

PARK CITY SCHOOL DISTRICT

Financial Statements

Year Ended June 30, 2010

PARK CITY SCHOOL DISTRICT

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Year Ended June 30, 2010

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FINANCIAL SECTION



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Independent Auditor's Report

Board of Education
Park City School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Park City School District (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate discretely presented component unit and remaining fund information of the District as of June 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2010 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis which follows this report is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 financial 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 financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on it.

Agui & Company, PC

November 9, 2010

Management's Discussion and Analysis

This section of Park City School District's (the District) financial report presents management's discussion and analysis of the District's financial performance during the year ending June 30, 2010.

Financial Highlights

- The District is dependent on revenues generated by property taxes. Property tax revenues increased by 2.9% in 2010 as a result of changes in tax rates, growth in taxable property, and growth in the value of taxable property.
- The District's assets exceeded liabilities by \$131.9 million at the close of the most recent fiscal year.
- During the year, expenses were \$3.8 million less than the \$60.9 million generated in taxes and other revenues for governmental activities.
- District student enrollment increased by 86 students to a total of 4,563 students as of October 1, 2009 for the 2009-2010 school year.
- The District continues to provide updated technology for enrolled students and to provide housing for the various programs throughout the District. Capital outlay expenditures totaled \$5.9 million for the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary 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 the District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets 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 (e.g., uncollected taxes and earned but unused vacation and sick leave).

The government-wide financial statements can be found on pages 11 through 12 of this report.

The government-wide financial statements of the District are divided into two categories:

- **Governmental activities.** Most of the District's basic services are included here, such as instruction, various supporting services, food services, community services, and interest on long-term liabilities. Property taxes and state and federal grants finance most of these activities.
- **Component units.** The District includes another entity in the report, namely, the Park City Education Foundation. Although legally separate, this component unit is included because it is an independent nonprofit

organization established to support schools and programs within the District. Complete financial statements of the component unit can be obtained from the District office.

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 of the funds of the District 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, the debt service fund, and the capital projects fund, each of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the governmental funds is provided in the form of *combining and individual statements and schedules* elsewhere in 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 can be found on pages 13 through 17 of this report.

- **Proprietary funds.** 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 benefit services provided to all the other funds of the District. 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 18 through 20 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 21 through 32 of this report.

Additional information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 33 through 40 of this report.

To satisfy continuing disclosure requirements for the District's general obligation bonds, selected financial and tax information is provided as other information, presenting 5-year comparisons. This other information can be found on pages 41 through 46 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$131.9 million at the close of the most recent fiscal year.

PARK CITY SCHOOL DISTRICT'S Net Assets June 30, 2010 and 2009 (in millions of dollars)

	Governmental activities		Total
	2010	2009	change 2010-2009
Current and other assets	\$ 85.9	\$ 84.7	\$ 1.2
Capital assets	118.4	121.6	(3.2)
Total assets	<u>204.3</u>	<u>206.3</u>	<u>(2.0)</u>
Current and other liabilities	50.5	51.3	(0.8)
Long-term liabilities outstanding	21.9	26.9	(5.0)
Total liabilities	<u>72.4</u>	<u>78.2</u>	<u>(5.8)</u>
Net assets:			
Invested in capital assets, net of related debt	98.3	96.0	2.3
Restricted	20.2	19.4	0.8
Unrestricted	13.4	12.7	0.7
Total net assets	<u>\$ 131.9</u>	<u>\$ 128.1</u>	<u>\$ 3.8</u>

- The largest portion of the District's net assets (74.5%) reflects its investment in capital assets (e.g., land, buildings and improvements, and equipment and buses net of accumulated depreciation), less any related debt (general obligation bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the District's net assets (15.3%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.
- The remaining balance of *unrestricted net assets* (10.2%) may be used to meet the District's obligations to students, employees, and creditors and to honor next year's budget.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

- Net assets invested in capital assets, net of accumulated depreciation and related debt, increased by \$2.3 million during the year ended June 30, 2010. This increase resulted primarily from \$5.5 million in payments of bond principal.
- Restricted net assets increased by \$0.8 million during the year ended June 30, 2010. This increase resulted primarily from an increase in the amount restricted for capital projects and debt service.

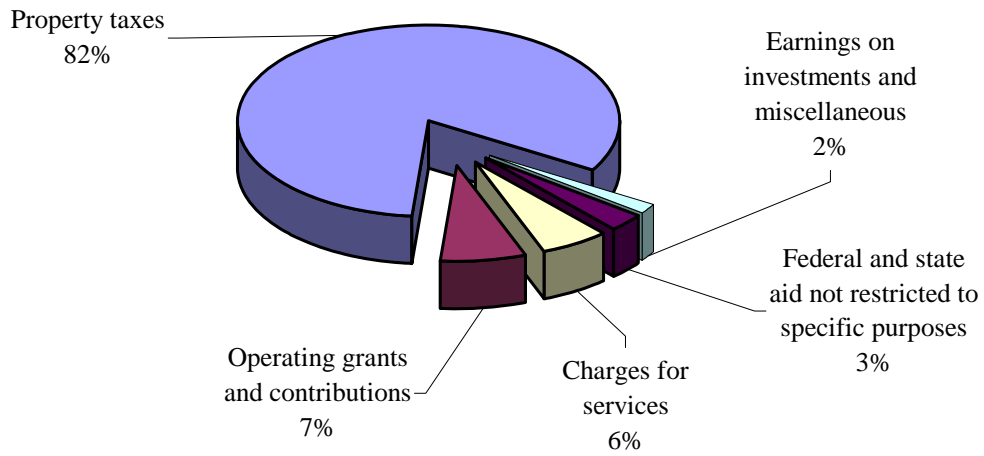
The District's net assets increased by \$3.8 million during the current year from activities. The following discussion and analysis on governmental activities focuses on this increase:

PARK CITY SCHOOL DISTRICT'S Changes in Net Assets
Years Ended June 30, 2010 and 2009
(in millions of dollars)

	<u>Governmental activities</u>		Total
	<u>2010</u>	<u>2009</u>	change <u>2010-2009</u>
Revenues:			
Program revenues:			
Charges for services	\$ 3.6	\$ 4.2	\$ (0.6)
Operating grants and contributions	4.3	4.5	(0.2)
General revenues:			
Property taxes	50.0	48.6	1.4
Federal and state aid not restricted to specific purposes	1.8	3.4	(1.6)
Earnings on investments	0.3	0.7	(0.4)
Miscellaneous	0.8	1.0	(0.2)
Total revenues	<u>60.8</u>	<u>62.4</u>	<u>(1.6)</u>
Expenses:			
Instructional services	36.5	35.0	1.5
Supporting services:			
Students	1.6	1.6	-
Instructional staff	1.4	1.6	(0.2)
General administration	1.7	1.8	(0.1)
School administration	2.3	2.3	-
Central	0.7	0.6	0.1
Operation and maintenance of facilities	5.8	5.6	0.2
Student transportation	2.2	2.3	(0.1)
Food services	1.7	1.7	-
Community services	2.1	2.1	-
Interest on long-term liabilities	1.0	1.2	(0.2)
Total expenses	<u>57.0</u>	<u>55.8</u>	<u>1.2</u>
Increase in net assets	3.8	6.6	(2.8)
Net assets - beginning	<u>128.1</u>	<u>121.5</u>	<u>6.6</u>
Net assets - ending	<u>\$ 131.9</u>	<u>\$ 128.1</u>	<u>\$ 3.8</u>

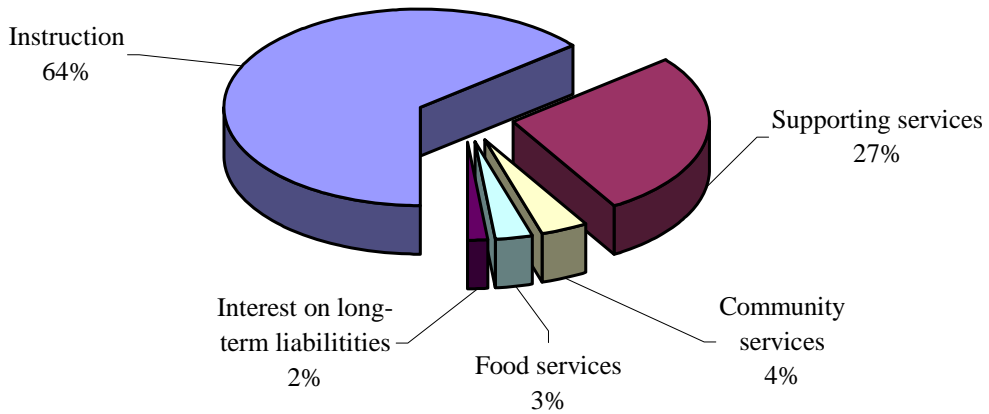
- Property tax revenues increased by \$1.4 million or 2.9% in 2010 as a result of changes in tax rates, growth in taxable property, and growth in value of taxable property.
- State aid is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. Certain students receive a weighting greater than one. The state guarantees that if local taxes do not provide money equal to the WPU, the state will make up the difference with state funding. Thus, with the increase in property tax revenue, the amount of the state guarantee decreased. The value of the WPU remained unchanged during the year ended June 30, 2010 (\$2,577 in 2010). State revenue decreased by \$1.8 million as a result of a reduction in the state guarantee of minimum school program funding.

**Park City School District
Revenue by Source - Governmental Activities
Year Ended June 30, 2010**



- Instructional services represent the largest dollar increase in expense of \$1.5 million due to the number of teachers employed by the District, increases in salaries, and increases in employee benefits.

**Park City School District
Expenses by Function - Governmental Activities
Year Ended June 30, 2010**



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.

Governmental funds. The focus of the District's *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 \$32.3 million, \$1.0 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 capital projects fund of \$0.6 million; this year's change also includes an increase in the fund balance of the general fund of \$0.4 million. In addition, the following other changes in fund balances should be noted:

- Expenditures for general District purposes totaled \$41.7 million, an increase of 2.6% during the current fiscal year. This compares to a 12.0% increase in 2009. Instructional services represent 64.8% of general fund expenditures.
- General fund salaries totaled \$25.7 million while the associated employee benefits of retirement, social security, and insurance (health and accident, industrial, and unemployment) added \$10.9 million to arrive at 87.6% of total general fund expenditures.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the District's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Undesignated balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of debt service, capital projects, and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion. The District has designated \$3.5 million of the general fund balance for the following purposes:

- *Designation for undistributed reserve* of \$2.1 million or 5.0% of general fund budgeted expenditures. As allowed by state law, the District has established an undistributed reserve within the general fund; this amount is set aside for contingencies or possible reductions in state funding and is not to be used in the negotiation or settlement of contract salaries. The maintenance of a sufficient reserve is a key credit consideration in the District's excellent bond rating of Aa1 given by credit rating agencies.
- *Designation for employee benefits* of \$0.4 million for voluntary retirement incentive and \$0.8 million for unpaid vacation and sick leave.
- *Designation for self insurance* of \$0.2 million for claims not covered by reinsurance.
- *Designation for basic levy recapture* of \$0.2 million for property taxes collected in excess of the value of the state guarantee WPU for the basic minimum school programs.

General Fund Budgetary Highlights

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. During the year, final budgeted revenues were greater than original budgetary estimates by a net of \$0.4 million to account for anticipated increases in property taxes and decreases in state revenue.

Actual expenditures were \$0.1 million less than final budgeted amounts. The most significant positive variance was \$0.5 million in instruction expenditures. Resources available for appropriation were \$1.0 million above the

final budgeted amount primarily due to positive variances in state sources. Variances normally result from expenditure-driven federal and state grants that are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met; unspent grant amounts are carried forward and included in the succeeding year's budget. Therefore, actual grant revenues and expenditures are normally less than the amounts budgeted. Revenue from state sources surpassed projections in part due to increased minimum school program funding.

Capital Asset and Debt Administration

Capital Assets. The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring technology and equipment necessary for providing educational programs for all students within the District.

Capital assets at June 30, 2010 and 2009 are outlined below:

PARK CITY SCHOOL DISTRICT'S Capital Assets
June 30, 2010 and 2009
(net of accumulated depreciation, in millions of dollars)

	Governmental activities		Total change 2010-2009
	2010	2009	
Land	\$ 4.9	\$ 4.9	\$ 0.0
Buildings and improvements	110.5	113.4	(2.9)
Equipment and buses	3.0	3.3	(0.3)
Total capital assets	<u>\$ 118.4</u>	<u>\$ 121.6</u>	<u>\$ (3.2)</u>

Instruction expense includes \$5.9 million of costs related to instruction equipment and technology.

Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration. The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2010 is about \$628.6 million. Net general obligation debt at June 30, 2010 is \$20.2 million, resulting in a legal debt margin of about \$608.4 million.

PARK CITY SCHOOL DISTRICT'S Outstanding Debt
June 30, 2010 and 2009
(in millions of dollars)

	Governmental activities		Total change 2010-2009
	2010	2009	
Net general obligation bonds	<u>\$ 20.2</u>	<u>\$ 25.6</u>	<u>\$ (5.4)</u>

Although it is not unusual for governments to have a 30-year bond payoff schedule, the District maintains an aggressive schedule to retire all of its general obligation bonds by 2015.

Additional information on the District's long-term debt can be found in Note 7 to the basic financial statements.

Enrollment

The District anticipates moderate growth in student enrollment. The following enrollment information is based on the annual October 1 count:

PARK CITY SCHOOL DISTRICT'S Enrollment October 1 Count

<u>School Year</u>	<u>Enrollment</u>	<u>Change</u>
2010-11	4,351	-4.6%
2009-10	4,563	1.9%
2008-09	4,477	0.8%
2007-08	4,440	2.4%
2006-07	4,336	-0.7%
2005-06	4,367	3.6%
2004-05	4,214	3.8%
2003-04	4,059	2.6%
2002-03	3,957	0.9%
2001-02	3,923	0.1%
2000-01	3,921	2.9%

Enrollment for the 2010-2011 school year decreased by 212 students to a total of 4,351 students. This decrease is a result of a new charter school opening within the District boundaries.

Requests for Information

This financial report is designed to provide a general overview of the Park City School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to 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 Assets
June 30, 2010

	<u>Governmental Activities</u>	<u>Component Unit</u>
Assets:		
Cash and investments	\$ 37,530,964	\$ 644,373
Receivables:		
Property taxes	46,386,067	-
Other local	149,755	17,000
State of Utah	93,120	-
Federal government	1,565,327	-
Inventories	57,688	-
Bond issuance costs, nets of accumulated amortization	86,019	-
Capital assets:		
Land and construction in progress	4,928,568	-
Other capital assets, net of accumulated depreciation	113,518,364	1,153
Total assets	<u>204,315,872</u>	<u>662,526</u>
Liabilities:		
Accounts and contracts payable	1,540,572	71,587
Accrued interest	305,272	-
Accrued salaries	4,801,786	-
Unearned revenue:		
Property taxes	43,663,545	-
Other local	38,445	-
State of Utah	245,003	-
Federal government	877	-
Noncurrent liabilities:		
Portion due or payable within one year	6,376,478	-
Portion due or payable after one year	15,477,830	-
Total liabilities	<u>72,449,808</u>	<u>71,587</u>
Net Assets:		
Invested in capital assets, net of related debt	98,266,242	-
Restricted for:		
Debt service	768,512	-
Capital projects	17,760,565	-
Community programs	508,157	-
Food services	663,770	-
Student activities	453,935	-
Student programs	-	321,174
Unrestricted	13,444,883	269,765
Total net assets	<u>\$ 131,866,064</u>	<u>\$ 590,939</u>

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

PARK CITY SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2010

Activities / Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities	Component Unit
Governmental activities:					
Instruction	\$ 36,588,503	\$ 1,912,078	\$ 2,403,750	\$ (32,272,675)	
Supporting services:					
Student	1,628,415	-	15,587	(1,612,828)	
Instructional staff	1,368,343	-	386,011	(982,332)	
General administration	1,726,196	-	122,979	(1,603,217)	
School administration	2,251,221	-	-	(2,251,221)	
Central	655,335	-	-	(655,335)	
Operation and maintenance of facilities	5,782,676	7,945	-	(5,774,731)	
Student transportation	2,189,691	10,188	428,290	(1,751,213)	
Food services	1,726,531	746,143	787,162	(193,226)	
Community services	2,104,181	914,344	203,778	(986,059)	
Interest on long-term liabilities	1,026,422	-	-	(1,026,422)	
Total school district	<u>\$ 57,047,514</u>	<u>\$ 3,590,698</u>	<u>\$ 4,347,557</u>	<u>(49,109,259)</u>	
Discretely presented component unit:					
Education foundation	<u>\$ 425,511</u>	<u>\$ -</u>	<u>\$ 542,729</u>		<u>\$ 117,218</u>
General revenues:					
Property taxes levied for:					
Basic state supported program for K-12 instruction				17,822,636	-
Voted leeway program for K-12 instruction				16,193,351	-
School board leeway program for improvement of reading skills				696,488	-
Student transportation				273,620	-
Tort liability				37,312	-
Community recreation				920,359	-
Debt service of general obligation bonds				6,529,577	-
Capital outlay for buildings and other capital needs				5,957,462	-
Ten percent additional basic program for capital assets, textbooks, and supplies				1,542,224	-
Federal and state aid not restricted to specific purposes				1,790,237	-
Earnings on investments				250,527	2,359
Miscellaneous				832,189	-
Total general revenues				<u>52,845,982</u>	<u>2,359</u>
Change in net assets				3,736,723	119,577
Net assets - beginning				<u>128,129,341</u>	<u>471,362</u>
Net assets - ending				<u>\$ 131,866,064</u>	<u>\$ 590,939</u>

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

PARK CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2010

	<u>Major Funds</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
Assets:					
Cash and investments	\$ 16,332,481	\$ 646,117	\$ 18,753,117	\$ 1,339,785	\$ 37,071,500
Receivables:					
Property taxes	35,071,138	5,937,003	4,523,484	854,442	46,386,067
Other local	56,409	-	-	93,346	149,755
State of Utah	54,977	-	-	38,143	93,120
Federal government	1,476,051	-	-	89,276	1,565,327
Inventories	-	-	-	57,688	57,688
Total assets	<u>\$ 52,991,056</u>	<u>\$ 6,583,120</u>	<u>\$ 23,276,601</u>	<u>\$ 2,472,680</u>	<u>\$ 85,323,457</u>
Liabilities and fund balances:					
Liabilities:					
Accounts and contracts payable	\$ 191,656	\$ -	\$ 1,340,256	\$ 8,660	\$ 1,540,572
Accrued liabilities	4,801,786	-	-	-	4,801,786
Deferred revenue:					
Property taxes	35,111,275	5,937,742	4,498,873	854,749	46,402,639
Other local	-	-	-	38,445	38,445
State of Utah	210,003	-	35,000	-	245,003
Federal government	-	-	-	877	877
Total liabilities	<u>40,314,720</u>	<u>5,937,742</u>	<u>5,874,129</u>	<u>902,731</u>	<u>53,029,322</u>
Fund Balances:					
Reserved for:					
Encumbrances	256,800	-	203,764	56,861	517,425
Inventories	-	-	-	57,688	57,688
Reading levy	122,027	-	-	-	122,027
Tort liability levy	67,607	-	-	-	67,607
Unreserved, designated for:					
Undistributed reserve	2,100,000	-	-	-	2,100,000
Voluntary retirement incentive	404,990	-	-	-	404,990
Adult education program	-	-	-	14,764	14,764
Unpaid vacation and sick leave	760,477	-	-	48,687	809,164
Self insurance	220,000	-	-	-	220,000
Basic levy recapture	250,000	-	-	-	250,000
Unreserved, undesignated	<u>8,494,435</u>	<u>645,378</u>	<u>17,198,708</u>	<u>1,391,949</u>	<u>27,730,470</u>
Total fund balances	<u>12,676,336</u>	<u>645,378</u>	<u>17,402,472</u>	<u>1,569,949</u>	<u>32,294,135</u>
Total liabilities and fund balances	<u>\$ 52,991,056</u>	<u>\$ 6,583,120</u>	<u>\$ 23,276,601</u>	<u>\$ 2,472,680</u>	<u>\$ 85,323,457</u>

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

PARK CITY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2010

Total fund balances for governmental funds \$ 32,294,135

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

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

Land	\$ 4,928,568	
Buildings and improvements, net of \$30,915,845 accumulated depreciation	110,529,991	
Equipment and busses, net of \$3,713,527 accumulated depreciation	<u>2,988,373</u>	118,446,932

Some of the District's property taxes 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 revenue in the funds. 2,739,094

Bond issuance costs are reported as expenditures in the governmental funds. These costs are reported net of \$174,942 of accumulated amortization on the statement of net assets. 86,019

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is: (305,272)

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term portions - are reported in the statement of net assets. Balances at year-end are:

General obligation bonds payable	(20,355,000)	
Bond premium, net of \$34,501 accumulated amortization	(25,593)	
Deferred amounts on refunding, net of \$978,491 accumulated amortization	199,903	
Unpaid vacation	(230,458)	
Accrued sick leave	(578,706)	
Voluntary retirement incentive payable	<u>(404,990)</u>	<u>(21,394,844)</u>

Total net assets of governmental activities \$ 131,866,064

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

PARK CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2010

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Revenues:					
Local sources:					
Property taxes	\$ 36,171,247	\$ 6,481,121	\$ 5,921,485	\$ 1,015,114	\$ 49,588,967
Earnings on investments	116,925	4,375	123,044	6,183	250,527
Lunch sales	-	-	-	672,359	672,359
Other local revenue	846,642	26,584	374,130	2,498,409	3,745,765
State of Utah	2,545,958	-	54,707	248,544	2,849,209
Federal government	2,546,189	-	-	742,396	3,288,585
Total revenues	<u>42,226,961</u>	<u>6,512,080</u>	<u>6,473,366</u>	<u>5,183,005</u>	<u>60,395,412</u>
Expenditures:					
Current:					
Instruction	27,055,772	-	-	1,669,146	28,724,918
Supporting services:					
Student	1,607,057	-	-	-	1,607,057
Instructional staff	1,368,343	-	-	-	1,368,343
General administration	1,664,714	-	-	-	1,664,714
School administration	2,112,394	-	-	-	2,112,394
Central	604,821	-	-	-	604,821
Operation and maintenance of facilities	5,520,607	-	-	-	5,520,607
Student transportation	1,810,447	-	-	-	1,810,447
Community services	-	-	-	2,068,002	2,068,002
Food services	-	-	-	1,581,027	1,581,027
Capital outlay	-	-	5,859,342	-	5,859,342
Debt service:					
Principal retirement	-	5,535,000	-	-	5,535,000
Interest and fiscal charges	-	960,224	-	-	960,224
Total expenditures	<u>41,744,155</u>	<u>6,495,224</u>	<u>5,859,342</u>	<u>5,318,175</u>	<u>59,416,896</u>
Excess (deficiency) of revenues over (under) expenditures	<u>482,806</u>	<u>16,856</u>	<u>614,024</u>	<u>(135,170)</u>	<u>978,516</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	4,486	-	277	-	4,763
Transfers	(105,448)	-	-	105,448	-
Total other financing sources (uses)	<u>(100,962)</u>	<u>-</u>	<u>277</u>	<u>105,448</u>	<u>4,763</u>
Net change in fund balances	381,844	16,856	614,301	(29,722)	983,279
Fund balances - beginning	<u>12,294,492</u>	<u>628,522</u>	<u>16,788,171</u>	<u>1,599,671</u>	<u>31,310,856</u>
Fund balances - ending	<u>\$ 12,676,336</u>	<u>\$ 645,378</u>	<u>\$ 17,402,472</u>	<u>\$ 1,569,949</u>	<u>\$ 32,294,135</u>

The notes to the financial statements are an integral part of this 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, 2010

Net change in fund balances-total governmental funds \$ 983,279

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. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$	406,033	
Proceeds from sales of capital assets		(4,763)	
Gain on sale of capital assets		4,763	
Depreciation expense		<u>(3,586,890)</u>	(3,180,857)

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Principal repayment of general obligation bonds		5,535,000	
Amortization of bond premium		5,584	
Amortization of deferred refunding costs		(126,257)	
Amortization of bond issuance costs		(26,133)	
Interest expense		<u>80,608</u>	5,468,802

Property taxes that are collected several months after the District's fiscal year end are not considered available revenues in the governmental funds and are, instead, counted as deferred revenues at year end. They are, however, recorded as revenues in the statement of activities. Delinquent property taxes receivable increased this year. 384,062

In the statement of activities, certain operating expenses - compensated absences (vacation and sick leave) and termination benefits (voluntary retirement incentive) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, unpaid vacation and sick leave increased by \$135,501 and voluntary retirement incentive payable decreased by \$216,938. 81,437

Change in net assets of governmental activities \$ 3,736,723

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

PARK CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Property taxes	\$ 33,864,601	\$ 36,263,954	\$ 36,171,247	\$ (92,707)
Earnings on investments	33,718	107,115	116,925	9,810
Other local revenue	651,000	634,548	846,642	212,094
State of Utah	3,875,256	1,758,895	2,545,958	787,063
Federal government	2,414,792	2,447,480	2,546,189	98,709
Total revenues	<u>40,839,367</u>	<u>41,211,992</u>	<u>42,226,961</u>	<u>1,014,969</u>
Expenditures:				
Current:				
Instruction	25,674,262	27,593,914	27,055,772	538,142
Supporting services:				
Student	1,663,306	1,604,038	1,607,057	(3,019)
Instructional staff	1,778,539	1,424,634	1,368,343	56,291
General administration	1,753,038	1,656,176	1,664,714	(8,538)
School administration	2,285,029	2,027,605	2,112,394	(84,789)
Central	549,483	531,454	604,821	(73,367)
Operation and maintenance of facilities	5,886,709	5,330,369	5,520,607	(190,238)
Student transportation	2,340,727	1,723,390	1,810,447	(87,057)
Total expenditures	<u>41,931,093</u>	<u>41,891,580</u>	<u>41,744,155</u>	<u>147,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,091,726)</u>	<u>(679,588)</u>	<u>482,806</u>	<u>1,162,394</u>
Other financing sources (uses):				
Transfers out	-	(91,000)	(105,448)	(14,448)
Total other financing sources (uses)	<u>-</u>	<u>(91,000)</u>	<u>(105,448)</u>	<u>(14,448)</u>
Net change in fund balances	(1,091,726)	(770,588)	377,358	1,147,946
Fund balances - beginning	<u>10,797,503</u>	<u>12,294,492</u>	<u>12,294,492</u>	<u>-</u>
Fund balances - ending	<u>\$ 9,705,777</u>	<u>\$ 11,523,904</u>	<u>\$ 12,671,850</u>	<u>\$ 1,147,946</u>

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

PARK CITY SCHOOL DISTRICT
Statement of Fund Net Assets
Proprietary Fund
June 30, 2010

	Governmental Activities - Internal Service Fund
Assets:	
Cash and investments	\$ 459,464
Liabilities:	
Claims payable	<u>459,464</u>
Net Assets:	
Unrestricted	<u>-</u>
Total net assets	<u><u>\$ -</u></u>

PARK CITY SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
Year Ended June 30, 2010

	Governmental Activities - Internal Service Fund
Operating revenues:	
Premiums	\$ 2,876,749
Operating expenses:	
Medical claims	(2,539,367)
Administrative expenses	<u>(337,382)</u>
Total operating expenses	<u>(2,876,749)</u>
Total operating income / change in fund net assets	-
Net assets - beginning	<u>-</u>
Net assets - ending	<u><u>\$ -</u></u>

PARK CITY SCHOOL DISTRICT
Statement of Fund Cash Flows
Proprietary Fund
Year Ended June 30, 2010

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Insurance premiums received	\$ 2,876,749
Insurance benefits and administrative expenses paid	<u>(2,417,285)</u>
Net cash provided by operating activities	459,464
Cash and cash equivalents - beginning	<u>-</u>
Cash and cash equivalents - ending (displayed as cash and investments on the statement of fund net assets)	<u><u>\$ 459,464</u></u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating income	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in claims payable	<u>459,464</u>
Total adjustments	<u>459,464</u>
Net cash provided by operating activities	<u><u>\$ 459,464</u></u>

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Park City School 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 more significant accounting policies of the District are described below.

Reporting entity – The Board of Education, comprised of five elected individuals, is the primary governing authority for the District. As required by GAAP, these financial statements present the District and its component unit, Park City School District Foundation, a legally separate organization for which the District is considered to be financially accountable. The component unit is reported as a separate column in the District’s government-wide financial statements as a discretely presented component unit; the component unit is reported as a governmental fund type. Complete financial statements for the Foundation may be obtained at the District office.

Government-wide and fund financial statements – The *government-wide financial statements* (the statement of net assets and the statement of changes in net assets) display information about the primary government (the District) and its component unit. These statements include the financial activities of the overall government. As a general 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 District’s governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its 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 food services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular 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 *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

- 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 within the District.

Additionally, the District also reports the following fund:

- The *self-insurance fund* (a proprietary fund) is the only internal service fund used by the District and accounts for the activities associated with the District's self insurance plan covering employee health and accident and dental claims. Premiums are charged to the District's other funds to cover anticipated costs.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement, 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. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Data – The District operates within the budget requirements for school districts as specified by Utah 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. A budget for the self-insurance fund is not required. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- By June 1 of each year, the District business administrator prepares a proposed annual budget (for the fiscal year beginning July 1st) 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 30th.

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

- 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 prior to June 22 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 in 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 Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2010 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.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

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.

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 – Inventories are valued at cost or, if donated, at fair value when received, stated at the lower of average cost or market. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are recorded as revenue when received.

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 fair 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. Interest incurred during construction is not capitalized. Buildings and improvements and equipment and buses of the District are depreciated using the straight-line method over the estimated useful lives as indicated in the chart on the following page:

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Assets	Years
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

Vacation, Sick Leave, and Termination Benefits – Under terms of association agreements, employees are granted vacation leave in amounts varying with tenure. Under Board policy, the District provides employees a sick leave incentive available to all employees upon their separation 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 at the time of separation. An expense and related liability are recorded in the governmental-wide financial statements as these benefits are earned.

Under Board policy, the District provides a voluntary retirement incentive program. Eligibility is restricted to those employees with a minimum of ten years of service in the District who can retire under the provisions of the Utah Retirement Systems (see Note 5). Those qualifying under this program may receive benefits for up to four years. Benefits are determined by taking a percentage of the difference between the employee's lane and step at the time of retirement and the current lane and step six using contracted amounts. Health insurance coverage is also available to retiring employees qualifying under this program. The District records expenditures for this program in the governmental funds when paid. The District records an expense and related liability in the government-wide financial statements for these obligations at the time an eligible employee retires. The District paid \$236,503 to retirees during the year ended June 30, 2010. At June 30, 2010, the District has designated \$404,990 of the general fund balance to finance future payments to retirees for this program. Effective March 26, 2008, the voluntary retirement incentive program will not be available to employees retiring after June 30, 2009. During year ended June 30, 2010, the District also paid out \$650,237 of the amount previously designated for voluntary retirement incentive to current employees with five or more years of employment with the District.

Long-term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance and refunding costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable unamortized bond premium or discount and refunding costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

Comparative Data and Reclassifications – Comparative data for the prior year have been presented in individual fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

2. DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2010 as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 1,468,903
Carrying amount of investments	36,706,435
	<u>\$ 38,175,338</u>
Governmental funds cash and investments	\$ 37,071,501
Internal service fund cash and investments	459,464
Component units cash and investments	644,373
	<u>\$ 38,175,338</u>

The District complies with the State Money Management Act (Utah Code Section 51, Chapter 7) (Act) and related Rules of the Money Management Council (Council) in handling its 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, US Treasury obligations, US agency issues, high-grade 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 sufficient for adequate protection of its uninsured bank deposits.

Rules of the Council allow Park City Education Foundation to invest private grants, contributions, and endowments in any deposit or investment authorized by the Act and certain investment funds, equity securities, fixed-income securities, and investment strategies with institutions that meet certain restrictions.

Deposits – At June 30, 2010, the District and the Foundation have the following deposits with financial institutions:

	Carrying Amount	Bank Balance	Amount Insured
Park City School District	\$ 846,696	\$ 4,507,149	\$ 267,322
Park City Education Foundation	622,207	631,390	499,289
	<u>\$ 1,468,903</u>	<u>\$ 5,138,539</u>	<u>\$ 766,611</u>

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

- 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, 2010, the uninsured amount of the District’s and Foundation’s bank deposits was uncollateralized.

Investments – All of the District’s investments are with the PTIF. The Foundation has deposits separate from the District and invests private funds through brokers. 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 of Utah. 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. At June 30, 2010, the District and the Foundation have the following investments summarized by investment type and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	5-10	More Than 10
Park City School District:					
Utah Public Treasurers' Investment Fund (PTIF)	\$ 36,684,269	\$ 36,684,269	\$ -	\$ -	\$ -
Park City Eductaion Foundation,					
Certificate of deposit	15,999	15,999	-	-	-
Equity securities mutual fund	6,167	6,167	-	-	-
Total investments	\$ 36,706,435	\$ 36,706,435	\$ -	\$ -	\$ -

- 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 for endowments, the Act further limits the remaining term to maturity on all investments in commercial paper and bankers’ acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding two years. The Foundation can 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. The District’s policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody’s Investors Service, Inc. or by Standard and Poor’s Corporation. The District has no investment policy that would further limit its investment choices. At June 30, 2010, the District’s investment in the PITF is unrated.
- 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. The District’s 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 the District’s total portfolio with a single issuer. The District places no other limits on the amount it may invest in any one issuer. The Foundation can invest private funds in certain equity and fixed-income securities provided no more than 5% of all funds are

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

invested in any one issuer and no more than 25% of all funds are invested in a particular 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. The District's policy for managing this risk is to comply with the Act and related rules. The District places no other limit on the amount of investments to be held by counterparties. 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.

3. PROPERTY TAXES

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

An annual uniform fee based on the age of motor vehicles is levied in lieu of an ad valorem tax on motor vehicles that is due each time a vehicle is registered. Revenue collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when collected.

As of June 30, 2010, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2010 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.

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 4,928,568	\$ -	\$ -	\$ 4,928,568
Total capital assets, not being depreciated	4,928,568	-	-	4,928,568
Capital assets, being depreciated:				
Buildings and improvements	141,445,836	-	-	141,445,836
Equipment and buses	6,295,867	406,033	-	6,701,900
Total capital assets, being depreciated	147,741,703	406,033	-	148,147,736
Accumulated depreciation for:				
Buildings and improvements	(28,044,124)	(2,871,721)	-	(30,915,845)
Equipment and buses	(2,998,358)	(715,169)	-	(3,713,527)
Total accumulated depreciation	(31,042,482)	(3,586,890)	-	(34,629,372)
Total capital assets, being depreciated, net	116,699,221	(3,180,857)	-	113,518,364
Governmental activity capital assets, net	<u>\$ 121,627,789</u>	<u>\$ (3,180,857)</u>	<u>\$ -</u>	<u>\$ 118,446,932</u>

For the year ended June 30, 2010, depreciation expense was charged to functions of the District as follows:

Governmental activities:	
Instruction	\$ 2,491,713
Supporting services:	
Student support	21,358
General administration	61,482
School administration	138,827
Central	50,514
Operation and maintenance of facilities	262,069
Student transportation	379,244
Food services	145,504
Community services	36,179
Total depreciation expense, governmental activities	<u>\$ 3,586,890</u>

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

5. RETIREMENT PLANS

The District contributes to the State and School Contributory Retirement System and State and School Noncontributory Retirement System which are cost-sharing multiple-employer defined benefit pension plans administered by Utah Retirement Systems (Systems). The Systems provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Systems and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the State and School Contributory Retirement System and State and School Noncontributory Retirement System. A copy of the report may be obtained by writing to Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Plan members in the State and School Contributory Retirement System are required to contribute 6.00% of their annual covered salary (5.00% paid by the District for the employee) and the District is required to contribute 9.73% of their annual covered salary. In the State and School Noncontributory Retirement System, the District is required to contribute 14.22% of their annual covered salary. The District contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board.

The District's contributions to the State and School Contributory Retirement System for the years ended June 30, 2010, 2009, and 2008 were \$64,893, \$83,930, and \$79,725, respectively, and for the State and School Noncontributory Retirement System the contributions for the years ended June 30, 2010, 2009, and 2008 were \$3,628,351, \$3,455,392, and \$3,029,404, respectively. Employee contributions to the State and School Contributory Retirement System for the years ended June 30, 2010, 2009, and 2008 were \$4,406, \$5,698, and \$5,412, respectively. The contributions were equal to the required contributions for each year.

The District participates in a deferred compensation plan – under Internal Revenue Code Section 401(k) – to supplement retirement benefits accrued by participants in the Systems. Employees covered by the noncontributory plan have a contribution of 1.5% of salary automatically made by the District. During the years ended June 30, 2010, 2009, and 2008, employer contributions were \$461,923, \$448,119, and \$383,001, respectively. Employees, who are participants in the Systems, can make additional contributions to the 401(k) plan. These employee contributions were \$908,270, \$965,868, and \$917,034, for the same periods. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are held by the Systems.

The District also offers its employees a deferred compensation plan under Internal Revenue Code Section 457 allowing employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employee contributions to the Section 457 plan totaled \$97,293, \$83,452, and \$101,854, for the years ended June 30, 2010, 2009, and 2008, respectively. Section 457 plan assets are held by the Systems.

Voluntary Retirement Incentive – The District's direct payments to retirees under the voluntary retirement incentive program in the years ended June 30, 2010 and 2009 were \$236,503 and \$159,997, respectively. This liability is paid primarily from the *general fund*.

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

6. RISK MANAGEMENT

The *self-insurance fund*, an internal service fund, was established to pay self-insurance claims for health and accident and dental coverage provided to qualified District employees. The District carries commercial insurance, which covers catastrophic claims. 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 \$459,464 as of June 30, 2010. 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, 2010:

Accrued claims payable (beginning of year)	\$	-
Claims (including incurred but not reported)		2,876,479
Payments of claims and administrative costs		<u>(2,417,015)</u>
Accrued claims payable (ending of year)	\$	<u><u>459,464</u></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. Settled claims have not exceeded the District's insurance coverage for any of the past three years. The District also maintains a public treasurer's fidelity bond of \$1,500,000 with a private carrier.

All District employees are covered for workers compensation by the Utah Local Governments Trust. Unemployment insurance is covered by the District on a pay-as-you-go basis; settled claims for the past three years have been insignificant.

7. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2010 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 25,890,000	\$ -	\$ (5,535,000)	\$ 20,355,000	\$ 5,050,000
Bond premium	31,177	-	(5,584)	25,593	-
Deferred amounts on refunding	<u>(326,160)</u>	<u>-</u>	<u>126,257</u>	<u>(199,903)</u>	<u>-</u>
Net bonds payable	25,595,017	-	(5,414,327)	20,180,690	5,050,000
Unpaid vacation	185,960	240,504	(195,916)	230,548	184,438
Claims payable	-	2,876,749	(2,417,285)	459,464	459,464
Accrued sick leave	487,703	126,876	(35,873)	578,706	462,965
Voluntary retirement incentive payable	<u>621,928</u>	<u>19,565</u>	<u>(236,503)</u>	<u>404,990</u>	<u>219,683</u>
Total long term liabilities	<u><u>\$ 26,890,608</u></u>	<u><u>\$ 3,263,694</u></u>	<u><u>\$ (8,299,904)</u></u>	<u><u>\$ 21,854,398</u></u>	<u><u>\$ 6,376,550</u></u>

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

General Obligation Bonds – The District issues general obligation bonds to provide funds for the construction of new facilities, acquisition of property, renovation and improvement of facilities, and procurement of school equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the taxpayers in the District. Payments on the general obligation bonds are made by the debt service fund from property taxes levied for debt service.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2010, including interest payments are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 5,050,000	\$ 746,690	\$ 5,796,690
2012	4,330,000	552,398	4,882,398
2013	3,525,000	385,193	3,910,193
2014	3,655,000	259,255	3,914,255
2015	3,795,000	126,263	3,921,263
	<u>\$ 20,355,000</u>	<u>\$ 2,069,799</u>	<u>\$ 22,424,799</u>

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2010 is about \$628.6 million. With net general obligation debt outstanding of \$20.2 million, the District's legal debt margin is about \$608.4 million.

General obligation school building bonds payable at June 30, 2010, with their outstanding balances are comprised of the individual issue as follows:

Purpose	Interest Rates	Outstanding Amount
\$9,460,000 general and refunding school building bonds, issued May 1, 2001, maturing August 1, 2014	4.30% to 4.70%	\$ 3,010,000
\$19,605,000 general obligation refunding bonds, issued October 1, 2002, maturing February 1, 2012	4.00%	6,630,000
\$10,000,000 general obligation school building bonds, issued March 15, 2004, maturing February 1, 2015	2.60% to 3.25%	6,215,000
\$5,000,000 general obligation school building bonds, issued April 1, 2005, maturing February 1, 2015	3.50% to 3.85%	<u>4,500,000</u>
Total		<u>\$20,355,000</u>

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

8. LITIGATION AND LEGAL COMPLIANCE

At certain times, claims or lawsuits are pending in which the District is involved. The District's counsel and insurance carriers estimate that the District's potential obligations resulting from such claims or litigation would not materially effect the financial statements of the District.

All funds balances are positive at June 30, 2010. Community service expenditures exceeded budgeted amounts by \$0.2 million or 12.4% for the *Non K-12 programs fund* for the year ended June 30, 2010.

9. GRANTS

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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.

**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, 2010
With Comparative Totals for 2009

	<u>2010</u>			<u>2009</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Local sources:				
Property taxes	\$ 36,263,954	\$ 36,171,247	\$ (92,707)	\$ 34,061,088
Earnings on investments	107,115	116,925	9,810	326,625
Other local revenue	634,548	846,642	212,094	860,168
State of Utah	1,758,895	2,545,958	787,063	4,399,053
Federal government	2,447,480	2,546,189	98,709	2,738,862
Total revenues	<u>41,211,992</u>	<u>42,226,961</u>	<u>1,014,969</u>	<u>42,385,796</u>
Expenditures:				
Current:				
Instruction	27,593,914	27,055,772	538,142	25,897,233
Supporting services:				
Student	1,604,038	1,607,057	(3,019)	1,588,971
Instructional staff	1,424,634	1,368,343	56,291	1,611,893
General administration	1,656,176	1,664,714	(8,538)	1,788,521
School administration	2,027,605	2,112,394	(84,789)	2,147,532
Central	531,454	604,821	(73,367)	502,846
Operation and maintenance of facilities	5,330,369	5,520,607	(190,238)	5,403,059
Student transportation	1,723,390	1,810,447	(87,057)	1,748,748
Total expenditures	<u>41,891,580</u>	<u>41,744,155</u>	<u>147,425</u>	<u>40,688,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(679,588)</u>	<u>482,806</u>	<u>1,162,394</u>	<u>1,696,993</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	4,486	4,486	15,642
Transfers out	(91,000)	(105,448)	(14,448)	(111,999)
Total other financing sources (uses)	<u>(91,000)</u>	<u>(100,962)</u>	<u>(9,962)</u>	<u>(96,357)</u>
Net change in fund balances	(770,588)	381,844	1,152,432	1,600,636
Fund balances - beginning	<u>12,294,492</u>	<u>12,294,492</u>	<u>-</u>	<u>10,693,856</u>
Fund balances - ending	<u><u>\$ 11,523,904</u></u>	<u><u>\$ 12,676,336</u></u>	<u><u>\$ 1,152,432</u></u>	<u><u>\$ 12,294,492</u></u>

PARK CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Debt Service Fund
Year Ended June 30, 2010
With Comparative Totals for 2009

	<u>2010</u>			<u>2009</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Property taxes	\$ 6,493,902	\$ 6,481,121	\$ (12,781)	\$ 7,335,825
Earnings on investments	5,534	4,375	(1,159)	10,621
Other local	26,584	26,584	-	25,589
Total revenues	<u>6,526,020</u>	<u>6,512,080</u>	<u>(13,940)</u>	<u>7,372,035</u>
Expenditures:				
Debt service:				
Principal retirement	5,642,702	5,535,000	107,702	5,930,000
Interest and fiscal charges	852,522	960,224	(107,702)	1,156,634
Total expenditures	<u>6,495,224</u>	<u>6,495,224</u>	<u>-</u>	<u>7,086,634</u>
Net change in fund balances	30,796	16,856	(13,940)	285,401
Fund balances - beginning	<u>628,522</u>	<u>628,522</u>	<u>-</u>	<u>343,121</u>
Fund balances - ending	<u>\$ 659,318</u>	<u>\$ 645,378</u>	<u>\$ (13,940)</u>	<u>\$ 628,522</u>

PARK CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Projects Fund
Year Ended June 30, 2010
With Comparative Totals for 2009

	<u>2010</u>			<u>2009</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Local sources:				
Property taxes	\$ 5,924,913	\$ 5,921,485	\$ (3,428)	\$ 5,485,008
Earnings on investments	147,816	123,044	(24,772)	371,345
Other local revenue	589,548	374,130	(215,418)	518,714
State sources	19,000	54,707	35,707	4
Total revenues	<u>6,681,277</u>	<u>6,473,366</u>	<u>(207,911)</u>	<u>6,375,071</u>
Expenditures:				
Capital outlay:				
Buildings and improvements	3,196,819	1,098,096	2,098,723	3,862,267
Repairs and maintenance	125,566	921,110	(795,544)	1,275,270
Supplies and software	157,232	200,078	(42,846)	290,344
Furniture	50,004	79,229	(29,225)	112,512
Vehicles and buses	294,830	259,830	35,000	249,581
Technology equipment	3,164,317	2,397,144	767,173	1,178,639
Other equipment	825,265	903,855	(78,590)	686,926
Total expenditures	<u>7,814,033</u>	<u>5,859,342</u>	<u>1,954,691</u>	<u>7,655,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,132,756)</u>	<u>614,024</u>	<u>1,746,780</u>	<u>(1,280,468)</u>
Other Financing Sources (Uses):				
Insurance proceeds	-	-	-	160,025
Proceeds from sale of capital assets	200	277	77	545
Total other financing sources (uses)	<u>200</u>	<u>277</u>	<u>77</u>	<u>160,570</u>
Net change in fund balances	(1,132,556)	614,301	1,746,857	(1,119,898)
Fund balances - beginning	<u>16,788,171</u>	<u>16,788,171</u>	<u>-</u>	<u>17,908,069</u>
Fund balances - ending	<u>\$ 15,655,615</u>	<u>\$ 17,402,472</u>	<u>\$ 1,746,857</u>	<u>\$ 16,788,171</u>

PARK CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue			Total Nonmajor Governmental Funds
	Non K-12 Programs	Food Services	Student Activities	
Assets:				
Cash and investments	\$ 279,210	\$ 606,640	\$ 453,935	\$ 1,339,785
Receivables:				
Property taxes	854,442	-	-	854,442
Other local	93,346	-	-	93,346
State of Utah	8,156	29,987	-	38,143
Federal government	77,175	12,101	-	89,276
Inventories	-	57,688	-	57,688
Total assets	<u>\$ 1,312,329</u>	<u>\$ 706,416</u>	<u>\$ 453,935</u>	<u>\$ 2,472,680</u>
Liabilities:				
Accounts payable	\$ 5,336	\$ 3,324	\$ -	\$ 8,660
Deferred revenue:				
Property taxes	854,749	-	-	854,749
Other local	-	38,445	-	38,445
Federal government	-	877	-	877
Total liabilities	<u>860,085</u>	<u>42,646</u>	<u>-</u>	<u>902,731</u>
Fund balances:				
Reserved for inventories	-	57,688	-	57,688
Reserved for encumbrances	52,462	4,399	-	56,861
Designated for unpaid vacation	33,513	15,174	-	48,687
Designated for adult education program	14,764	-	-	14,764
Unreserved, undesignated	351,505	586,509	453,935	1,391,949
Total fund balances	<u>452,244</u>	<u>663,770</u>	<u>453,935</u>	<u>1,569,949</u>
Total liabilities and fund balances	<u>\$ 1,312,329</u>	<u>\$ 706,416</u>	<u>\$ 453,935</u>	<u>\$ 2,472,680</u>

PARK CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2010

	Special Revenue			Total Nonmajor Governmental Funds
	Non K-12 Programs	Food Services	Student Activities	
Revenues:				
Local sources:				
Property taxes	\$ 1,015,114	\$ -	\$ -	\$ 1,015,114
Earnings on investments	1,803	4,380	-	6,183
Lunch sales	-	672,359	-	672,359
Other local revenue	914,344	73,784	1,510,281	2,498,409
State of Utah	94,164	154,380	-	248,544
Federal government	109,614	632,782	-	742,396
Total revenues	<u>2,135,039</u>	<u>1,537,685</u>	<u>1,510,281</u>	<u>5,183,005</u>
Expenditures:				
Current:				
Instruction	-	-	1,669,146	1,669,146
Community services	2,068,002	-	-	2,068,002
Food services	-	1,581,027	-	1,581,027
Total expenditures	<u>2,068,002</u>	<u>1,581,027</u>	<u>1,669,146</u>	<u>5,318,175</u>
Excess (deficiency) of revenues over (under) expenditures	67,037	(43,342)	(158,865)	(135,170)
Other financing sources (uses):				
Transfers in	-	-	105,448	105,448
Net change in fund balances	67,037	(43,342)	(53,417)	(29,722)
Fund balances - beginning	<u>385,207</u>	<u>707,112</u>	<u>507,352</u>	<u>1,599,671</u>
Fund balances - ending	<u>\$ 452,244</u>	<u>\$ 663,770</u>	<u>\$ 453,935</u>	<u>\$ 1,569,949</u>

PARK CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Non K-12 Programs
Nonmajor Special Revenue Fund
Year Ended June 30, 2010
With Comparative Totals for 2009

	<u>2010</u>			<u>2009</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Local sources:				
Property taxes	\$ 1,017,231	\$ 1,015,114	\$ (2,117)	\$ 829,737
Earnings on investments	4,100	1,803	(2,297)	8,337
Other local sources	675,618	914,344	238,726	786,436
State of Utah	93,905	94,164	259	58,886
Federal government	106,059	109,614	3,555	69,754
Total revenues	<u>1,896,913</u>	<u>2,135,039</u>	<u>238,126</u>	<u>1,753,150</u>
Expenditures:				
Current:				
Salaries	1,091,420	1,248,085	(156,665)	1,295,939
Employee benefits	322,920	373,800	(50,880)	356,288
Purchased professional services	35,165	45,509	(10,344)	51,864
Purchased property services	7,790	9,427	(1,637)	4,477
Other purchased services	242,400	240,982	1,418	203,604
Supplies	106,821	117,694	(10,873)	134,718
Equipment	25,061	21,304	3,757	715
Other objects	9,050	11,201	(2,151)	10,460
Total expenditures	<u>1,840,627</u>	<u>2,068,002</u>	<u>(227,375)</u>	<u>2,058,065</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	56,286	67,037	10,751	(304,915)
Fund balances - beginning	<u>385,207</u>	<u>385,207</u>	<u>-</u>	<u>690,122</u>
Fund balances - ending	<u>\$ 441,493</u>	<u>\$ 452,244</u>	<u>\$ 10,751</u>	<u>\$ 385,207</u>

PARK CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Food Services
Nonmajor Special Revenue Fund
Year Ended June 30, 2010
With Comparative Totals for 2009

	<u>2010</u>			<u>2009</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Local sources:				
Lunch sales	\$ 659,040	\$ 672,359	\$ 13,319	\$ 683,626
Earnings on investments	6,227	4,380	(1,847)	13,965
Vending	78,944	73,784	(5,160)	63,118
State of Utah	203,510	154,380	(49,130)	181,743
Federal government	583,809	632,782	48,973	502,025
Total revenues	<u>1,531,530</u>	<u>1,537,685</u>	<u>6,155</u>	<u>1,444,477</u>
Expenditures:				
Current:				
Salaries	560,740	568,808	(8,068)	545,488
Employee benefits	249,138	246,852	2,286	247,220
Purchased professional services	-	6,701	(6,701)	4,245
Purchased property services	27,963	16,007	11,956	9,238
Other purchased services	65,382	58,425	6,957	52,950
Supplies	709,812	59,438	650,374	58,709
Food	10,401	619,164	(608,763)	605,286
Equipment	-	5,632	(5,632)	60,934
Total expenditures	<u>1,623,436</u>	<u>1,581,027</u>	<u>42,409</u>	<u>1,584,070</u>
Net change in fund balances	(91,906)	(43,342)	48,564	(139,593)
Fund balances - beginning	<u>707,112</u>	<u>707,112</u>	<u>-</u>	<u>846,705</u>
Fund balances - ending	<u>\$ 615,206</u>	<u>\$ 663,770</u>	<u>\$ 48,564</u>	<u>\$ 707,112</u>

PARK CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Student Activities
Nonmajor Special Revenue Fund
Year Ended June 30, 2010
With Comparative Totals for 2009

	<u>2010</u>			<u>2009</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Local sources:				
Student fees	\$ 1,824,306	\$ 1,510,281	\$ (314,025)	\$ 2,238,912
Earnings on investments	197	-	(197)	597
Total revenues	<u>1,824,503</u>	<u>1,510,281</u>	<u>(314,222)</u>	<u>2,239,509</u>
Expenditures:				
Current:				
Salaries	4,998	25,734	(20,736)	22,305
Employee benefits	1,200	3,516	(2,316)	4,241
Purchased professional services	107,381	-	107,381	-
Purchased property services	7,935	-	7,935	41,713
Other purchased services	224,940	7,284	217,656	5,130
Supplies	1,633,456	1,607,435	26,021	2,185,969
Property	20,106	25,177	(5,071)	-
Total expenditures	<u>2,000,016</u>	<u>1,669,146</u>	<u>330,870</u>	<u>2,259,358</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(175,513)</u>	<u>(158,865)</u>	<u>16,648</u>	<u>(19,849)</u>
Other Financing Sources (Uses):				
Transfers in	91,000	105,448	14,448	111,999
Net change in fund balances	(84,513)	(53,417)	31,096	92,150
Fund balances - beginning	<u>507,352</u>	<u>507,352</u>	<u>-</u>	<u>415,202</u>
Fund balances - ending	<u>\$ 422,839</u>	<u>\$ 453,935</u>	<u>\$ 31,096</u>	<u>\$ 507,352</u>

OTHER INFORMATION
(Unaudited)

PARK CITY SCHOOL DISTRICT
COMPARATIVE STATEMENTS OF NET ASSETS (Accrual Basis)
GOVERNMENTAL ACTIVITIES
June 30, 2010 through 2006

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assets:					
Cash and investments	\$ 37,530,964	\$ 37,375,653	\$ 37,771,900	\$ 33,566,378	\$ 35,515,180
Receivables:					
Property taxes	46,386,067	46,327,314	44,920,650	43,561,111	42,697,223
Other governments	1,808,202	835,896	880,173	881,783	1,279,308
Inventories and prepaid expenses	57,688	48,633	50,871	49,241	195,703
Bond issuance costs, net of accumulated amortization	86,019	112,152	138,285	164,418	190,551
Capital assets:					
Land and construction in progress	4,928,568	4,928,568	31,571,789	25,095,776	13,878,672
Other capital assets, net of accumulated depreciation	113,518,364	116,699,221	90,000,619	91,083,478	92,779,841
Total assets	<u>204,315,872</u>	<u>206,327,437</u>	<u>205,334,287</u>	<u>194,402,185</u>	<u>186,536,478</u>
Liabilities:					
Accounts payable	1,540,572	1,088,314	2,441,590	1,947,459	2,105,169
Accrued interest	305,272	385,880	482,776	546,011	644,013
Accrued salaries	4,801,786	5,097,185	4,344,608	4,639,535	4,680,300
Deferred revenue:					
Property taxes	43,663,545	44,033,829	44,114,320	40,810,857	41,192,519
Other governments	284,325	702,280	314,324	263,993	269,878
Noncurrent liabilities:					
Portion due or payable within one year	6,376,478	6,230,532	6,332,686	5,911,453	5,619,417
Portion due or payable after one year	15,477,830	20,660,076	25,825,923	31,371,410	37,014,061
Total liabilities	<u>72,449,808</u>	<u>78,198,096</u>	<u>83,856,227</u>	<u>85,490,718</u>	<u>91,525,357</u>
Net Assets:					
Invested in capital assets, net of related debt	98,266,242	96,032,772	90,168,064	79,190,583	64,295,515
Restricted for:					
Debt service	768,512	662,507	230,718	318,832	-
Capital projects	17,760,565	17,141,602	18,081,553	19,590,277	23,089,734
Community programs	508,157	428,580	716,514	706,089	1,008,154
Food services	663,770	707,112	846,706	929,102	886,122
Student activities	453,935	507,352	415,202	-	-
Unrestricted	13,444,883	12,649,416	11,019,303	8,176,584	5,731,596
Total net assets	<u>\$ 131,866,064</u>	<u>\$ 128,129,341</u>	<u>\$ 121,478,060</u>	<u>\$ 108,911,467</u>	<u>\$ 95,011,121</u>

Source: District records.

**PARK CITY SCHOOL DISTRICT
COMPARATIVE STATEMENTS OF ACTIVITIES (Accrual Basis)
GOVERNMENTAL ACTIVITIES**

Years Ended June 30, 2010 through 2006

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses:					
Instruction	\$ 36,588,503	\$ 34,979,966	\$ 30,550,542	\$ 24,938,525	\$ 24,612,667
Supporting services:					
Student	1,628,415	1,613,790	1,436,839	1,313,042	1,312,506
Instructional staff	1,368,343	1,611,893	734,755	778,026	742,530
General administration	1,726,196	1,827,389	1,785,555	1,449,277	1,370,382
School administration	2,251,221	2,257,400	2,189,784	2,269,928	2,216,395
Central	655,335	556,194	643,409	485,431	417,521
Operation and maintenance of facilities	5,782,676	5,652,669	4,951,193	4,430,618	4,851,432
Student transportation	2,189,691	2,298,723	1,891,039	1,890,468	1,856,178
Food services	1,726,531	1,702,312	1,592,100	1,419,899	1,367,432
Community services	2,104,181	2,094,083	1,859,678	1,783,352	1,211,821
Interest on long-term liabilities	1,026,422	1,180,411	1,422,146	1,622,332	1,851,880
Total school district	<u>57,047,514</u>	<u>55,774,830</u>	<u>49,057,040</u>	<u>42,380,898</u>	<u>41,810,744</u>
Program Revenues:					
Instruction	4,315,828	5,177,494	5,236,872	3,429,740	4,572,246
Supporting services:					
Student	15,587	166,521	81,467	111,366	165,898
Instructional staff	386,011	87,461	14,880	18,662	9,121
General administration	122,979	62,012	16,530	40,118	94,904
Central	-	-	288	-	-
School administration	-	1,308	1,847	-	-
Operation and maintenance of facilities	7,945	10,990	840	-	34,156
Student transportation	438,478	895,891	894,830	700,190	655,533
Food services	1,533,305	1,430,512	1,358,720	1,301,922	1,291,348
Community services	1,118,122	915,076	1,071,087	954,727	888,411
Total program revenues	<u>7,938,255</u>	<u>8,747,264</u>	<u>8,677,361</u>	<u>6,556,725</u>	<u>7,711,617</u>
Net (expense) revenue	<u>(49,109,259)</u>	<u>(47,027,566)</u>	<u>(40,379,679)</u>	<u>(35,824,173)</u>	<u>(34,099,127)</u>
General revenues:					
Property taxes levied for:					
General purposes	34,053,299	33,446,241	27,580,547	26,390,326	21,773,141
Transportation	273,620	536,037	1,211,873	949,053	889,512
Reading	696,488	698,095	679,067	149,850	139,401
Community recreation	920,359	847,687	626,831	349,651	258,888
Debt service	6,529,577	7,454,659	6,863,796	7,575,772	6,472,199
Capital outlay	7,499,686	5,572,295	7,981,644	7,975,373	6,936,869
Federal and state aid not restricted to specific purposes	1,790,237	3,420,896	4,207,249	2,602,932	1,300,816
Earnings on investments	250,527	731,490	1,802,241	2,077,062	1,660,438
Miscellaneous	832,189	971,447	1,456,040	1,654,500	1,624,565
Total general revenues	<u>52,845,982</u>	<u>53,678,847</u>	<u>52,409,288</u>	<u>49,724,519</u>	<u>41,055,829</u>
Change in net assets	3,736,723	6,651,281	12,029,609	13,900,346	6,956,702
Net assets - beginning	<u>128,129,341</u>	<u>121,478,060</u>	<u>109,448,451</u>	<u>95,011,121</u>	<u>88,054,419</u>
Net assets - ending	<u>\$ 131,866,064</u>	<u>\$ 128,129,341</u>	<u>\$ 121,478,060</u>	<u>\$ 108,911,467</u>	<u>\$ 95,011,121</u>

Effective July 1, 2007, the student activities fund was changed from an agency fund to a special revenue fund; \$536,983 was added to the beginning net assets for the 2008 year. The revenue of this fund is primarily charges for services (student fees) and expenses are primarily instruction. Prior years (2007 to 2006) do not include the student activities agency fund.

Source: District records

PARK CITY SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE BALANCE SHEETS (Modified Accrual Basis)
June 30, 2010 through 2006

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assets					
Cash and investments	\$ 16,332,481	\$ 17,773,175	\$ 15,307,542	\$ 11,175,843	\$ 9,066,178
Receivables:					
Property taxes	35,071,138	32,697,024	32,158,083	28,497,142	27,036,162
Other local	56,409	47,393	12,254	129,076	-
State of Utah	54,977	32,586	2,571	43	25,000
Federal government	1,476,051	389,301	711,496	570,197	1,053,622
Due from other funds	-	-	-	-	62,025
Prepaid expenditures	-	-	-	226	164,669
Total assets	<u>\$ 52,991,056</u>	<u>\$ 50,939,479</u>	<u>\$ 48,191,946</u>	<u>\$ 40,372,527</u>	<u>\$ 37,407,656</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 191,656	\$ 145,705	\$ 209,592	\$ 304,411	\$ 116,106
Accrued liabilities	4,801,786	5,097,185	4,344,608	4,639,535	4,680,300
Deferred revenues:					
Property taxes	35,111,275	32,737,617	32,664,508	27,444,562	26,616,644
State of Utah	210,003	664,480	279,383	220,377	251,466
Federal government	-	-	-	-	18,412
Total liabilities	<u>40,314,720</u>	<u>38,644,987</u>	<u>37,498,091</u>	<u>32,608,885</u>	<u>31,682,928</u>
Fund balances:					
Reserved for:					
Prepaid expenditures	-	-	-	226	164,669
Encumbrances	256,800	-	101,853	24,045	222,671
Transportation levy	-	810,379	559,933	-	-
Reading levy	122,027	157,843	180,945	43,855	69,543
Tort liability levy	67,607	122,611	153,396	-	-
Unreserved, designated for:					
Undistributed reserve	2,100,000	2,100,000	1,875,000	1,680,000	1,600,000
Voluntary retirement incentive	404,990	1,607,352	1,776,646	1,500,000	1,200,000
Unpaid vacation and sick leave	760,477	634,944	279,652	114,775	99,147
Self insurance	220,000	-	-	-	-
Basic levy recapture	250,000	-	-	-	-
Unreserved, undesignated	8,494,435	6,861,363	5,766,430	4,400,741	2,368,698
Total fund balances	<u>12,676,336</u>	<u>12,294,492</u>	<u>10,693,855</u>	<u>7,763,642</u>	<u>5,724,728</u>
Total liabilities and fund balances	<u>\$ 52,991,056</u>	<u>\$ 50,939,479</u>	<u>\$ 48,191,946</u>	<u>\$ 40,372,527</u>	<u>\$ 37,407,656</u>

PARK CITY SCHOOL DISTRICT

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Modified Accrual Basis)

Years Ended June 30, 2010 through 2006 with Anticipated Budget for the Year Ending June 30, 2011

	Anticipated Budget 2011	2010	2009	2008	2007	2006
Revenues:						
Local sources:						
Property taxes	\$ 36,318,569	\$ 36,171,247	\$ 34,061,088	\$ 29,021,663	\$ 27,228,273	\$ 23,066,642
Earnings on investments	69,683	116,925	326,625	717,669	613,370	475,115
Other local revenue	487,161	846,642	860,169	849,052	803,333	622,328
State sources	2,181,172	2,545,958	4,399,052	7,654,751	5,582,149	5,568,150
Federal sources	1,486,963	2,546,189	2,738,862	1,109,005	1,090,532	1,235,980
Total revenues	<u>40,543,548</u>	<u>42,226,961</u>	<u>42,385,796</u>	<u>39,352,140</u>	<u>35,317,657</u>	<u>30,968,215</u>
Expenditures:						
Current:						
Instruction	27,870,888	27,055,772	25,897,233	23,313,971	21,235,146	20,643,266
Supporting services:						
Student	1,674,062	1,607,057	1,588,971	1,436,839	1,313,042	1,295,984
Instructional staff	2,066,762	1,368,343	1,611,893	734,755	778,026	742,530
General administration	1,825,514	1,664,714	1,788,521	1,764,313	1,428,035	1,349,140
School administration	2,064,762	2,112,394	2,147,532	2,081,044	2,161,187	1,965,218
Central	538,776	604,821	502,846	622,563	464,585	396,675
Operation and maintenance of facilities	5,469,911	5,520,607	5,403,059	4,827,197	4,315,737	4,592,148
Student transportation	1,748,692	1,810,447	1,748,748	1,548,788	1,582,985	1,565,413
Total expenditures	<u>43,259,367</u>	<u>41,744,155</u>	<u>40,688,803</u>	<u>36,329,470</u>	<u>33,278,743</u>	<u>32,550,374</u>
Excess (deficiency) of revenues over (under) expenditures	(2,715,819)	482,806	1,696,993	3,022,670	2,038,914	(1,582,159)
Other financing sources (uses):						
Net transfers and other sources (uses)	-	(100,962)	(96,356)	(92,457)	-	(300,000)
Net change in fund balances	(2,715,819)	381,844	1,600,637	2,930,213	2,038,914	(1,882,159)
Fund Balances - Beginning	<u>12,676,336</u>	<u>12,294,492</u>	<u>10,693,855</u>	<u>7,763,642</u>	<u>5,724,728</u>	<u>7,606,887</u>
Fund Balances - Ending	<u>\$ 9,960,517</u>	<u>\$ 12,676,336</u>	<u>\$ 12,294,492</u>	<u>\$ 10,693,855</u>	<u>\$ 7,763,642</u>	<u>\$ 5,724,728</u>

Source: District records

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

Tax (Calendar) Years 2009 through 2005

	<u>2009</u>		<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
	<u>Taxable Value</u>	<u>% of TV</u>	<u>Taxable Value</u>	<u>Taxable Value</u>	<u>Taxable Value</u>	<u>Taxable Value</u>
Set by County Assessor-Locally Assessed						
Real property:						
Primary residential	\$ 3,578,389,700	27.8 %	\$ 3,646,977,941	\$ 3,262,903,890	\$ 2,708,062,517	\$ 2,080,240,328
Other residential	6,556,013,225	50.9	6,392,230,581	5,192,758,715	3,754,864,015	3,065,888,684
Commercial and industrial	1,137,349,985	8.8	926,398,470	811,513,792	671,151,954	606,216,552
Agricultural and Farmland Assessment Act (FAA)	12,470,310	0.1	12,160,115	10,533,145	11,694,917	8,665,118
Unimproved non FAA	1,147,542,323	8.9	1,235,811,981	1,149,400,672	941,436,673	724,971,706
Total real property	<u>12,431,765,543</u>	<u>96.6</u>	<u>12,213,579,088</u>	<u>10,427,110,214</u>	<u>8,087,210,076</u>	<u>6,485,982,388</u>
Personal property:						
Primary mobile homes	-	0.0	-	15,967	22,842	22,842
Other business personal	175,045,771	1.4	178,743,232	156,729,581	135,995,108	131,494,747
Total personal property	<u>175,045,771</u>	<u>1.4</u>	<u>178,743,232</u>	<u>156,745,548</u>	<u>136,017,950</u>	<u>131,517,589</u>
Fee in lieu / age based property	<u>180,820,221</u>	<u>1.4</u>	<u>182,309,136</u>	<u>192,781,535</u>	<u>183,237,487</u>	<u>173,032,216</u>
Total locally assessed	<u>12,787,631,535</u>	<u>99.3</u>	<u>12,574,631,456</u>	<u>10,776,637,297</u>	<u>8,406,465,513</u>	<u>6,790,532,193</u>
Set by State Tax Commission-Centrally Assessed						
Total taxable value	<u>\$ 12,873,229,512</u>	<u>100.0 %</u>	<u>\$ 12,657,327,355</u>	<u>\$ 10,859,333,196</u>	<u>\$ 8,493,223,042</u>	<u>\$ 6,878,138,558</u>
Total taxable value (less fee in lieu / age based property)	<u>\$ 12,692,409,291</u>		<u>\$ 12,475,018,219</u>	<u>\$ 10,666,551,661</u>	<u>\$ 8,309,985,555</u>	<u>\$ 6,705,106,342</u>

Source: Property Tax Division, Utah State Tax Commission.

**PARK CITY SCHOOL DISTRICT
TAX RATES AND COLLECTIONS**

Years Ended June 30, 2010 through 2007 with Anticipated Budget for Year Ending June 30, 2011

	Anticipated Budget		2010		2009		2008		2007	
	2011									
	<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>
General Fund:										
Basic levy	0.001495	\$ 16,458,716	0.001433	\$ 17,729,255	0.001250	\$ 15,114,625	0.001311	\$ 13,688,266	0.001515	\$ 12,570,416
Voted leeway	0.001500	16,513,761	0.001302	16,108,507	0.001428	17,266,948	0.001300	13,573,414	0.001650	13,690,552
Reading program	0.000065	715,596	0.000056	692,839	0.000056	677,135	0.000065	678,671	0.000018	149,351
Special transportation	0.000092	1,012,844	0.000022	272,187	0.000043	519,943	0.000116	1,211,166	0.000114	945,893
Tort liability	0.000004	44,037	0.000003	37,116	0.000005	60,459	0.000029	302,792	0.000005	41,487
Total general fund	<u>0.003156</u>	<u>34,744,954</u>	<u>0.002816</u>	<u>34,839,904</u>	<u>0.002782</u>	<u>33,639,110</u>	<u>0.002821</u>	<u>29,454,309</u>	<u>0.003302</u>	<u>27,397,699</u>
Non K-12 Programs Fund:										
Community recreation	0.000089	979,817	0.000074	915,537	0.000068	822,236	0.000060	626,465	0.000042	348,487
Debt Service Fund:										
Debt service	0.000545	6,000,000	0.000525	6,495,366	0.000598	7,230,837	0.000657	6,859,794	0.000910	7,550,547
Capital Projects Fund:										
Capital outlay	0.000425	4,678,899	0.000479	5,926,248	0.000326	3,941,894	0.000654	6,828,471	0.000780	6,471,897
10% of basic levy	0.000145	1,596,330	0.000124	1,534,144	0.000121	1,463,096	0.000110	1,148,520	0.000178	1,476,920
Total capital projects fund	<u>0.000570</u>	<u>6,275,229</u>	<u>0.000603</u>	<u>7,460,392</u>	<u>0.000447</u>	<u>5,404,990</u>	<u>0.000764</u>	<u>7,976,991</u>	<u>0.000958</u>	<u>7,948,817</u>
Total tax rate / collections	<u>0.004360</u>	<u>\$ 48,000,000</u>	<u>0.004018</u>	<u>\$ 49,711,199</u>	<u>0.003895</u>	<u>\$ 47,097,173</u>	<u>0.004302</u>	<u>\$ 44,917,558</u>	<u>0.005212</u>	<u>\$ 43,245,550</u>

Notes:

Tax rates are levied for the calendar year. For example, calendar year 2010 tax rates apply to the District's fiscal year ended June 30, 2011.

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

Redemptions of prior-year taxes are allocated using current tax rates. Collections will differ from tax revenue reported in the financial statements depending on the basis of accounting used.

The 2011 budget reflects the rates and anticipated collections as approved by the Board in June 2010.