

PARK CITY SCHOOL DISTRICT

Financial Statements

Year Ended June 30, 2025

PARK CITY SCHOOL DISTRICT

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FINANCIAL SECTION



Independent Auditor's Report

Board of Education
Park City School District

Report on the Basic Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Park City School District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the *general fund* for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, the District adopted Government Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the District's proportionate share of the net pension liability (asset) – Utah Retirement Systems, the schedules of District contributions – Utah Retirement Systems, and the related notes to the required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted

of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Squire & Company, PC

Orem, Utah
November 6, 2025

Management's Discussion and Analysis

This section of the financial report of Park City School District (the District) presents management's discussion and analysis of the District's financial performance during the year ended June 30, 2025.

Financial Highlights

- The District's total net position was \$208.0 million at the close of the most recent fiscal year, most of which is invested in capital assets.
- The District is dependent on revenues generated by property taxes. Property tax revenues increased by 8.9% in 2025 to \$148.8 million, an increase of \$12.2 million compared to the prior year. The District contributed \$33.5 million of property taxes to other governments, of which \$29.2 million represents a recapture of its basic levy paid to the Utah State Board of Education. State and Federal revenues totaled \$12.9 million in 2025, an increase of \$0.1 million compared to the prior year.
- During the year, expenses were \$17.9 million less than the \$177.2 million generated in taxes and other revenues for governmental activities.
- The District's student enrollment decreased by 129 students to a total of 4,117 students for fiscal year 2025.
- The District implemented Government Accounting Standards Board Statement No.101, *Compensated Absences*. The District restated beginning net position due to the implementation of this new standard.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

The District maintains seven 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*, *debt service fund*, *capital projects fund*, and the *pass-through taxes fund*, each of which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the governmental funds is provided in the *combining and individual statements and schedules* section of this report.

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

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

Proprietary Fund

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

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

Notes to the Basic Financial Statements

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

Additional Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's proportional share of the unfunded obligation of the defined benefit pension plans administered by Utah Retirement Systems and its progress in funding obligations to provide pension benefits to its employees. This required supplementary information and related notes can be found on pages 44 to 46 of this report.

The individual and combining statements and schedules referred to earlier in connection with governmental funds are presented as supplementary information on pages 47 through 56 of this report.

To provide comparative data, selected financial information is provided as other information. This other information can be found on pages 57 through 58 of this report.

Government-Wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the District's case, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$208.0 million at the close of the most recent fiscal year.

PARK CITY SCHOOL DISTRICT'S Net Position June 30, 2025 and 2024 (in millions of dollars)

	Governmental activities		Total change
	2025	2024	2025-2024
Current and other assets	\$ 310.7	\$ 322.4	\$ (11.7)
Capital assets	223.8	183.2	40.6
Total assets	<u>534.5</u>	<u>505.6</u>	<u>28.9</u>
Deferred outflows of resources	<u>19.6</u>	<u>16.2</u>	<u>3.4</u>
Current and other liabilities	21.3	53.1	(31.8)
Long-term liabilities outstanding	<u>183.8</u>	<u>139.8</u>	<u>44.0</u>
Total liabilities	<u>205.1</u>	<u>192.9</u>	<u>12.2</u>
Deferred inflows of resources	<u>141.0</u>	<u>135.7</u>	<u>5.3</u>
Net position:			
Net investment in capital assets	125.2	113.7	11.5
Restricted	34.9	29.4	5.5
Unrestricted	<u>47.9</u>	<u>50.1</u>	<u>(2.2)</u>
Total net position	<u>\$ 208.0</u>	<u>\$ 193.2</u>	<u>\$ 14.8</u>

The key elements of the District's net position at June 30, 2025 are as follows:

- The largest portion of the District's net position (\$125.2 million or 60.2%) reflects its investment in capital assets (e.g., land, construction in progress, buildings and improvements, and equipment and buses, net of accumulated depreciation and related debt). The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending.
- An additional portion of the District's net position (\$34.9 million or 16.8%) represents resources that are subject to external restrictions on how they may be used. Most of the restricted balance is for capital outlay. Restricted net position increased by \$5.5 million during the year ended June 30, 2025. Restricted fund balances represent net resources subject to constraints that are imposed by external entities or by law.
- The remaining net position (\$47.9 million or 23.0%) is unrestricted. This balance is net of the District's proportionate share of net pension liabilities and related deferred outflows and inflows of resources of the defined benefit pension plans administered by Utah Retirement Systems.

Changes in Net Position

The District's total net position increased by \$17.8 million during the current year. The following discussion and analysis on governmental activities focuses on this increase:

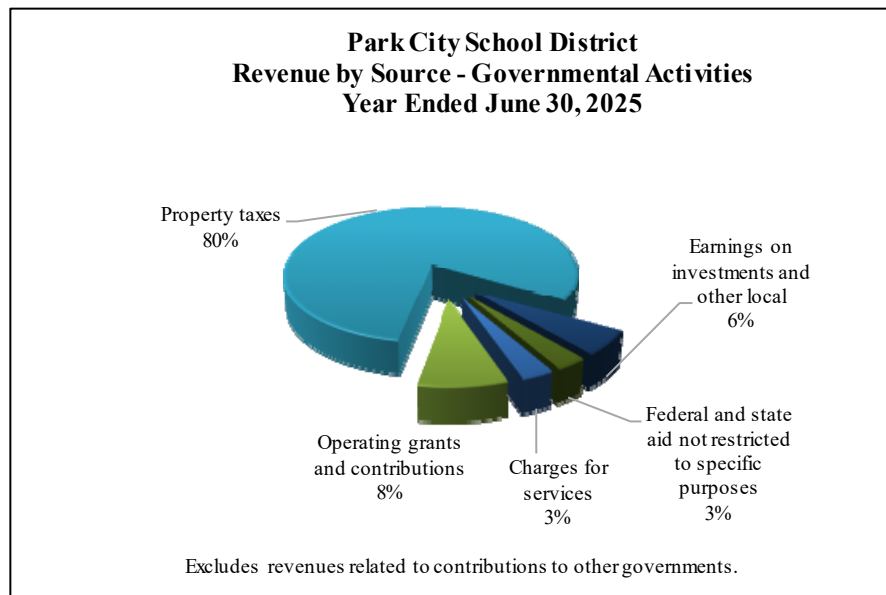
PARK CITY SCHOOL DISTRICT'S Changes in Net Position Years Ended June 30, 2025 and 2024 (in millions of dollars)

	Governmental activities		Total change
	2025	2024	2025-2024
Revenues:			
Program revenues:			
Charges for services	\$ 4.3	\$ 3.8	\$ 0.5
Operating grants and contributions	11.9	11.7	0.2
General revenues:			
Property taxes	148.8	136.6	12.2
Federal and state aid not restricted to specific purposes	4.3	3.7	0.6
Earnings on investments	6.9	10.1	(3.2)
Other local	1.0	2.1	(1.1)
Total revenues	<u>177.2</u>	<u>168.0</u>	<u>9.2</u>
Expenses:			
Instruction	69.0	61.7	7.3
Supporting services:			
Students	11.0	8.6	2.4
Instructional staff	7.6	6.9	0.7
Executive administration	2.3	1.3	1.0
School administration	5.7	5.1	0.6
Central	8.2	6.4	1.8
Operation and maintenance of facilities	9.0	8.7	0.3
Student transportation	3.6	3.4	0.2
Nutrition services	3.0	2.7	0.3
Community services	2.9	2.5	0.4
Contributions to other governments	33.5	33.2	0.3
Interst on long-term liabilities	3.6	3.7	(0.1)
Total expenses	<u>159.4</u>	<u>144.2</u>	<u>15.2</u>
Change in net position	17.8	23.8	(6.0)
Net position:			
Beginning, as previously reported	193.2	169.4	23.8
Implementation of GASB Statement No. 101	(3.0)	-	(3.0)
Net position - beginning, as restated	<u>190.2</u>	<u>169.4</u>	<u>20.8</u>
Net position - ending	<u>\$ 208.0</u>	<u>\$ 193.2</u>	<u>\$ 14.8</u>

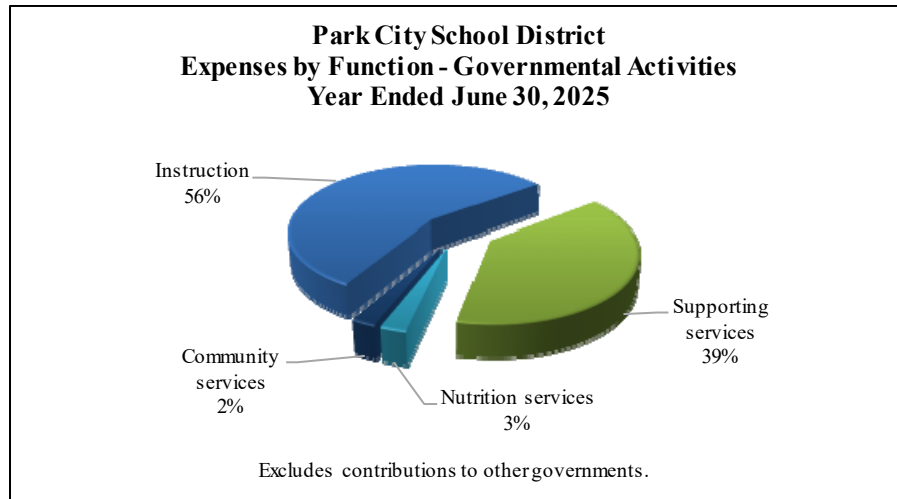
The District implemented Government Accounting Standards Board Statement No. 101, *Compensated Absences*, during the year ended June 30, 2025. The District has restated beginning net position for the year ended June 30, 2025. Additional information on restatement can be found in Note 1 to the financial statements.

The key elements of the increase in the District's net position for the year ended June 30, 2025 are as follows:

- Property tax revenues increased by 8.9% in 2025 to \$148.8 million as a result of a combination of an increase in the taxable value of property, and a decrease in the overall tax rate. The District contributed \$33.5 million of property taxes to other governments, of which \$29.2 million represents a recapture of its basic levy paid to the Utah State Board of Education.
- State revenues increased by \$0.8 million. State revenue is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards us one WPU. Certain students receive a weighting greater than one. The state guarantees that if taxes collected from the basic levy do not provide money equal to the WPU, the state will make up the difference with state funding. The value of the WPU increased by 5.0% during the year ended June 30, 2025 (\$4,494 during 2025 as compared to \$4,280 in 2024). The combination of an increase in the value of the WPU and a decrease in student membership resulted in a minimal increase of state WPU-based program revenue compared to the prior year. However, taxes collected from the basic levy exceeded the state guarantee by \$29.2 million. Consequently, the District received no state WPU funding in 2025 and were required to pay the excess to the state. Overall revenue from other state appropriations (both restricted and unrestricted) totaled \$10.6 million in 2025, an increase of 8.2% from the prior year.
- Federal revenues decreased by \$0.7 million. This decrease was primarily a result of the reduction in revenues received for the Education Stabilization Fund.



- The District's total expenses increased by \$15.2 million to a total of \$159.4 million during 2025 as compared to the prior year. This increase is primarily from the increase instructional and supporting services amounts being spent in the current year.



Financial Analysis of the District's Funds

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

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$139.8 million, \$14.7 million increase from the previous year. Included in this year's change in the combined fund balance is an increase in the fund balance of the *general fund* of \$1.1 million and a increase in the fund balance of the *capital projects fund* of \$12.1 million. The increase in the fund balance of the *general fund* resulted primarily from increased property tax revenues. The increase in the fund balance of the *capital projects fund* resulted primarily from issuance of lease revenue bonds for construction projects. In addition, the following other changes in fund balances should be noted:

- Expenditures for general purposes totaled \$114.0 million, an increase of \$14.9 million during the current fiscal year. Instruction represents 49.9% of *general fund* expenditures (excluding contributions to other governments).
- *General fund* salaries totaled \$63.3 million while the associated employee benefits of retirement, social security, and insurance added \$28.5 million to arrive at 80.5% of total *general fund* expenditures.

Governmental funds report the differences between their assets, liabilities, and deferred inflows of resources as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. *Nonspendable* includes endowments, inventories, and prepaid items that are not expected to be converted to cash. *Restricted* includes net fund resources that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. Restrictions include tax revenues levied for specific purposes. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. *Committed* balances reflect the self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Assigned* balances in the *general fund* and other governmental funds are those that do not meet the requirements of restricted or committed but that are intended to be used for specific purposes. *Unassigned* balances in the *general fund* are all other available net fund resources. At June 30, 2025, the District's combined governmental fund balance is \$139.8 million (\$0.2 million in nonspendable, \$86.5 million in restricted, \$5.9 million in committed, \$22.2 million in assigned, and \$25.0 million in unassigned fund balances).

General Fund Budgetary Highlights

During the year, the District's budget was revised by the Board. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget total revenue and the final amended budget was a decrease of \$3.9 million in total *general fund* revenues to reflect decrease in property tax revenues. Final budgeted expenditures were less than original budgetary estimates by \$1.1 million. This decrease primarily reflects the District's decrease in anticipated instruction expenditures.

Actual expenditures were \$3.7 million less than final budgeted amounts. Actual revenues were \$1.6 million more than final budgeted amounts.

Capital Asset Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2025 amounts to \$223.8 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and equipment and buses. The total increase in capital assets for the current year was \$40.6 million or 22.6%, primarily from construction projects at various schools.

Additions to capital assets in 2025 included construction in progress and the acquisition of transportation equipment.

Capital assets at June 30, 2025 and 2024 are outlined below:

PARK CITY SCHOOL DISTRICT'S Capital Assets
June 30, 2025 and 2024
(net of accumulated depreciation, in millions of dollars)

	Governmental activities		Total change
	2025	2024	2025-2024
Land and construction in progress	\$ 118.7	\$ 104.2	\$ 14.5
Buildings and improvements	99.6	73.9	25.7
Equipment and buses	4.8	5.1	(0.3)
Leased assets - equipment and buses	0.7	-	0.7
Total capital assets	<u>\$ 223.8</u>	<u>\$ 183.2</u>	<u>\$ 40.6</u>

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

Debt Administration

At June 30, 2025 and 2024, the outstanding balance of debt obligations is summarized below:

PARK CITY SCHOOL DISTRICT'S Outstanding Debt
June 30, 2025 and 2024
(in millions of dollars)

	Governmental activities		Total change
	2025	2024	2025-2024
General obligation bonds	\$ 64.0	\$ 104.2	\$ (40.2)
Lease revenue bonds	75.0	73.9	1.1
Unamortized amounts for bond premiums	9.5	5.1	4.4
Total long-term debt	<u>\$ 148.5</u>	<u>\$ 183.2</u>	<u>\$ (34.7)</u>

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

Enrollment

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

PARK CITY SCHOOL DISTRICT'S Enrollment
October 1 Count

School Year	Enrollment	Change
2024-25	4,117	(3.04)%
2023-24	4,246	(2.39)%
2022-23	4,350	(5.27)%
2021-22	4,592	(2.21)%
2020-21	4,696	(1.28)%
2019-20	4,757	(0.48)%
2018-19	4,780	(0.75)%
2017-18	4,816	(1.53)%
2016-17	4,891	2.69 %
2015-16	4,763	2.87 %

District enrollment for the 2024-2025 school year decreased by 129 students to a total of 4,117 students.

Contacting the District's Management

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

Basic Financial Statements

PARK CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets:	
Cash and investments	\$ 163,382,156
Receivables:	
Property taxes	144,275,596
Local	1,464,481
State	819,342
Federal	691,783
Inventories and prepaid items	102,632
Capital assets:	
Land and construction in progress	118,735,280
Other capital assets, net of accumulated depreciation	105,107,900
Total assets	<u>534,579,170</u>
Deferred outflows of resources:	
Related to pensions	<u>19,626,212</u>
Liabilities:	
Accounts and contracts payable	2,848,094
Retainage payable	2,272,536
Accrued interest	1,717,913
Accrued payroll and related benefits	12,651,707
Unearned revenue:	
Local	366,465
State	1,387,540
Federal	8,867
Noncurrent liabilities:	
Portion due or payable within one year	9,530,767
Portion due or payable after one year	174,311,999
Total liabilities	<u>205,095,888</u>
Deferred inflows of resources:	
Property taxes levied for future year	140,971,895
Related to pensions	52,032
Total deferred inflows of resources	<u>141,023,927</u>
Net position:	
Net investment in capital assets	125,187,264
Restricted for:	
Capital outlay	29,450,659
Nutrition services	1,231,927
Scholarships	4,228,430
Other purposes	123,696
Unrestricted	47,863,591
Total net position	<u><u>\$ 208,085,567</u></u>

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

PARK CITY SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2025

Activities / Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities:				
Instruction	\$ 68,871,673	\$ 3,070,137	\$ 8,869,872	\$ (56,931,664)
Supporting services:				
Student	11,032,088	-	1,137,096	(9,894,992)
Instructional staff	7,647,578	-	842,126	(6,805,452)
Executive administration	2,311,965	-	2,582	(2,309,383)
School administration	5,674,386	-	52,137	(5,622,249)
Central	8,180,707	-	11,954	(8,168,753)
Operation and maintenance of facilities	8,950,964	52,064	25,483	(8,873,417)
Student transportation	3,584,062	-	7,760	(3,576,302)
Nutrition services	3,044,966	909,855	915,535	(1,219,576)
Community services	2,875,039	279,603	10,178	(2,585,258)
Contributions to other governments	33,523,400	-	-	(33,523,400)
Interest on long-term liabilities	3,595,717	-	-	(3,595,717)
Total school district	<u>\$ 159,292,545</u>	<u>\$ 4,311,659</u>	<u>\$ 11,874,723</u>	<u>\$ (143,106,163)</u>
General revenues:				
Property taxes levied for:				
Basic				56,213,980
Board local				52,382,136
Voted local				21,115,912
Debt service				5,380,889
Capital local				9,335,027
Park City Redevelopment Agency				3,494,462
Charter schools				828,530
Total property taxes				148,750,936
Federal and state aid not restricted to specific purposes				4,282,449
Earnings on investments				6,948,769
Other local				1,035,259
Total general revenues				161,017,413
Change in net position				17,911,250
Net position – beginning, as previously reported				193,179,107
Implementation of GASB Statement No. 101, <i>Compensated Absences</i>				(3,004,790)
Net position – beginning, as restated				190,174,317
Net position – ending				<u>\$ 208,085,567</u>

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

PARK CITY SCHOOL DISTRICT
Balance Sheet – Governmental Funds
June 30, 2025

	Major Funds				Other	Total
	General	Debt Service	Capital Projects	Pass-Through Taxes	Governmental Funds	Governmental Funds
Assets:						
Cash and investments	\$ 61,245,137	\$ 419,765	\$ 83,745,608	\$ -	\$ 9,271,475	\$ 154,681,985
Receivables:						
Property taxes	125,306,962	5,249,253	8,952,037	4,767,344	-	144,275,596
Local	9,777	-	-	-	1,454,704	1,464,481
State	732,822	-	-	-	86,520	819,342
Federal	672,534	-	-	-	19,249	691,783
Inventories and prepaid items	-	-	-	-	102,632	102,632
Due from other funds	74,598	-	-	-	-	74,598
Total assets	<u>\$ 188,041,830</u>	<u>\$ 5,669,018</u>	<u>\$ 92,697,645</u>	<u>\$ 4,767,344</u>	<u>\$ 10,934,580</u>	<u>\$ 302,110,417</u>
Liabilities:						
Accounts and contracts payable	\$ 931,904	\$ -	\$ 1,696,492	\$ -	\$ 142,248	\$ 2,770,644
Accrued payroll and related benefits	12,651,707	-	-	-	-	12,651,707
Unearned revenue:						
Local	187,916	-	-	-	178,549	366,465
State	1,387,540	-	-	-	-	1,387,540
Federal	8,867	-	-	-	-	8,867
Due to other funds	-	-	-	-	74,598	74,598
Total liabilities	<u>15,167,934</u>	<u>-</u>	<u>1,696,492</u>	<u>-</u>	<u>395,395</u>	<u>17,259,821</u>
Deferred inflows of resources:						
Unavailable other local revenue	-	-	-	-	1,565,535	1,565,535
Unavailable property taxes	2,182,386	157,061	90,533	76,389	-	2,506,369
Property taxes levied for future year	<u>122,409,599</u>	<u>5,061,850</u>	<u>8,809,491</u>	<u>4,690,955</u>	<u>-</u>	<u>140,971,895</u>
Total deferred inflows of resources	<u>124,591,985</u>	<u>5,218,911</u>	<u>8,900,024</u>	<u>4,767,344</u>	<u>1,565,535</u>	<u>145,043,799</u>
Fund balances:						
Nonspendable:						
Scholarship endowments	-	-	-	-	53,848	53,848
Inventories and prepaid items	-	-	-	-	102,632	102,632
Restricted for:						
Debt service	-	450,107	-	-	-	450,107
Capital outlay	-	-	82,101,129	-	-	82,101,129
Scholarships	-	-	-	-	2,609,047	2,609,047
Food services	-	-	-	-	1,200,033	1,200,033
Other purposes	-	-	-	-	123,696	123,696
Committed to:						
Economic stabilization	5,942,986	-	-	-	-	5,942,986
Assigned to:						
Compensated absences	2,299,106	-	-	-	-	2,299,106
Programs	12,500,000	-	-	-	-	12,500,000
Students	-	-	-	-	731,545	731,545
Foundation	-	-	-	-	4,152,849	4,152,849
Basic levy recapture	2,500,000	-	-	-	-	2,500,000
Unassigned	<u>25,039,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,039,819</u>
Total fund balances	<u>48,281,911</u>	<u>450,107</u>	<u>82,101,129</u>	<u>-</u>	<u>8,973,650</u>	<u>139,806,797</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 188,041,830</u>	<u>\$ 5,669,018</u>	<u>\$ 92,697,645</u>	<u>\$ 4,767,344</u>	<u>\$ 10,934,580</u>	<u>\$ 302,110,417</u>

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

PARK CITY SCHOOL DISTRICT**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**June 30, 2025

Total fund balances for governmental funds	\$ 139,806,797
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Total net position reported for governmental activities in the statement of net position is different because:

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

Land	\$ 18,797,583	
Construction in progress	99,937,697	
Buildings and improvements, net of \$74,799,668 accumulated depreciation	99,644,809	
Equipment and buses, net of \$7,665,345 accumulated depreciation	4,787,566	
Leased assets - equipment and buses, net of \$265,905 accumulated depreciation	675,525	223,843,180

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

Unavailable property taxes	2,506,369	
Unavailable other local revenue	1,565,535	4,071,904

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

Bonds payable	(138,955,000)	
Unamortized amounts for bond premiums	(9,486,819)	
Accrued interest	(1,717,913)	
Lease liability	(682,564)	
Retainage payable	(2,272,536)	(153,114,832)

Long-term employee benefit obligations and related deferrals and not due and payable in the current period and therefore are not reported in the funds; these accounts are reported in the statement of net position.

Net pension liability	(27,282,866)	
Deferred outflows of resources related to pensions	19,626,212	
Deferred inflows of resources related to pensions	(52,032)	
Compensated absences	(5,373,814)	(13,082,500)

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

6,561,018

Total net position of governmental activities	\$ 208,085,567
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The accompanying notes are an integral part of this financial statement.

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

Year Ended June 30, 2025

	Major Funds				Other	Total
	General	Debt Service	Capital Projects	Pass-Through Taxes	Governmental Funds	Governmental Funds
Revenues:						
Local:						
Property taxes	\$ 99,308,744	\$ 5,449,071	\$ 9,341,264	\$ 33,523,400	\$ -	\$ 147,622,479
Earnings on investments	3,212,620	-	3,165,923	-	570,226	6,948,769
Other	4,819,345	-	61,010	-	5,647,962	10,528,317
State	10,315,886	-	-	-	281,999	10,597,885
Federal	1,322,862	-	301,850	-	633,483	2,258,195
Total revenues	118,979,457	5,449,071	12,870,047	33,523,400	7,133,670	177,955,645
Expenditures:						
Current:						
Instruction	56,874,243	-	-	-	5,619,906	62,494,149
Supporting services:						
Student	10,810,351	-	-	-	-	10,810,351
Instructional staff	7,488,781	-	-	-	-	7,488,781
Executive administration	1,817,575	-	-	-	-	1,817,575
School administration	5,412,342	-	-	-	-	5,412,342
Central	8,025,504	-	-	-	-	8,025,504
Operation and maintenance of facilities	8,670,719	-	-	-	-	8,670,719
Student transportation	3,104,539	-	-	-	-	3,104,539
Nutrition services	-	-	-	-	2,838,746	2,838,746
Community services	2,792,613	-	-	-	-	2,792,613
Contributions to other governments	-	-	-	33,523,400	-	33,523,400
Capital outlay	6,236,149	-	43,466,250	-	-	49,702,399
Debt service:						
Principal	1,650,000	2,455,000	-	-	43,850	4,148,850
Interest	1,155,635	2,612,600	500	-	22,618	3,791,353
Bond issuance costs	-	-	430,300	-	-	430,300
Total expenditures	114,038,451	5,067,600	43,897,050	33,523,400	8,525,120	205,051,621
Excess (deficiency) of revenues over (under) expenditures	4,941,006	381,471	(31,027,003)	-	(1,391,450)	(27,095,976)
Other financing sources (uses):						
Issuance of lease revenue bonds	-	-	38,000,000	-	-	38,000,000
Bond premiums	-	-	1,587,956	-	-	1,587,956
Proceeds from sale of capital assets	-	-	1,487,512	-	-	1,487,512
Lease proceeds	-	-	-	-	726,414	726,414
Transfers in	-	-	2,000,000	-	1,810,476	3,810,476
Transfers out	(3,810,476)	-	-	-	-	(3,810,476)
Total other financing sources (uses)	(3,810,476)	-	43,075,468	-	2,536,890	41,801,882
Net change in fund balances	1,130,530	381,471	12,048,465	-	1,145,440	14,705,906
Fund balances – beginning	47,151,381	68,636	70,052,664	-	7,828,210	125,100,891
Fund balances – ending	\$ 48,281,911	\$ 450,107	\$ 82,101,129	\$ -	\$ 8,973,650	\$ 139,806,797

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

PARK CITY SCHOOL DISTRICT**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities**Year Ended June 30, 2025

Net change in fund balances for governmental funds **\$ 14,705,906**

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

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

Capital outlay	\$ 45,779,103	
Proceeds from sales of capital assets	(1,487,512)	
Gain on sale of capital assets	146,668	
Lease proceeds	(726,414)	
Depreciation expense	<u>(3,670,911)</u>	40,040,934

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

Property taxes	1,128,457	
Other local revenue	<u>(610,060)</u>	518,397

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

Bonds issued	(38,000,000)	
Premiums on bonds issued	(1,587,956)	
Principal repayment of general obligation bonds	2,455,000	
Principal repayment of lease revenue bonds	1,650,000	
Principal repayment of leases	43,850	
Interest expense - bonds	(293,519)	
Amortization of bond premiums	<u>489,155</u>	(35,243,470)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Pension expense	(1,540,422)	
Compensated absences	<u>(69,918)</u>	(1,610,340)

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

(500,177)**Change in net position of governmental activities**\$ 17,911,250

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

PARK CITY SCHOOL DISTRICT

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

Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Local:				
Property taxes	\$ 102,892,923	\$ 96,342,067	\$ 99,308,744	\$ 2,966,677
Earnings on investments	1,950,000	2,900,000	3,212,620	312,620
Other	4,472,649	5,586,015	4,819,345	(766,670)
State	10,759,083	11,304,430	10,315,886	(988,544)
Federal	1,170,072	1,249,893	1,322,862	72,969
Total revenues	<u>121,244,727</u>	<u>117,382,405</u>	<u>118,979,457</u>	<u>1,597,052</u>
Expenditures:				
Current:				
Instruction	69,163,696	63,768,469	56,874,243	6,894,226
Supporting services:				
Student	9,957,189	11,101,266	10,810,351	290,915
Instructional staff	5,284,497	6,154,201	7,488,781	(1,334,580)
Executive administration	1,179,145	1,514,769	1,817,575	(302,806)
School administration	5,480,551	5,371,063	5,412,342	(41,279)
Central	7,578,739	7,905,981	8,025,504	(119,523)
Operation and maintenance of facilities	9,639,145	10,293,233	8,670,719	1,622,514
Student transportation	4,102,794	2,984,777	3,104,539	(119,762)
Community services	2,208,971	2,917,362	2,792,613	124,749
Capital outlay	4,265,000	5,748,616	6,236,149	(487,533)
Debt service:				
Principal	-	-	1,650,000	(1,650,000)
Interest	-	-	1,155,635	(1,155,635)
Total expenditures	<u>118,859,727</u>	<u>117,759,737</u>	<u>114,038,451</u>	<u>3,721,286</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,385,000</u>	<u>(377,332)</u>	<u>4,941,006</u>	<u>5,318,338</u>
Other financing sources (uses):				
Transfers out	<u>(2,385,000)</u>	<u>(2,385,000)</u>	<u>(3,810,476)</u>	<u>(1,425,476)</u>
Net change in fund balances	-	(2,762,332)	1,130,530	3,892,862
Fund balances – beginning	<u>47,151,381</u>	<u>47,151,381</u>	<u>47,151,381</u>	<u>-</u>
Fund balances – ending	<u>\$ 47,151,381</u>	<u>\$ 44,389,049</u>	<u>\$ 48,281,911</u>	<u>\$ 3,892,862</u>

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

PARK CITY SCHOOL DISTRICT
Statement of Fund Net Position – Proprietary Fund
June 30, 2025

	Governmental Activities – Internal Service Fund
Assets:	
Cash and investments	\$ 8,700,171
Liabilities:	
Accounts payable	77,450
Medical claims payable	1,966,226
Health reimbursement accounts	95,477
Total liabilities	<u>2,139,153</u>
Net position:	
Unrestricted	<u>6,561,018</u>
Total net position	<u><u>\$ 6,561,018</u></u>

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

PARK CITY SCHOOL DISTRICT**Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund**Year Ended June 30, 2025

	Governmental Activities – Internal Service Fund
Operating revenues:	
Premiums charged to other funds	\$ 9,759,453
Earnings on investments	417,472
Total operating revenues	<u>10,176,925</u>
Operating expenses:	
Medical claims	9,841,032
Administrative expenses	804,256
Contributions to health reimbursement arrangements	31,814
Total operating expenses	<u>10,677,102</u>
Operating loss	(500,177)
Net position – beginning	<u>7,061,195</u>
Net position – ending	<u><u>\$ 6,561,018</u></u>

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

PARK CITY SCHOOL DISTRICT
Statement of Fund Cash Flows – Proprietary Fund
Year Ended June 30, 2025

	Governmental Activities – Internal Service Fund
Cash flows from operating activities:	
Insurance premiums received	\$ 9,759,453
Earnings on investments	417,472
Medical claims paid	(9,817,955)
Administrative expenses paid	(804,256)
Healthcare reimbursements paid	(30,820)
Net cash used by operating activities	(476,106)
Cash and cash equivalents – beginning	<u>9,176,277</u>
Cash and cash equivalents – ending (displayed as <i>cash and investments</i> on the statement of fund net position)	<u><u>\$ 8,700,171</u></u>
Reconciliation of operating income to net cash used by operating activities:	
Operating loss	\$ (500,177)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Increase in accounts payable	(1,374)
Increase in medical claims payable	56,265
Decrease in health reimbursement accounts	(30,820)
Net cash used by operating activities	<u><u>\$ (476,106)</u></u>

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

PARK CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

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

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

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

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for resource accumulated for the payment of general obligation bond principal and interest.

PARK CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students in the District.
- The *pass-through taxes fund* accounts for taxes the District levies and pays to other governments (incremental taxes for Park City Redevelopment Agency, Charter School levy, and basic levy recapture).

Additionally, the District reports the following proprietary fund:

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

Budgetary Data

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

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

PARK CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

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

Deposits and Investments

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

Cash and Cash Equivalents

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

Receivables and Payables

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

Inventories and Prepaid Items

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

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

PARK CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

Capital Assets

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

The District's buildings and improvements and equipment and buses are depreciated using the straight-line method over the estimated useful lives as indicated in the following chart:

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

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

Compensated Absences

During the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. The new standard requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or paid out upon termination or retirement. The District restated beginning net position due to implementing this standard.

Under terms of association agreements, employees are granted vacation leave in amounts varying with tenure. Under Board policy, the District provides personal time off incentive to its employees; this benefit is available to employees when they separate from the District. The benefit is up to 75% (based on years of service within the District) of the amount of unused personal days allowed to be accumulated using the daily rate of pay at the time of separation. The District records expenditures in the governmental funds for vacation and personal time off benefits when paid.

PARK CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

Long-Term Obligations

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

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

Deferred Outflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position/Fund Balances

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

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

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

Fund balance classifications are summarized as follows:

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

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

PARK CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

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

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

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

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

Net Position/Fund Balance Flow Assumption

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

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

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

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2025 as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 6,667,359
Carrying amount of investments	<u>156,714,797</u>
Total cash and investments	<u><u>\$ 163,382,156</u></u>
Governmental funds cash and investments	\$ 154,681,985
Internal service fund cash and investments	<u>8,700,171</u>
Total cash and investments	<u><u>\$ 163,382,156</u></u>

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

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

Deposits

At June 30, 2025, the District and Foundation have the following deposits with financial institutions:

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Amount Insured</u>
Park City School District	\$ 4,048,547	\$ 4,762,675	\$ 250,000
Park City Education Foundation	<u>2,618,812</u>	<u>2,618,352</u>	<u>250,000</u>
	<u><u>\$ 6,667,359</u></u>	<u><u>\$ 7,381,027</u></u>	<u><u>\$ 500,000</u></u>

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. At June 30, 2025, the uninsured amount of the District's and Foundation's bank deposits was uncollateralized nor is it required to be collateralized by state law.

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

Investments

At June 30, 2025, the District and Foundation have the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Park City School District:	
Utah Public Treasurers' Investment Fund (PTIF)	\$ 152,061,687
Park City Education Foundation:	
Common stock ETFs	<u>4,653,110</u>
Total investments	<u>\$ 156,714,797</u>

The District invests with the PTIF. The PTIF is an external local government investment pool managed by the Utah State Treasurer. The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state. Participants in the PTIF share proportionally in the income, costs, gains, and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio, which consists of debt securities held by the state or in the state's name by the state's custodial banks, including investment-grade corporate bonds and notes, money market mutual funds, first-tier commercial paper, and certificates of deposit. The portfolio has a weighted average maturity of 90 days or less. The majority of the PTIF's corporate bonds and notes are variable-rate securities, which reset every three months to the prevailing market interest rates. The PTIF is not rated. The PTIF has no debt securities with more than 5% of its total investments in a single non-governmental issuer. The reported value of the pool is the same as the fair value of the pool shares and is not required to be reported in the fair value hierarchy.

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

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

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

PARK CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

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

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

NOTE 3 – FAIR VALUE MEASUREMENTS

The District, as well as the Foundation, categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Foundation has the following recurring fair value measurements as of June 30, 2025:

- Common stock exchange-traded funds are valued at quoted market prices (Level 1 inputs).

NOTE 4 – PROPERTY TAXES

District Property Tax Revenue

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

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

As of June 30, 2025, District property taxes receivable includes uncollected taxes assessed as of January 1, 2025 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 the Basic Financial Statements

Contributions to Other Governments

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

Incremental Taxes for Park City Redevelopment Agency

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

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

In 2025, incremental taxes levied by the District for the Agency totaling \$3,494,462 were recorded in the other governmental funds (*pass-through taxes fund*).

As part of a mitigation agreement between the District and the Agency, the Agency paid the District \$863,759 during the year ended June 30, 2025. Of the amount paid, the agreement requires the District to allocate 61% to general purposes and 39% to capital outlay.

Charter School Levy to the State

Per *Utah Code 53F-2-703*, a portion of the District's board local levy is paid to the statewide charter school levy account. The portion is based on the number of charter school students residing within District boundaries. In 2025, the amount collected by the County and paid directly to the state was \$828,530; the District reports this amount in the *pass-through taxes fund*.

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

The state guarantees a contribution to a school district's basic program when the amount generated by weighted pupil units exceeds the amount of tax revenue produced by the basic levy. When a school district produces tax revenue from the basic levy in excess of what is to be applied to the amount generated by weighted pupil units, the excess is paid (or recaptured) to the state. Per *Utah Code 53F-2-301.5*, the state added an incremental rate to the basic levy. The District pays this incremental tax to the state to fund certain state programs. The District is not eligible to participate in these state programs even though it is required to levy the incremental tax. In 2025, combined basic levy recapture and basic levy incremental tax of \$29,200,408 was paid to the state from the *pass-through taxes fund*.

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 19,077,646	\$ -	\$ (280,063)	\$ 18,797,583
Construction in progress	85,145,894	43,987,936	(29,196,133)	99,937,697
Total capital assets, not being depreciated	<u>104,223,540</u>	<u>43,987,936</u>	<u>(29,476,196)</u>	<u>118,735,280</u>
Capital assets, being depreciated:				
Buildings and improvements	145,816,958	29,196,133	(568,614)	174,444,477
Equipment and buses	12,360,140	917,210	(824,439)	12,452,911
Leased assets - equipment and buses	266,587	726,414	(51,571)	941,430
Total capital assets, being depreciated	<u>158,443,685</u>	<u>30,839,757</u>	<u>(1,444,624)</u>	<u>187,838,818</u>
Accumulated depreciation for:				
Buildings and improvements	(71,915,366)	(2,950,640)	66,338	(74,799,668)
Equipment and buses	(7,261,897)	(669,382)	265,934	(7,665,345)
Leased assets - equipment and buses	<u>(266,587)</u>	<u>(50,889)</u>	<u>51,571</u>	<u>(265,905)</u>
Total accumulated depreciation	<u>(79,443,850)</u>	<u>(3,670,911)</u>	<u>383,843</u>	<u>(82,730,918)</u>
Total capital assets, being depreciated, net	<u>78,999,835</u>	<u>27,168,846</u>	<u>(1,060,781)</u>	<u>105,107,900</u>
Governmental activities capital assets, net	<u><u>\$ 183,223,375</u></u>	<u><u>\$ 71,156,782</u></u>	<u><u>\$ (30,536,977)</u></u>	<u><u>\$ 223,843,180</u></u>

For the year ended June 30, 2025, depreciation expense was charged to District functions as follows:

Governmental activities:	
Instruction	\$ 2,653,456
Supporting services:	
Executive administration	27,756
School administration	141,674
Business	37,542
Operation and maintenance of facilities	181,897
Student transportation	429,845
Food services	160,170
Community services	<u>38,571</u>
Total depreciation expense, governmental activities	<u><u>\$ 3,670,911</u></u>

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

The District is obligated at June 30, 2025, under construction commitments as follows:

Project	Project Authorized	Costs to Date	Costs to Complete
Park City High School	\$ 56,164,043	\$ 48,464,778	\$ 7,699,265
Ecker Hill Middle School	34,153,515	33,514,247	639,268
Trailside Elementary School	6,509,159	6,027,732	481,427
Parley's Park Elementary School	12,000,000	10,880,545	1,119,455
Treasure Mountain Sports Complex	1,050,395	1,050,395	-
	<u>\$ 109,877,112</u>	<u>\$ 99,937,697</u>	<u>\$ 9,939,415</u>

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Portion Due or Payable Within One Year
General obligation bonds (direct placement)	\$ 66,410,000	\$ -	\$ (2,455,000)	\$ 63,955,000	\$ 2,575,000
Lease revenue bonds	38,650,000	38,000,000	(1,650,000)	75,000,000	3,005,000
Unamortized premiums	8,388,018	1,587,956	(489,155)	9,486,819	-
Total general obligation bonds payable, net	113,448,018	39,587,956	(4,594,155)	148,441,819	5,580,000
Net pension liability	22,061,013	38,115,128	(32,893,275)	27,282,866	-
Leases	-	726,414	(43,850)	682,564	55,967
Compensated absences	5,303,896	69,918	-	5,373,814	1,880,835
Medical claims payable	1,909,961	9,841,032	(9,784,767)	1,966,226	1,966,226
Health reimbursement accounts	124,691	-	(29,214)	95,477	47,739
Total long term liabilities	<u>\$ 142,847,579</u>	<u>\$ 88,340,448</u>	<u>\$ (47,345,261)</u>	<u>\$ 183,842,766</u>	<u>\$ 9,530,767</u>

The outstanding balance of bonds payable at June 30, 2025 is comprised of individual issues as follows:

Description/ Purpose	Maturity	Outstanding Amount
Bond Series 2021A - (direct placement) GO Bonds - original issue of \$71,305,000 with interest rates ranging from 3.0% to 5.0%	2/1/2042	\$ 63,955,000
Local Building Authority 2022 - Lease Revenue Bonds - original issue of \$42,000,000 with an interest rate of 2.99%	3/15/2042	37,000,000
Local Building Authority 2025 - Lease Revenue Bonds - original issue of \$38,000,000 with an interest rate of 4.0% to 5.0%	3/15/2045	38,000,000

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

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 new school equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the taxpayers. Debt service payments on the general obligation bonds are made by the debt service fund from property tax revenues.

The annual requirements to service all general obligation bonds outstanding of June 30, 2025, including interest payments, are listed as follows:

Year Ending June 30,	Direct Placement General Obligation Outstanding Bonds		Total
	Principal	Interest	
2026	\$ 2,575,000	\$ 2,486,850	\$ 5,061,850
2027	2,705,000	2,358,100	5,063,100
2028	2,840,000	2,222,850	5,062,850
2029	2,985,000	2,080,850	5,065,850
2030	3,130,000	1,931,600	5,061,600
2031-2035	18,170,000	7,146,500	25,316,500
2036-2040	21,860,000	3,459,900	25,319,900
2041-2042	9,690,000	438,150	10,128,150
Total	<u>\$ 63,955,000</u>	<u>\$ 22,124,800</u>	<u>\$ 86,079,800</u>

Lease Revenue Bonds

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

The annual requirements to amortize all lease revenue bonds outstanding as of June 30, 2025, including interest payments, are listed as follows:

Year Ending June 30,	Lease Revenue Bonds		Total
	Principal	Interest	
2026	\$ 3,005,000	\$ 2,691,920	\$ 5,696,920
2027	2,980,000	2,725,245	5,705,245
2028	3,090,000	2,611,520	5,701,520
2029	3,210,000	2,493,301	5,703,301
2030	3,330,000	2,370,187	5,700,187
2031-2035	18,690,000	9,786,148	28,476,148
2036-2040	22,565,000	5,874,655	28,439,655
2041-2045	18,130,000	1,813,240	19,943,240
Total	<u>\$ 75,000,000</u>	<u>\$ 30,366,216</u>	<u>\$ 105,366,216</u>

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

NOTE 7 – STATE RETIREMENT PLANS

Description of Plans

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

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

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

Defined Contribution Plans (individual account plans):

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

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

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

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

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

Benefits Provided

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

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

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required contributions and associated earnings are vested during the

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

first four years of employment. If an employee terminates prior to the vesting period, employer contributions and associated earnings for that employee are subject to forfeiture. Forfeitures are used to cover a portion of the plan's administrative expenses paid by participants. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

Contributions

As a condition of participation in the plans, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

For the year ended June 30, 2025, required contribution rates for the plans were as follows:

	Defined Benefit Plans Rates			District Rates	
	District	Amortization	Employee	for 401(k)	
	Contribution *	of UAAL **	Paid	Plan	Totals
Tier 1 Noncontributory System	12.25%	9.44%	-	1.50%	23.19%
Tier 2 Contributory System	10.08%	9.44%	0.70%	-	20.22%
Tier 2 Defined Contribution Plan	0.08%	9.44%	-	10.00%	19.52%

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

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

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

For the year ended June 30, 2025, District and employee contributions to the plans were as follows:

	District	Employee
	Contributions *	Contributions
Tier 1 Noncontributory System	\$ 6,173,941	\$ -
Tier 2 Contributory System	4,813,458	4,245
Tier 2 Defined Contribution Plan	836,446	-
401(k) Plan	1,429,624	81,942
457 Plan and other individual plans	-	351,375

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

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

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

At June 30, 2025, the District reported no net pension asset and net pension liability of \$27,282,866 for the following plans:

	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	\$ -	\$ 24,931,543
Tier 2 Contributory System	-	2,351,323
Total	<u>\$ -</u>	<u>\$ 27,282,866</u>

The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2024, rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability (asset) is equal to the ratio of its actual contributions compared to the total of all employer contributions during the plan year. The following presents the District's proportion (percentage) of the collective net pension liability (asset) at December 31, 2024, and the change in its proportion since the prior measurement date for each plan:

	Proportionate Share 2024	Change
Tier 1 Noncontributory System	1.1021312%	0.0943123 %
Tier 2 Contributory System	0.7884025%	0.0634972 %

For the year ended June 30, 2025, the District recognized pension expense for the plans as follows:

	Pension Expense
Defined benefit pension plans:	
Tier 1 Noncontributory System	\$ 10,775,109
Tier 2 Contributory System	2,568,384
Total	<u>\$ 13,343,493</u>
Defined contribution plans:	
Tier 2 Defined Contribution Plan	\$ 4,813,458
401(k) Plan	1,429,624
Total	<u>\$ 6,243,082</u>

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

At June 30, 2025, the District reported deferred outflows of resources related to defined benefit pension plans from the following sources:

Deferred Outflows of Resources Related to Pensions			
	Tier 1 Noncontributory System	Tier 2 Contributory System	Total
Differences between expected and actual experience	\$ 6,093,528	\$ 1,016,496	\$ 7,110,024
Changes of assumptions	863,263	785,314	1,648,577
Net difference between projected and actual earnings on pension plan investments	3,763,730	150,285	3,914,015
Changes in proportion and differences between District contributions and proportionate share of contributions	711,054	367,971	1,079,025
District contributions subsequent to the measurement date	3,045,235	2,829,336	5,874,571
Total	<u>\$ 14,476,810</u>	<u>\$ 5,149,402</u>	<u>\$ 19,626,212</u>

At June 30, 2025, the District reported deferred inflows of resources related to defined benefit pension plans from the following sources:

Deferred Inflows of Resources Related to Pensions			
	Tier 1 Noncontributory System	Tier 2 Contributory System	Total
Differences between expected and actual experience	\$ -	\$ 16,199	\$ 16,199
Changes of assumptions	-	242	242
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	35,591	35,591
Total	<u>\$ -</u>	<u>\$ 52,032</u>	<u>\$ 52,032</u>

The \$5,874,571 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of December 31, 2024, will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

Year Ending June 30,	Tier 1 Noncontributory System	Tier 2 Contributory System	Total
2025	\$ 5,921,841	\$ 271,372	\$ 6,193,213
2026	7,256,585	419,057	7,675,642
2027	(1,480,941)	181,090	(1,299,851)
2028	(265,909)	222,860	(43,049)
2029	-	525,965	525,965
Thereafter	-	647,691	647,691

PARK CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

Actuarial Assumptions

The total pension liability (asset) in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50% to 9.50%, average, including inflation
Investment rate of return	6.85%, net of pension plan investment expense, including

Mortality rates were based on actual experience and mortality tables, considering gender, occupation, and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2024 valuation were based on an experience study of the demographic for the period ending December 31, 2022.

The long-term expected rate of return on defined benefit pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	35%	2.45%
Debt securities	20%	0.51%
Real assets	18%	0.98%
Private equity	12%	1.21%
Absolute return	15%	0.65%
Cash and cash equivalents	0%	0.00%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

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

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

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
District's proportionate share of the net pension liability (asset):			
Tier 1 Noncontributory System	\$ 63,931,394	\$ 24,931,543	\$ (7,795,008)
Tier 2 Contributory System	7,022,832	2,351,323	(1,282,649)
Total	<u>\$ 70,954,226</u>	<u>\$ 27,282,866</u>	<u>\$ (9,077,657)</u>

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plans

At June 30, 2025, the District reported payables of \$2,934,517 for contributions to defined benefit and defined contribution plans.

NOTE 8 – RISK MANAGEMENT

The District's *self-insurance fund*, an internal service fund, was established to pay self-insurance claims for health and accident and dental coverage and healthcare reimbursements for qualified District employees. The District carries commercial insurance, which covers claims in excess of \$125,000. The fund collects premiums, as established by the District and the plan administrator, from other District funds. The District has recorded an estimate of claims incurred but not reported of \$1,966,226 as of June 30, 2025. 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, 2025 and 2024:

	Medical Coverage	
	2025	2024
Medical claims payable (beginning of year)	\$ 1,909,961	\$ 2,214,736
Medical claims (including incurred but not reported)	9,841,032	7,098,763
Payments of medical claims and administrative costs	<u>(9,784,767)</u>	<u>(7,403,538)</u>
Medical claims payable (end of year)	<u>\$ 1,966,226</u>	<u>\$ 1,909,961</u>

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

The District has established and made contributions to health reimbursement accounts (HRA) for certain qualifying employees not participating in the District's health and accident plan. This benefit was closed to new entrants on August 31, 2017. The HRA balances are reduced by reimbursements paid up to the amount available in the HRA. Upon termination, any accumulated balance is forfeited to the District. The following table shows a history of accumulated balances in HRAs for the years ended June 30, 2025 and 2024:

	Health Reimbursement Accounts	
	2025	2024
Health reimbursement accounts (beginning of year)	\$ 124,691	\$ 166,817
Healthcare reimbursements paid	(29,214)	(42,126)
Health reimbursement accounts (end of year)	<u>\$ 95,477</u>	<u>\$ 124,691</u>

The District also maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10,000,000 per occurrence through policies administered by the Utah State Risk Management Fund. The District pays an annual premium to the Fund. The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Utah State Risk Management Fund. This all-risk insurance coverage provides for repair or replacement of damaged property at a replacement cost basis subject to a deductible of \$1,000 per occurrence. The District also maintains a public treasurer's fidelity bond with the Utah State Risk Management Fund.

District employees are covered for workers compensation by the Utah School Boards Risk Management Mutual Insurance Association. The district covers unemployment claims on a pay-as-you-go basis. Settled claims (other than those related to health-care benefits) for the past three years have been insignificant.

NOTE 9 – TRANSFERS AND INTERFUND BALANCES

The District transferred \$3,810,476 from the *general fund* to its other governmental funds to cover \$3,810,476 of administrative costs incurred by the *capital projects fund*, the *food services fund*, the *student activities fund*, and the *Park City Education Foundation fund*.

Amounts due to and due from other funds at June 30, 2025 include \$74,598 due from other governmental funds (the *Park City Education Foundation fund*) to the *general fund* for personnel and other administrative costs.

NOTE 10 – LITIGATION AND COMPLAINT

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

All fund balances are positive at June 30, 2025.

PARK CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements

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

Required Supplementary Information

PARK CITY SCHOOL DISTRICT

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

Utah Retirement Systems

Last Ten Plan (Calendar) Years

	District's Proportion of Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Tier 1 Noncontributory System:					
2024	1.1021312 %	\$ 24,931,543	\$ 28,237,709	88.29 %	92.1 %
2023	1.0078189 %	20,650,070	25,021,269	82.53 %	92.5 %
2022	0.9655714 %	20,849,343	22,851,329	91.24 %	91.6 %
2021	1.0076188 %	(6,884,498)	23,673,847	(29.08)%	102.7 %
2020	1.0333426 %	13,775,716	24,157,631	57.02 %	94.3 %
2019	1.0497175 %	23,321,593	24,579,344	94.88 %	90.1 %
2018	0.9829048 %	36,569,142	24,941,777	146.62 %	84.1 %
2017	0.9267600 %	22,662,639	23,821,730	95.13 %	89.2 %
2016	0.8960120 %	29,039,004	23,880,531	121.60 %	84.9 %
2015	0.9162832 %	28,783,079	24,539,515	117.29 %	84.5 %
Tier 2 Contributory System:					
2024	0.7884025 %	\$ 2,351,323	\$ 23,425,780	10.04 %	87.4 %
2023	0.7249053 %	1,410,942	18,741,292	7.53 %	89.6 %
2022	0.7187345 %	782,625	15,802,013	4.95 %	92.3 %
2021	0.7978475 %	(337,679)	14,887,770	(2.27)%	103.8 %
2020	0.8376449 %	120,477	13,426,501	0.90 %	98.3 %
2019	0.8609425 %	193,632	11,990,444	1.61 %	96.5 %
2018	0.8435607 %	361,279	9,922,780	3.64 %	90.8 %
2017	0.7350711 %	64,809	7,214,233	0.90 %	97.4 %
2016	0.6041406 %	67,391	4,954,443	1.36 %	95.1 %
2015	0.5764658 %	(1,258)	3,722,327	(0.03)%	100.2 %

PARK CITY SCHOOL DISTRICT

Schedules of District Contributions – Utah Retirement Systems

Last Ten Reporting (Fiscal) Years

	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Tier 1 Noncontributory System:					
2025	\$ 6,173,941	\$ 6,173,941	\$ -	\$ 28,660,804	21.54 %
2024	5,986,689	5,986,689	-	27,271,125	21.95 %
2023	5,101,709	5,101,709	-	23,201,246	21.99 %
2022	4,976,486	4,976,486	-	22,649,663	21.97 %
2021	5,336,578	5,336,578	-	24,333,393	21.93 %
2020	5,301,349	5,301,349	-	24,169,221	21.93 %
2019	5,459,127	5,459,127	-	24,881,095	21.94 %
2018	5,417,125	5,417,125	-	24,695,340	21.94 %
2017	5,137,730	5,137,730	-	23,482,993	21.88 %
2016	5,315,383	5,315,383	-	24,295,601	21.88 %
Tier 2 Contributory System:					
2025	\$ 4,813,458	\$ 4,813,458	\$ -	\$ 24,597,622	19.57 %
2024	4,298,286	4,298,286	-	21,670,388	19.83 %
2023	3,300,808	3,300,808	-	16,692,264	19.77 %
2022	2,920,372	2,920,372	-	15,095,776	19.35 %
2021	2,715,260	2,715,260	-	14,221,490	19.09 %
2020	2,466,132	2,466,132	-	13,030,929	18.93 %
2019	2,068,319	2,068,319	-	11,005,686	18.79 %
2018	1,610,583	1,610,583	-	8,735,480	18.44 %
2017	1,075,785	1,075,785	-	5,893,766	18.25 %
2016	768,661	768,661	-	4,217,092	18.23 %
Tier 2 Defined Contribution Plan:					
2025	\$ 836,446	\$ 836,446	\$ -	\$ 8,721,229	9.59 %
2024	629,633	629,633	-	6,239,599	10.09 %
2023	496,020	496,020	-	4,910,020	10.10 %
2022	425,922	425,922	-	4,233,839	10.06 %
2021	386,037	386,037	-	3,696,835	10.44 %
2020	276,422	276,422	-	2,699,523	10.24 %
2019	236,436	236,436	-	2,332,220	10.14 %
2018	210,172	210,172	-	2,073,778	10.13 %
2017	168,438	168,438	-	1,675,567	10.05 %
2016	148,591	148,591	-	1,468,700	10.12 %

PARK CITY SCHOOL DISTRICT
Notes to the Required Supplementary Information

NOTE A – CHANGES IN ASSUMPTIONS – UTAH RETIREMENT SYSTEMS

The information presented was determined as part of actuarial valuations performed. Over time the actuarial assumptions are periodically changed. Amounts reported in the current and prior plan years include the following significant actuarial assumption changes:

<u>Plan Year</u>	<u>Discount Rate</u>	<u>Payroll Growth Rate</u>	<u>Wage Inflation Rate</u>	<u>Inflation Rate</u>
2024	6.85%	2.90%	3.50 to 9.50%	2.50%
2023	6.85%	2.90%	3.50 to 9.50%	2.50%
2022	6.85%	2.90%	3.25 to 9.25%	2.50%
2021	6.85%	2.90%	3.25 to 9.25%	2.50%
2020	6.95%	2.90%	3.25 to 9.25%	2.50%
2019	6.95%	3.00%	3.25 to 9.25%	2.50%
2018	6.95%	3.00%	3.25 to 9.25%	2.50%
2017	6.95%	3.00%	3.25 to 9.25%	2.50%
2016	7.20%	3.25%	3.35 to 9.35%	2.60%
2015	7.50%	3.25%	3.50 to 9.50%	2.75%

NOTE B – SCHEDULES OF DISTRICT CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS

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

**Combining and Individual Fund
Statements and Schedules**

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

Year Ended June 30, 2025 with Comparative Totals for 2024

	2025			2024
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Property taxes	\$ 96,342,067	\$ 99,308,744	\$ 2,966,677	\$ 89,135,708
Earnings on investments	2,900,000	3,212,620	312,620	4,063,327
Other	5,586,015	4,819,345	(766,670)	4,183,042
State	11,304,430	10,315,886	(988,544)	9,444,418
Federal	1,249,893	1,322,862	72,969	2,283,989
Total revenues	117,382,405	118,979,457	1,597,052	109,110,484
Expenditures:				
Current:				
Salaries	65,003,245	63,305,908	1,697,337	57,032,699
Employee benefits	28,955,788	28,465,233	490,555	25,316,998
Purchased professional services	1,929,219	1,099,379	829,840	2,023,837
Purchased property services	8,928,495	5,080,823	3,847,672	4,451,942
Other purchased services	2,067,645	1,607,299	460,346	1,583,310
Supplies	9,603,426	6,623,315	2,980,111	5,834,043
Equipment	1,183,984	4,983,971	(3,799,987)	2,785,484
Other objects	87,935	66,888	21,047	46,763
Debt service:				
Principal	-	1,650,000	(1,650,000)	-
Interest	-	1,155,635	(1,155,635)	-
Total expenditures	117,759,737	114,038,451	3,721,286	99,075,076
Excess (deficiency) of revenues over (under) expenditures	(377,332)	4,941,006	5,318,338	10,035,408
Other financing sources (uses):				
Transfers out	(2,385,000)	(3,810,476)	(1,425,476)	(2,385,000)
Net change in fund balances	(2,762,332)	1,130,530	3,892,862	7,650,408
Fund balances – beginning	47,151,381	47,151,381	-	39,500,973
Fund balances – ending	\$ 44,389,049	\$ 48,281,911	\$ 3,892,862	\$ 47,151,381

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

Year Ended June 30, 2025 with Comparative Totals for 2024

	2025			2024
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 5,295,132	\$ 5,449,071	\$ 153,939	\$ 5,059,953
Earnings on investments	-	-	-	26,213
Total revenues	5,295,132	5,449,071	153,939	5,086,166
Expenditures:				
Debt service:				
Principal retirement	2,455,000	2,455,000	-	2,335,000
Interest and fiscal charges	2,612,600	2,612,600	-	2,726,849
Total expenditures	5,067,600	5,067,600	-	5,061,849
Excess of revenues over expenditures	227,532	381,471	153,939	24,317
Fund balances – beginning	68,636	68,636	-	44,319
Fund balances – ending	<u>\$ 296,168</u>	<u>\$ 450,107</u>	<u>\$ 153,939</u>	<u>\$ 68,636</u>

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

Year Ended June 30, 2025 with Comparative Totals for 2024

	2025			2024
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Property taxes	\$ 9,082,890	\$ 9,341,264	\$ 258,374	\$ 9,008,250
Earnings on investments	2,540,000	3,165,923	625,923	5,641,631
Other	-	61,010	61,010	278,809
Federal	-	301,850	301,850	-
Total revenues	11,622,890	12,870,047	1,247,157	14,928,690
Expenditures:				
Capital outlay:				
Purchased professional services	430,000	-	430,000	20,000
Purchased property services	86,533,675	41,819,199	44,714,476	50,700,349
Supplies	565,000	15,410	549,590	4,392
Equipment	12,273,375	1,631,641	10,641,734	5,464,459
Other objects	5,000	-	5,000	-
Debt service:				
Principal	1,650,000	-	1,650,000	1,605,000
Interest	1,599,172	500	1,598,672	1,206,625
Bond issuance costs	-	430,300	(430,300)	-
Total expenditures	103,056,222	43,897,050	59,159,172	59,000,825
Excess (deficiency) of revenues over (under) expenditures	(91,433,332)	(31,027,003)	60,406,329	(44,072,135)
Other financing sources (uses):				
Issuance of lease revenue bonds	38,000,000	38,000,000	-	-
Bond premiums	1,587,956	1,587,956	-	-
Transfers in from other funds	1,000,000	2,000,000	1,000,000	1,000,000
Proceeds from sale of capital assets	45,000	1,487,512	1,442,512	74,742
Total other financing sources (uses)	40,632,956	43,075,468	2,442,512	1,074,742
Net change in fund balances	(50,800,376)	12,048,465	62,848,841	(42,997,393)
Fund balances – beginning	70,052,664	70,052,664	-	113,050,057
Fund balances – ending	\$ 19,252,288	\$ 82,101,129	\$ 62,848,841	\$ 70,052,664

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

Year Ended June 30, 2025 with Comparative Totals for 2024

	2025			2024
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 39,000,000	\$ 33,523,400	\$ (5,476,600)	\$ 3,914,431
Expenditures:				
Contributions to other governments	39,000,000	33,523,400	5,476,600	3,914,431
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	-	-	-	-
Fund balances – beginning	-	-	-	-
Fund balances – ending	\$ -	\$ -	\$ -	\$ -

PARK CITY SCHOOL DISTRICT
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Food Services	Student Activities	Park City Education Foundation	
Assets:				
Cash and investments	\$ 1,216,503	\$ 755,091	\$ 7,299,881	\$ 9,271,475
Receivables:				
Local	-	-	1,454,704	1,454,704
State	86,520	-	-	86,520
Federal	19,249	-	-	19,249
Inventories and prepaid items	31,894	-	70,738	102,632
Total assets	<u>\$ 1,354,166</u>	<u>\$ 755,091</u>	<u>\$ 8,825,323</u>	<u>\$ 10,934,580</u>
Liabilities:				
Accounts payable	\$ 690	\$ 23,546	\$ 118,012	\$ 142,248
Unearned revenue:				
Local	121,549	-	57,000	178,549
Due to other funds	-	-	74,598	74,598
Total liabilities	<u>122,239</u>	<u>23,546</u>	<u>249,610</u>	<u>395,395</u>
Deferred inflows of resources:				
Unavailable other local revenue	-	-	1,565,535	1,565,535
Fund balances:				
Nonspendable:				
Scholarship endowments	-	-	53,848	53,848
Inventories and prepaid items	31,894	-	70,738	102,632
Restricted for:				
Scholarships	-	-	2,609,047	2,609,047
Food services	1,200,033	-	-	1,200,033
Other purposes			123,696	123,696
Assigned to:				
Students	-	731,545	-	731,545
Foundation	-	-	4,152,849	4,152,849
Total fund balances	<u>1,231,927</u>	<u>731,545</u>	<u>7,010,178</u>	<u>8,973,650</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,354,166</u>	<u>\$ 755,091</u>	<u>\$ 8,825,323</u>	<u>\$ 10,934,580</u>

PARK CITY SCHOOL DISTRICT

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

Nonmajor Governmental Funds

Year Ended June 30, 2025

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Food Services	Student Activities	Park City Education Foundation	
Revenues:				
Local:				
Earnings on investments	\$ 25,122	\$ -	\$ 545,104	570,226
Lunch sales	909,855	-	-	909,855
Other	-	1,452,909	3,285,198	4,738,107
State	281,999	-	-	281,999
Federal	633,483	-	-	633,483
Total revenues	<u>1,850,459</u>	<u>1,452,909</u>	<u>3,830,302</u>	<u>7,133,670</u>
Expenditures:				
Current:				
Instruction	-	1,405,340	4,214,566	5,619,906
Nutrition services	2,838,746	-	-	2,838,746
Debt service:				
Principal	-	-	43,850	43,850
Interest	-	-	22,618	22,618
Total expenditures	<u>2,838,746</u>	<u>1,405,340</u>	<u>4,281,034</u>	<u>8,525,120</u>
Excess (deficiency) of revenues over (under) expenditures	(988,287)	47,569	(450,732)	(1,391,450)
Other financing sources (uses):				
Lease proceeds	-	-	726,414	726,414
Transfers in	<u>1,500,000</u>	<u>125,476</u>	<u>185,000</u>	<u>1,810,476</u>
Total other financing sources (uses)	<u>1,500,000</u>	<u>125,476</u>	<u>911,414</u>	<u>2,536,890</u>
Net change in fund balances	511,713	173,045	460,682	1,145,440
Fund balances – beginning	<u>720,214</u>	<u>558,500</u>	<u>6,549,496</u>	<u>7,828,210</u>
Fund balances – ending	<u>\$ 1,231,927</u>	<u>\$ 731,545</u>	<u>\$ 7,010,178</u>	<u>\$ 8,973,650</u>

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

Year Ended June 30, 2025 with Comparative Totals for 2024

	2025			2024
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Earnings on investments	\$ 10,000	\$ 25,122	\$ 15,122	\$ 23,854
Lunch sales	831,979	909,855	77,876	828,357
State	278,188	281,999	3,811	375,286
Federal	470,309	633,483	163,174	692,714
Total revenues	<u>1,590,476</u>	<u>1,850,459</u>	<u>259,983</u>	<u>1,920,211</u>
Expenditures:				
Current:				
Salaries	1,390,568	1,387,535	3,033	1,300,558
Employee benefits	665,729	657,916	7,813	609,575
Purchased professional services	10,000	12,834	(2,834)	9,759
Purchased property services	1,980	5,006	(3,026)	1,503
Other purchased services	91,810	61,075	30,735	79,885
Food and other supplies	989,685	714,380	275,305	647,088
Total expenditures	<u>3,149,772</u>	<u>2,838,746</u>	<u>311,026</u>	<u>2,648,368</u>
Excess (deficiency) of revenues over (under) expenditures	(1,559,296)	(988,287)	571,009	(728,157)
Other financing sources (uses):				
Transfers in	<u>1,200,000</u>	<u>1,500,000</u>	<u>(300,000)</u>	<u>1,200,000</u>
Net change in fund balances	(359,296)	511,713	271,009	471,843
Fund balances – beginning	<u>720,214</u>	<u>720,214</u>	<u>-</u>	<u>248,371</u>
Fund balances – ending	<u>\$ (839,082)</u>	<u>\$ 1,231,927</u>	<u>\$ 571,009</u>	<u>\$ 720,214</u>

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

Year Ended June 30, 2025 with Comparative Totals for 2024

	2025			2024
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Other	\$ 1,719,744	\$ 1,452,909	\$ (266,835)	\$ 1,414,276
Expenditures:				
Current:				
Salaries	6,841	26,639	(19,798)	87,940
Employee benefits	3,239	6,183	(2,944)	37,183
Purchased professional services	-	22,275	(22,275)	146,562
Purchased property services	-	(4,602)	4,602	5,683
Other purchased services	-	242,256	(242,256)	273,305
Supplies	1,888,263	1,112,589	775,674	959,530
Equipment	-	-	-	10,816
Other objects	-	-	-	4,050
Total expenditures	1,898,343	1,405,340	493,003	1,525,069
Excess (deficiency) of revenues over (under) expenditures	(178,599)	47,569	226,168	(110,793)
Other financing sources (uses):				
Transfers in	-	125,476	(125,476)	-
Net change in fund balances	(178,599)	173,045	100,692	(110,793)
Fund balances – beginning	558,500	558,500	-	669,293
Fund balances – ending	\$ 379,901	\$ 731,545	\$ 100,692	\$ 558,500

PARK CITY SCHOOL DISTRICT
Comparative Balance Sheets –
Park City Education Foundation Fund
June 30, 2025 and 2024

	2025	2024
Assets:		
Cash and investments	\$ 7,299,881	\$ 6,974,810
Receivables:		
Local	1,454,704	2,064,737
Prepaid items	70,738	83,414
Total assets	<u>\$ 8,825,323</u>	<u>\$ 9,122,961</u>
Liabilities:		
Accounts payable	\$ 118,012	\$ 73,722
Unearned revenue:		
Local	57,000	42,000
Due to other funds	74,598	282,148
Total liabilities	<u>249,610</u>	<u>397,870</u>
Deferred inflows of resources:		
Unavailable other local revenue	<u>1,565,535</u>	<u>2,175,595</u>
Fund balances:		
Nonspendable:		
Scholarship endowments	53,848	53,848
Prepaid items	70,738	83,414
Restricted for:		
Scholarships	2,609,047	2,662,217
Other purposes	123,696	-
Assigned to:		
Foundation	4,152,849	3,750,017
Total fund balances	<u>7,010,178</u>	<u>6,549,496</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,825,323</u>	<u>\$ 9,122,961</u>

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

Years Ended June 30, 2025 and 2024

	2025	2024
Revenues:		
Local:		
Earnings on investments	\$ 545,104	\$ 312,871
Other	3,285,198	3,120,136
Total revenues	3,830,302	3,433,007
Expenditures:		
Current:		
Salaries	611,472	606,518
Employee benefits	342,067	216,127
Purchased property services	726,414	-
Other purchased services	39,570	53
Instructional grants and scholarships	1,416,915	2,109,979
Supplies	1,018,683	100,123
Equipment	59,322	1,499
Other objects	123	-
Debt service:		
Principal	43,850	-
Interest	22,618	-
Total expenditures	4,281,034	3,034,299
Excess (deficiency) of revenues over (under) expenditures	(450,732)	398,708
Other financing sources (uses):		
Lease proceeds	726,414	-
Transfers in	185,000	185,000
Total other financing sources (uses)	911,414	185,000
Net change in fund balances	460,682	583,708
Fund balances – beginning	6,549,496	5,965,788
Fund balances – ending	\$ 7,010,178	\$ 6,549,496

OTHER INFORMATION

PARK CITY SCHOOL DISTRICT
Comparative Balance Sheets (Modified Accrual Basis) – General Fund

Last Five Fiscal Years

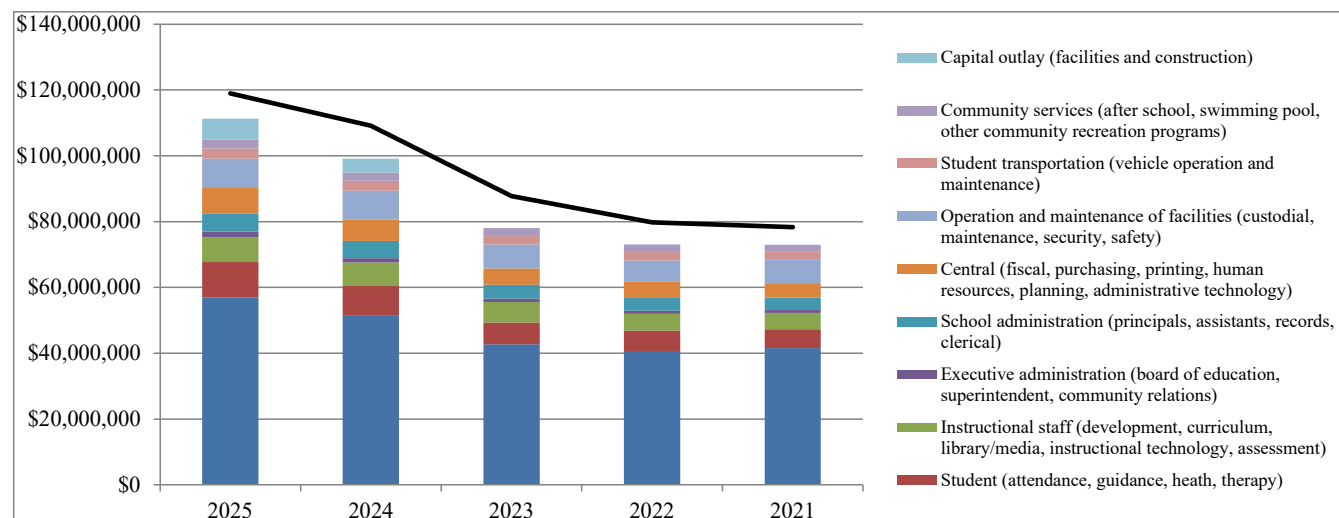
	2025	2024	2023	2022	2021
Assets:					
Cash and investments	\$ 61,245,137	\$ 57,106,874	\$ 44,101,672	\$ 36,362,754	\$ 30,716,886
Receivables:					
Property taxes	125,306,962	119,523,619	111,459,446	94,434,638	74,531,903
Local	9,777	700,205	927,460	29,836	211,712
State	732,822	393,838	558,828	187,661	173,957
Federal	672,534	669,292	1,659,280	1,132,264	698,377
Prepaid items	-	-	-	6,803	3,213
Due from other funds	74,598	282,148	416,405	387,702	347,639
Total assets	<u>\$ 188,041,830</u>	<u>\$ 178,675,976</u>	<u>\$159,123,091</u>	<u>\$132,541,658</u>	<u>\$106,683,687</u>
Liabilities:					
Accounts and contracts payable	\$ 931,904	\$ 1,287,661	\$ 489,292	\$ 510,758	\$ 576,693
Accrued payroll and related benefits	12,651,707	9,860,435	7,652,161	7,522,332	8,485,377
Unearned revenue:					
State	187,916	-	-	-	-
State	1,387,540	1,312,659	774,279	619,490	536,999
Federal	8,867	11,028	5,657	194,226	4,214
Total liabilities	<u>15,167,934</u>	<u>12,471,783</u>	<u>8,921,389</u>	<u>8,846,806</u>	<u>9,603,283</u>
Deferred inflows of resources:					
Unavailable property taxes	2,182,386	1,198,865	1,059,538	1,032,743	986,604
Property taxes levied for future year	<u>122,409,599</u>	<u>117,853,947</u>	<u>109,641,191</u>	<u>92,747,229</u>	<u>72,714,683</u>
Total deferred inflows of resources	<u>124,591,985</u>	<u>119,052,812</u>	<u>110,700,729</u>	<u>93,779,972</u>	<u>73,701,287</u>
Fund balances:					
Nonspendable:					
Prepaid items	-	-	-	6,803	3,213
Committed to:					
Economic stabilization	5,942,986	5,942,986	6,205,195	5,393,284	4,331,341
Assigned to:					
Compensated absences	2,299,106	2,299,106	1,892,685	1,596,943	1,514,117
Programs	12,500,000	12,900,000	11,400,000	-	-
Basic levy recapture	2,500,000	2,000,000	1,530,000	980,000	1,080,000
Unassigned	<u>25,039,819</u>	<u>24,009,289</u>	<u>18,473,093</u>	<u>21,937,850</u>	<u>16,450,446</u>
Total fund balances	<u>48,281,911</u>	<u>47,151,381</u>	<u>39,500,973</u>	<u>29,914,880</u>	<u>23,379,117</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 188,041,830</u>	<u>\$ 178,675,976</u>	<u>\$159,123,091</u>	<u>\$132,541,658</u>	<u>\$106,683,687</u>
Unassigned fund balance as a percent of general fund expenditures	22.0%	21.1%	18.6%	30.0%	22.5%

PARK CITY SCHOOL DISTRICT

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances (Modified Accrual Basis) – General Fund

Last Five Fiscal Years

	2025	2024	2023	2022	2021
Revenues:					
Local:					
Property taxes	\$ 99,308,744	\$ 89,135,708	\$ 72,023,460	\$ 67,493,856	\$ 66,478,867
Earnings on investments	3,212,620	4,063,327	2,105,920	237,818	174,855
Other	4,819,345	4,183,042	3,959,728	3,329,727	2,617,796
State	10,315,886	9,444,418	7,104,994	5,875,718	6,769,518
Federal	1,322,862	2,283,989	2,583,570	2,876,855	2,223,040
Total revenues	118,979,457	109,110,484	87,777,672	79,813,974	78,264,076
Expenditures:					
Current:					
Instruction	56,874,243	51,407,531	42,669,926	40,693,425	41,579,811
Supporting services:					
Student	10,810,351	8,964,467	6,685,057	6,154,873	5,725,340
Instructional staff	7,488,781	7,255,377	6,151,621	5,107,994	4,923,586
Executive administration	1,817,575	1,294,823	1,105,088	972,457	855,796
School administration	5,412,342	5,210,341	4,199,668	3,934,655	3,812,506
Central	8,025,504	6,539,503	4,939,372	4,793,423	4,419,842
Operation and maintenance of facilities	8,670,719	8,681,249	7,310,706	6,574,036	7,090,014
Student transportation	3,104,539	3,020,719	2,503,294	2,513,642	2,374,249
Nutrition services	-	-	-	9,981	51,500
Community services	2,792,613	2,538,269	2,446,847	2,342,866	2,152,835
Capital outlay	6,236,149	4,162,797	-	-	-
Debt service:					
Principal	1,650,000	-	-	-	-
Interest	1,155,635	-	-	-	-
Total expenditures	114,038,451	99,075,076	78,011,579	73,097,352	72,985,479
Excess of revenues over expenditures	4,941,006	10,035,408	9,766,093	6,716,622	5,278,597
Other financing sources (uses):					
Net transfers and other financing sources (uses)	(3,810,476)	(2,385,000)	(180,000)	(180,859)	(240,683)
Net change in fund balances	1,130,530	7,650,408	9,586,093	6,535,763	5,037,914
Fund Balances – Beginning	47,151,381	39,500,973	29,914,880	23,379,117	18,341,203
Fund Balances – Ending	\$ 48,281,911	\$ 47,151,381	\$ 39,500,973	\$ 29,914,880	\$ 23,379,117



Note: Beginning in 2024, the District began recognizing property tax revenues and related expenditures for the basic levy recapture in the pass-through taxes fund. Comparative prior year revenues and expenditures have been restated to reflect this change.