7	9,767,069,332	8,335,624,542	7,774,700,795	7,220,873,340
Commercial and industrial	1,461,459,788	8.1	1,490,008,627	1,300,628,768	1,242,128,912	1,177,768,827
Agricultural and Farmland Assessment Act (FAA)	17,672,947	0.1	16,219,108	14,634,463	14,299,539	13,323,553
Unimproved non FAA	14,125,866	0.1	15,869,677	889,532,119	904,724,555	863,535,095
Total real property	17,541,740,977	97.5	15,704,994,186	14,696,521,797	13,765,899,278	12,718,752,852
Personal property	215,987,584	1.2	206,088,550	194,029,604	194,919,398	172,475,032
Fee in lieu (motor vehicles, etc.) estimate	111,342,095	0.6	106,725,922	101,908,744	101,305,708	98,037,941
Total locally assessed	17,869,070,656	99.3	16,017,808,658	14,992,460,145	14,062,124,384	12,989,265,825
<b>Set by State Tax Commission-Centrally Assessed</b>	131,289,146	0.7	126,251,620	111,581,005	100,919,989	93,958,032
Total taxable value	<u>\$ 18,000,359,802</u>	<u>100.0 %</u>	<u>\$ 16,144,060,278</u>	<u>\$ 15,104,041,150</u>	<u>\$ 14,163,044,373</u>	<u>\$ 13,083,223,857</u>
Total taxable value (less fee in lieu property)	<u>\$ 17,889,017,707</u>		<u>\$ 16,037,334,356</u>	<u>\$ 15,002,132,406</u>	<u>\$ 14,061,738,665</u>	<u>\$ 12,985,185,916</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>\$ 608,729,493</u>		<u>\$ 554,741,827</u>	<u>\$ 549,037,775</u>	<u>\$ 478,210,726</u>	<u>\$ 453,479,903</u>

Source: Utah State Tax Commission.

# **PARK CITY SCHOOL DISTRICT**

## **Tax Rates and Collections**

Last Four Fiscal Years with Anticipated Budget for 2020

	<b>Anticipated Budget</b>		<b>2019</b>		<b>2018</b>		<b>2017</b>		<b>2016</b>	
	<b>2020</b>									
	<u>Tax Rate</u>	<u>Budget</u>	<u>Tax Rate</u>	<u>Collections</u>	<u>Tax Rate</u>	<u>Collections</u>	<u>Tax Rate</u>	<u>Collections</u>	<u>Tax Rate</u>	<u>Collections</u>
<b>General Fund:</b>										
Basic	0.001628	\$ 29,970,986	0.001661	\$ 29,190,126	0.001666	\$ 26,614,228	0.001568	\$ 23,221,183	0.001675	\$ 23,393,784
Board local	0.001355	24,945,138	0.001388	24,392,471	0.001206	19,335,767	0.000834	12,351,063	0.000945	13,198,284
Voted local	0.001004	18,483,335	0.001035	18,188,910	0.001130	17,981,664	0.001161	17,193,746	0.001240	17,318,383
Total general fund	0.003987	73,399,459	0.004084	71,771,507	0.004002	63,931,659	0.003563	52,765,992	0.003860	53,910,451
<b>Pass-Through Taxes Fund:</b>										
Incremental taxes	-	2,870,555	-	2,572,089	-	2,137,616	-	2,058,720	-	1,886,023
Charter school	0.000030	558,270	0.000040	697,650	0.000039	619,025	0.000051	691,220	-	-
Total pass-through taxes fund	0.000030	3,428,825	0.000040	3,269,739	0.000039	2,756,641	0.000051	2,749,940	-	1,886,023
<b>Capital Projects Fund:</b>										
Capital local	0.000291	5,357,221	0.000300	5,272,148	0.000328	5,239,776	0.000337	4,990,777	0.000360	5,027,918
Total tax rate / collections	0.004308	82,185,505	0.004424	80,313,394	0.004369	71,928,076	0.003951	60,506,709	0.004220	60,824,392
<b>Contributions to Other Governments:</b>										
Basic levy recapture		9,065,926		8,218,495		6,181,013		3,398,532		4,045,055
Park City Redevelopment Agency		2,870,555		2,572,089		2,137,616		2,058,720		1,886,023
Charter school levy		558,270		697,650		619,025		691,220		688,600
Total contributed		12,494,751		11,488,234		8,937,654		6,148,472		6,619,678
Net taxes retained by the District		\$ 69,690,754		\$ 68,825,160		\$ 62,990,422		\$ 54,358,237		\$ 54,204,714

### **Notes:**

Tax rates are levied for the calendar year. For example, calendar year 2020 tax rates apply to our fiscal year ended June 30, 2021.

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 2021 budget reflects the rates and anticipated collections as approved by our Board in August 2020.