

# **Comprehensive Annual Financial Report**



**Park City Municipal Corporation, Utah  
Fiscal Year Ended June 30, 2015**

# **PARK CITY MUNICIPAL CORPORATION, UTAH**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**(Including Single Audit, Internal Control and Compliance Reports  
and Supplementary Information)  
for fiscal year ended June 30, 2015**

**Prepared by:  
Finance Department**

**Lori W. Collett  
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Accounting Manager**

**Marina Smith  
Accountant**

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**June 30, 2015**

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**INTRODUCTORY  
SECTION**



## Finance

December 10, 2015

To the Honorable City Council, Honorable Mayor and Citizens of Park City, Utah:

These financial statements have been prepared by the Park City Municipal Corporation Finance Department in accordance with accounting principles generally accepted in the United States (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). Utah State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

The City's management is responsible for the accuracy of the report, as well as the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the report is complete and accurate in all material respects. In order to have a basis to rely on for management to make these representations, the City maintains a comprehensive system of internal controls designed to provide reasonable, but not absolute, assurance against loss of assets or material misstatement in the financial statements. This level of assurance is an inherent limitation in a system of internal controls because they should be cost-effective, i.e. the cost of such controls should not exceed the related benefit.

The basic financial statements contained in this report have been audited by Piercy Bowler Taylor & Kern, a firm of licensed certified public accountants. The objective of this type of audit is for the independent auditors to render an opinion, with reasonable assurance, as to whether the basic financial statements of Park City Municipal Corporation, the "City", for the fiscal year ended June 30, 2015, are fairly presented and free of any material misstatement. Audit procedures included: extensive testing and analysis of transactions, balances and systems. The unmodified ("clean") opinion on the basic financial statements signed by Piercy Bowler Taylor & Kern is located at the beginning of the financial section.

Additionally, Piercy Bowler Taylor & Kern audited the compliance requirements of the City's federal and state grant programs for the year ended June 30, 2015, as part of the federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on fair presentation of the basic financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis* (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

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

Park City Municipal Corporation is governed by an elected mayor and five-member council. The City was chartered March 15, 1884, under the provisions of the Utah Territorial Government and the City operates under a council-manager form of government. Policy-making and legislative authority are vested in the governing council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City's manager and attorney. The City's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council and mayor are elected on a non-partisan basis. Council members and the mayor serve four-year staggered terms. Elections are held every odd number year.

The City provides many municipal services including police, parks, recreation, library, water, public improvements, streets, planning, zoning, golf course, transportation and parking, and administrative services. This report includes the financial statements of the funds required to report on those activities, organizations and functions which are related to the City and are controlled by or financially accountable to the City Council. The Park City Municipal Building Authority, the Park City Redevelopment Agency and the Park City Housing Authority are chartered under Utah law as separate governmental entities. However, this report includes the financial statements of these entities, since the City Council is the appointed board for all three agencies, they are financially accountable to the City, and management (below the level of the elected officials) of the City have operational responsibility for the activities of these entities.

The State of Utah, Summit County, Wasatch County, Park City School District, Park City Fire Protection District, Snyderville Basin Special Recreation District and Snyderville Basin Water Reclamation District are overlapping governments that provide services to City residents; however, they are separately controlled, and they are not financially accountable to the City; therefore, they are not included in this report.

## **Budgetary Control**

The City Council is required to adopt a final budget by no later than June 22 of the fiscal year. This annual budget serves as the foundation of the City's financial planning and control. Budgets are prepared for all governmental fund types including the general fund, capital improvements funds and debt service funds. The City Council approves all City budgets at the department level (general government, public safety, public works and recreation and library). Budgetary control is maintained at the department level where expenditures may not legally exceed appropriations. Department heads may make transfers within a department. The City Council may amend the budget by ordinance during the budget year, but must hold a public hearing to increase a governmental fund's budget before it can pass the ordinance.

## **Local Economy**

Park City is located in Summit County, Utah, in the heart of the Wasatch Mountains, 30 miles east of Salt Lake City and 40 minutes by freeway from the Salt Lake International Airport. In 1869, silver bearing quartz was discovered in the area, of what is now Park City, and a silver mining boom began. From the 1930's through the 1950's, the mining boom subsided due to the decline of silver prices, and Park City came very close to becoming a historic ghost town. During that time, the residents began to consider an alternative to mining, and began developing Park City into a resort town. Park City is one of the western United States premier multi-season resort communities with an area of twenty square miles and a permanent resident population of approximately 8,058.

World renowned skiing is the center of activity being complemented throughout the year with major activities and events, such as the Sundance Film Festival, Kimball Arts Festival, concerts, sporting events, along with a variety of other winter and summer related activities.

Tourism is the major industry in Park City, with skiing, lodging facilities and restaurants contributing significantly to the local economy. Park City is the home of two major ski resorts (Park City Mountain Resort and Deer Valley Resort) with a third area (The Canyons Resort) located only one mile north of the City limits. Vail Resorts acquired the Canyons Resort in 2013 and the Park City Mountain Resort in September of 2014. Vail's goal is to link these two resorts during the 2015–2016 season, creating the largest skiing resort in the United States with over 7,300 acres of skiable terrain.

In 2002, Salt Lake City hosted the 2002 Winter Olympic Games with two athletic venues in Park City and another just north of the City limits. Deer Valley Resort hosted the slalom, aerial, and mogul competitions; Park City Mountain Resort hosted the giant slalom, snowboarding slalom and snowboarding halfpipe; and the Utah Winter Sports Park (Summit County) hosted ski jumping, luge and bobsled events.

Deer Valley Resort hosted the 2015 Freestyle Ski World Cup event for the ninth year in a row in February 2015. Deer Valley Resort took second place as the best western resort in North America in *Ski Magazine's* resort review of 2015's Top-Ranked Western Ski Resorts. Deer Valley ranked first for five consecutive years between 2007 and 2011. It also marks fifteen consecutive years that Deer Valley has finished in the top three. The Park City Mountain Resort

is located in the heart of Park City and hosted the U.S. Grand Prix for slopestyle and halfpipe prior to the 2014 Sochi Winter Olympic Games. The resort was ranked number seven, overall. The Canyons Resort, placed fourteenth, which made the fourth year in a row that all three of Park City's resorts have finished in the top fifteen.

Major employer-types in the City include accommodation and food service, arts/entertainment and recreation, retail trade, real estate, technical services and government. Unemployment data was unavailable for Park City; however, the current Summit County unemployment rate is estimated at 3.2 percent. The current State of Utah rate is 3.7 percent and the national rate is 5.1 percent.

## **Economic Trends**

Growth has accelerated in the last decade and *Outside Magazine* named Park City the "Best Town in America" in 2013. Park City has seen some strong growth over the past years in the ski industry. Encouraging tourism and the ski industry are objectives for Park City as well as for the State of Utah. With its close proximity to Salt Lake City and Salt Lake International Airport, Park City is a major contributor to these goals. Figures show last ski season was the second worst in the last ten years. Total statewide skier days were 3,946,762, down 4.9 percent from the 2013-2014 season. Skier days were down nationally from 56.5 million to 53.6 million, a 5.0 percent decrease from the previous season. The Utah drop in skier days is being blamed partially on the State's snowfall, which was only 41.0 percent of normal. (It is important to note that both Deer Valley Resort and Park City Mountain Resort have made significant investments in snowmaking that resulted in a great ski experience this past winter.) To put this in context, Utah's record was 4,249,190 set during the 2006-2007 season, prior to the recession. With the local economy dependent on tourism and skiing, employment in Park City tends to decline in the spring and summer months. The City has been mitigating this by diversifying recreational activities in the "off-season". This year the City hosted the Triple Crown Girls Fast Pitch Softball World Series for the thirteenth year. This event draws teams from California, Arizona, Colorado, Oklahoma, Idaho, Utah and Texas and each year is bigger and better than the last. Other events include Park City Marathon Road Race, Intermountain Cup Mountain Bike Races and the Endurance 100 Mountain Bike Race. Park City was the first city to qualify as a Gold Level Ride Center by the International Mountain Bicycling Association.

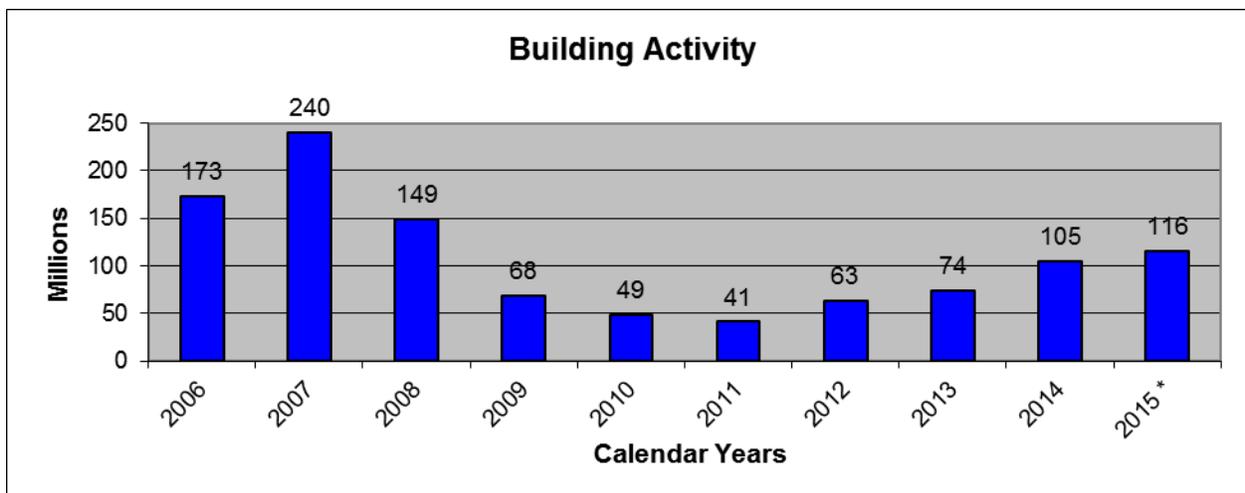
The service population is much larger due to the number of secondary homeowners and visitors within Park City. The City has approximately 131 restaurants, 164 shops, 23 private art centers and a community-sponsored art center. Many of Park City's restaurants are award winning and among the finest in the inter-mountain west. The Chamber of Commerce estimates that the community has a nightly capacity for 28,275 guests. In the last ten years nightly capacity has increased by 1.8 percent. Please see Schedule 24 on page 132 of the Statistical Section of this report.

The Sundance Film Festival made its 34th annual appearance in Park City in January 2015. A recent study by the University of Utah's Bureau of Economic and Business Research reveals the 2015 festival generated an overall economic impact of \$83.4 million for the State of Utah, down slightly from 2014, and close to the record of \$92.2 million reported after the 2009 festival.

Sundance and Park City Municipal Corporation have formally agreed that Park City will remain festival headquarters through the 2026 film festival and, importantly, Sundance agreed to schedule future film festivals, beginning in 2015, to avoid overlapping with the Martin Luther King holiday, a popular ski weekend. This change is estimated to generate at least \$4.2 million in additional economic activity for the greater Park City area. The festival presents high quality, independent films. Nationally known actors, directors, writers and other members of the film industry conduct and attend workshops, classes, seminars, dinners and premiers that are open to the public. The cultural event attracted over 46,107 attendees this year, up slightly from the 2014 attendance of 45,352 with an estimated 67.0 percent coming from out of state.

The Kimball Arts Center sponsored its 45th annual three-day Park City Arts Festival in August 2014. The Park City Arts Festival is Utah’s oldest and the longest running arts festival in the West. In the last decade, this event has grown substantially and this year attracted an estimated 57,500 visitors. This was a decrease of 1.7 percent over the previous year. The festival featured 215 of North America’s top artists. This is one of the most attended annual events in Utah and includes an art auction and gala, and a 5K run for the arts.

Closely connected to the tourist and ski industries in Park City is the real estate industry. During the past ten years, building activity within the City has fluctuated from a low of \$40.9 million in 2011, because of the recession, to a high of \$239.7 million in 2007. Building activity over the last decade has averaged \$107.8 million per year. In the first nine months of calendar year 2015, approximately 35.2 percent of the \$116.4 million in building activity has been in residential construction and 15.6 percent in commercial construction. The remaining 49.2 percent consists of remodeling, expanding and miscellaneous construction. The residential construction total valuation of approximately \$41.0 million consisted of both single and multi-family homes. Easy access to Salt Lake City has intensified the role for Park City as a bedroom community. This role and the current economy have shifted emphasis to the construction of residential homes.



\* Notes: The 2015 number is from January 2015 through September 2015 only.  
For activity by fiscal year, please see Schedule 26 of the Statistical Section.

According to the latest statistics by the Park City Board of Realtors, residential lots sold in Park City range from an average of \$356,500 in the Prospector area to an average of \$3,795,250 for lots in Empire Canyon. Condominiums range in average sales price from \$231,736 to \$3,421,239, depending upon location. Depending upon the area, single-family homes range from an average sales price of \$768,100 to \$7,625,833. Overall, year over prior year sales, the volume of single-family homes sold was down 1.0 percent, but the median sales price increased by 15.0 percent, over 2014. In contrast, condominium sales showed a volume increase of 2.0 percent, and the median sales price was down 6.0 percent.

## **Long-term Financial Planning**

**Health Insurance Costs** - In recent years, the cost of Park City's health insurance has risen dramatically between 8.0 and 22.0 percent per year. Historically, the City picked up almost the entirety of these increases. Three years ago the City increased the premiums paid by employees by \$50.00 per month. The double digit percentage increases, were alarming and indicated a need for change in the way the City was handling health insurance. The City's Human Resource department implemented a "Wellness Program". The purpose of this program is to encourage employees to exercise, seek annual exams, to educate and incentivize healthy behavior. The program has already had a positive impact on the City's health premiums. The hope continues to be that employees will become more aware of and accountable for medical expenses, which will result in fewer claims and lower premiums.

**Pay Plan** - Every two years Park City compares its employee compensation data with approximately 30 communities from Utah and Colorado. A committee is selected to compare job descriptions and wages of other municipalities with similar positions in Park City. The City Manager chooses the metrics that determine how salaries should be set and defines a threshold at which positions should be reclassified. The Pay Plan Committee reviews the collected data and makes recommendations for upgrade or reclassification of job positions to the City Manager.

The Pay Plan Committee has two major objectives, to determine where internal equity positions should fit in the Pay Plan and to review the recommendations of the committee and make necessary changes.

It is critical that the City's compensation package is adjusted, if appropriate. The Park City economy has had a strong recovery, which is also happening across communities in Utah and Colorado. Pay Plan adjustments have been modest the last several years as compared to the strength of Park City's economic recovery. This has made it difficult for the City to compete with the public and private sector in recruiting and retention. Recruiting has become so difficult that it has significantly threatened levels of service in critical areas such as building inspection and transit. In lieu of not performing these services, pay adjustments were necessary for these positions in the last City budget cycle. Staff has recommended changes in our pay philosophy as a response to these challenges, which will go into effect in the upcoming pay plan process. For the City to maintain high quality staffing, it is important for the Pay Plan to provide competitive employee compensation. The Pay Plan also dictates how employees move from one working level to another, eligibility for a performance bonus, and professional development within positions.

## **Relevant Financial Policies**

**Asset Management Policy** - The objective of the Asset Management Plan is to establish a fund and a fixed replenishment amount from operating revenues that the City may draw for replacement, renewal, and major improvements of capital facilities. The fund needs to be sufficient to ensure that assets are effectively and efficiently supporting the operations and objectives of the City. The Asset Management Plan is an integral part of the City's long-term plan to replace and renew the City's primary assets in a fiscally responsible manner.

A project is designated in the five-year capital plan to which annual contributions are made from the General Fund for asset management. The amount to be contributed is based on a 10-year plan, which outlines the anticipated replacement and repair needs for each of the City's major assets. A project manager, that is appointed by the City Manager, has the responsibility of monitoring the progress of the fund, assuring a sufficient balance for the fund, controlling expenditures out of the fund, managing scheduled projects and associated contracts, making necessary budget requests, and updating the 10-year plan.

## **Major Initiatives**

### **Solar Installation – Park City Municipal Athletic Recreation Center (MARC)**

There are four goals that the City Council has set, which all City programs are tied to. One of these is to reduce the municipal carbon footprint, which includes conservation efforts for new and rehabilitated buildings.

Like all the City's properties, the MARC has been assessed for renewable energy potential. The MARC has the potential to triple the amount of City-owned solar capacity. This was the last property with major solar potential and the project is estimated to cost \$0.4 million after rebates. A 208kW solar photovoltaic (PV) system on the MARC is projected to decrease the MARC's annual energy costs, resulting in an average annual savings of approximately \$15,000, or about 14.0 percent of the MARC's total electricity expense. This 755 panel system will be the largest and the most visible renewable energy project in the City. In April 2015 preparations began for the (PV) installation. The project's estimated completion date is August 2015.

## **Update on Major Projects**

**Water Projects** - Water quality and delivery continue to be a top priority for Park City. With the rate of development that has occurred over the past few years, future water needs have been identified and the cost of these improvements is being fairly distributed between users and new development. Capital spending in the Water Fund is reflective of the City's continuing commitment to secure Park City's water needs through improvements to the City's water infrastructure. The Water Fund Financial Model is reviewed and updated annually to assess the long-range operating and capital needs of the Water Fund to determine future water rate increases and bonding needs.

**Library Renovation and Expansion** – This work started in April of 2014 and the grand opening was on June 12, 2015. The construction budget was \$6.8 million, with a total budget of

\$9.3 million and was completed within budget. This 21<sup>st</sup> century facility is housed in a beautiful historic building and provides a myriad of community services, including a digital media lab, new children's area complete with a lighted mountain, computers, recording room, meeting and study rooms, along with a lobby for the Santy Auditorium and a coffee shop. Construction renovations included: interior renovation and expansion of the library into all of floors one and two; interior renovation of the third floor for flexible community space, Park City Cooperative Preschool and Park City Film Series; an added, single-story entry sequence to the library at the north façade; a two story addition at the northwest corner providing added function, flexibility and consolidation of services; and modifications of the 1992 addition to expose the original historic structure on the south, west and north facades.

**Walkability Projects** – On May 22, 2008, City Council approved a recommended list of thirty-six walking and biking capital projects that would be funded through the issuance of \$15.0 million General Obligation Walkability Bonds. As of June 30, 2015, approximately \$9.1 million has been utilized to fund twenty-seven completed projects and nine under construction or planned projects. Completed projects include Bonanza and Comstock underpasses, Little Kate and Comstock sidewalks, the Holiday Ranch Loop Pathway, traffic calming improvements in the Prospector area, improvements to McLeod Creek and Farm Trails, and miscellaneous bicycle shoulders, crosswalks and associated signage.

One of the largest projects is currently under construction, the Dan's to Jan's project. This project involves two phases. Phase one is the west side pathway along Park Avenue. This project had been on hold, but is now moving forward. When phase one is completed phase two will begin, the east side pathway and underpass project.

**Prospector Avenue Reconstruction** - Park City is slated to receive \$1.0 million in Small Urban Fund Grant money. These funds require a 7.0 percent match and also have strict restrictions on how they are used. Elements of the project include updated storm drains, sidewalks, bus pullouts, additional lighting, resurfacing of the road, bike lanes and landscaping. This project is scheduled for fiscal year 2016.

**Deer Valley Drive** - The Deer Valley Drive Reconstruction project includes the reconstruction of Deer Valley Drive including water infrastructure as well as walkable, functional and aesthetic improvements to the street. The project was divided into two phases. The first phase was completed in December of 2013, this included replacement of the existing collapsed storm drain, replacement of the gas line (work and design were performed by Questar Gas), replacement of the existing distribution water line, pedestrian modifications at the round-about, left turn lane at the intersection of Deer Valley Drive and Deer Valley Drive North, bus pullouts, pedestrian lighting (from the round-about to Sunnyside Drive) update of signage and road resurfacing.

The second phase of the Deer Valley Drive Reconstruction project will include additional pedestrian lighting, crosswalks, bus shelters, bus stop amenities, cleaning of the creek, landscaping improvements along the corridor, a new entry feature near the intersection of Deer Valley Drive and Deer Valley Drive north, and improved sidewalks.

## Awards and Acknowledgements

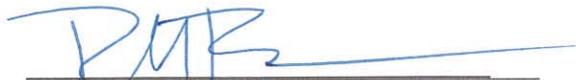
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to Park City Municipal Corporation for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last twenty-seven consecutive years, fiscal years 1987-2014. We believe that our current Comprehensive Annual Financial Report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Park City Municipal Corporation also received the Distinguished Budget Presentation Award from the GFOA for the City's adopted budget for the biennium period beginning July 1, 2009. The City has won this award for fiscal years 1992 and 1993 and the biennium periods beginning 1993, 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011, 2013 and most recently 2015. In order to qualify for the award program, the City's budget document was judged proficient in several categories including policy documentation, financial planning and organization.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the Finance and Accounting Department. We would like to express our appreciation to Piercy Bowler Taylor & Kern, certified public accountants, for their professional service and assistance. We would also like to thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

  
\_\_\_\_\_  
Diane Foster - City Manager

  
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Lori W. Collett - Finance Manager

**PARK CITY MUNICIPAL CORPORATION, UTAH**

Park City Municipal Building  
445 Marsac Avenue  
Park City, Utah 84060

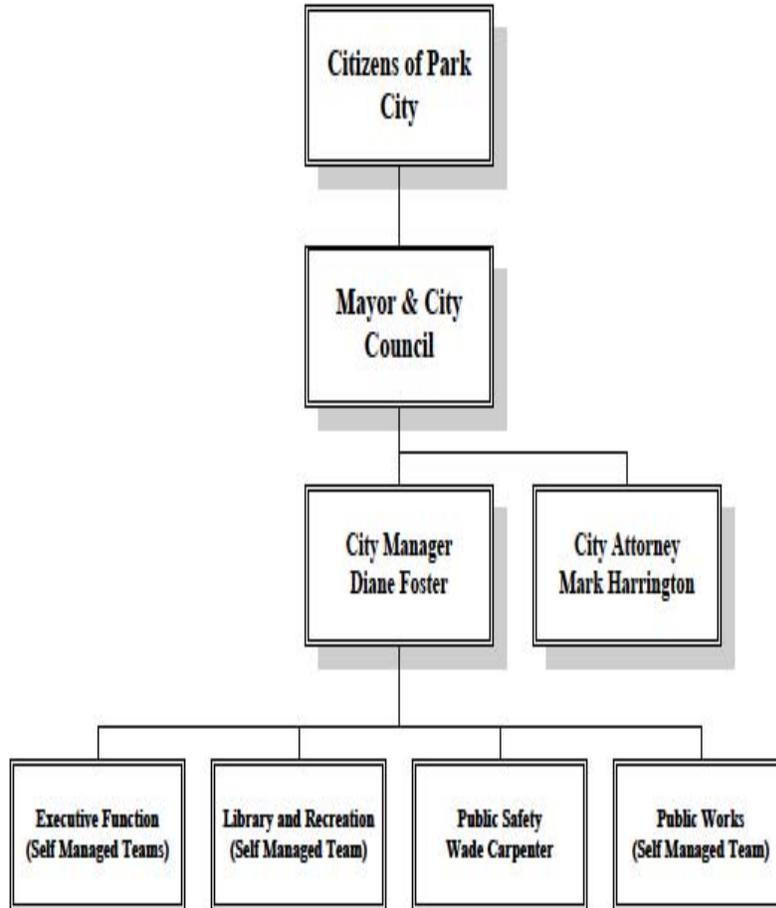
**MAYOR AND CITY COUNCIL AS OF JUNE 30, 2015**

<b>Name</b>	<b>Term Expires</b>
<b>Mayor</b>	
<b>Jack Thomas</b> <i>445 Marsac Avenue Park City, Utah 84060</i>	January 2018
<b>Councilors</b>	
<b>Cindy Matsumoto</b> <i>PO Box 4647 2816 Silver Cloud Drive Park City, Utah 84060</i>	January 2018
<b>Tim Henney</b> <i>PO Box 3927 Park City, Utah 84060</i>	January 2018
<b>Dick Peek</b> <i>750 River Birch Court Park City, Utah 84060</i>	January 2016
<b>Andy Beerman</b> <i>PO Box 1570 310 Park Avenue Park City, Utah 84060</i>	January 2016
<b>Liza Simpson</b> <i>PO Box 1468 510 Main Street Apt B Park City, Utah 84060</i>	January 2016

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Diane Foster, City Manager  
Mark Harrington, City Attorney  
Lori W. Collett, Finance Manager

***PARK CITY MUNICIPAL CORPORATION, UTAH***



**The above organizational structure also accurately depicts the Park City Redevelopment Agency and the Park City Municipal Building Authority structure.**



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Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

Members of the City Council  
Park City Municipal Corporation, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park City Municipal Corporation (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

**Opinion.** In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison information for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters.** Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability and schedule of contributions on pages 4-21 and 86-88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information.** Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards*.** In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Salt Lake City, Utah  
December 10, 2015

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**June 30, 2015**

The following narrative is presented to facilitate a better understanding of the City's financial position and results of operations for the year ended June 30, 2015. When read in conjunction with the letter of transmittal and the notes to the financial statements, the financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the City's financial performance.

**FINANCIAL HIGHLIGHTS**

- The City's government-wide net position (the amount by which assets and deferred outflows exceed liabilities and deferred inflows) as of June 30, 2015, was \$287,825,927. Of this amount, \$49,425,877 (unrestricted net position) is available to meet ongoing financial obligations.
- The City's government-wide net position increased by \$14,850,785. Of this amount, business-type activities increased by \$5,699,289, a rise of 6.7 percent, and the governmental activities increased by \$9,151,496 a rise of 4.9 percent when compared to last fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$51,870,430 an increase of \$4,386,656 (9.2 percent) compared to the beginning of this year's fund balance amount. The increase in fund balance in comparison to last fiscal year is attributable to an increase in unassigned fund balance for the general fund and an increase to the restricted fund balance for capital projects. Of the combined total fund balance, \$6,836,193 is available for spending at the discretion of the City (unassigned fund balance).
- The General Fund is the primary operating fund of the City. The unassigned fund balance of the General Fund at June 30, 2015, totaled \$6,836,193 and is 26.4 percent of the General Fund total revenues for the year and 13.2 percent of total governmental fund balance.
- The City's total debt had a net increase of \$6,208,467 during fiscal year 2015. This represents a 7.0 percent increase over the prior year, which is attributable to the effect of the normal reduction in principal balances from required debt service payments, refunding of the Series 2005A Sales Tax Revenue Bonds and the Series 2004 General Obligation Bonds. The decrease is offset by the issuance of \$3,385,000 in Series 2014 General Obligation Refunding Bonds, \$6,725,000 in Series 2014A Sales Tax Revenue and Refunding Bonds, \$5,375,000 in Series 2014B Sales Tax Revenue Bonds, and \$11,600,000 in Series 2015 Sales Tax Revenue Bonds.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of this report includes four parts: 1) the independent auditors' report on financial statements and supplementary information; 2) this segment, management's

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

discussion and analysis; 3) the basic financial statements; and 4) supplementary information. Within the basic financial statements are two distinct types of financial statements, 1) the government-wide financial statements, and 2) the fund financial statements. The notes to the financial statements are also an integral part of the basic financial statements. The City's basic financial statements are presented in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended.

Immediately following the notes to the financial statements, the supplementary information includes balance sheets and income statements for nonmajor governmental funds, internal service funds, as well as other budgetary information.

**Government-wide Financial Statements:** The government-wide financial statements provide a view of City finances as a whole, similar to a private-sector business. These statements include the Statement of Net Position and the Statement of Activities.

The **Statement of Net Position** includes all of the City's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Net position (and the related change in net position from year to year) is probably the most important financial measurement to enable understanding of the financial position of the City, and whether financial position improves or deteriorates each year. To assess the overall health of the City, additional non-financial factors such as changes in the property tax base, the condition of the City's infrastructure, etc. should be considered.

The **Statement of Activities** shows how the City's net position changed as a result of its operations during the most recent fiscal year. To understand the basis of how these numbers are determined, it is important to note that changes in net position are reported whenever an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (the accrual basis of accounting). For example, most revenues are reported when the revenues are legally due, even though they may not be collected for some time after that date; and an obligation to pay a supplier is reported as an expense when the goods or services are received, even though the bill may not be paid until sometime later.

There are two distinct types of activities reflected in the government-wide statements, i.e. governmental activities, and business-type activities. Governmental activities are those supported primarily by taxes and intergovernmental revenues, while business-type activities are those in which all costs (or at least a significant portion of costs) are intended to be recovered through user fees and charges. The governmental activities for the City include General Government (Council, Mayor, City Attorney, Human Resources, Technical Services, Budget, Debt and Grants, Building, Economy, Community, Environment, Planning, Engineering, Finance, Quinns Recreation Complex and Non-departmental); Public Safety (Police and Communications Center); Public Works (Streets, Snow Removal, Parks, Building Maintenance); Library and Recreation. The business-type activities include Water, Transportation and Parking, and Golf.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

The Park City Municipal Building Authority, the Park City Redevelopment Agency and the Park City Housing Authority are chartered under Utah law as separate governmental entities. However, the government-wide financial statements include the financial statements of these entities, since the City Council is the appointed board for all three agencies, and these entities are financially accountable to the City. The government-wide financial statements can be found on pages 23-26 of this report.

**Fund Financial Statements:** The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which the funds are to be spent as well as by how the activities are to be controlled. The three broad categories of funds are: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds** – At the fund level, the focus is on changes in short-term spendable resources and the balance available to spend, rather than the long-term focus used for determining government-wide numbers. Because the focus is so different between fund statements and government-wide statements, reconciliation, between the two types of statements is necessary to understand how the numbers differ. Such reconciliations are provided for the reader on pages 30 and 32. The City has four governmental type funds. These are the general fund, special revenue funds, the debt service funds and the capital projects funds. Five of these are considered major funds: General Fund, Sales Tax Revenue and Refunding Debt Service Fund, Park City General Obligation Debt Service Fund, Capital Projects Improvement Fund and Lower Park Avenue Redevelopment Agency Capital Projects Improvement Fund. The basic governmental fund financial statements can be found on pages 29-33 of this report. A summary of other funds (nonmajor funds) is combined into one “Other Governmental Funds” column. The composition of the nonmajor funds is shown in combining statements later in the report in the supplementary information section on pages 91-101.

- The **General Fund** is used to account for all financial resources of the City that are not accounted for by a separate specialized fund. More specifically, the general fund is used to account for ordinary operations such as collection of tax revenues and general government expenditures. The City adopts an annual appropriated budget for the general fund. On page 33, a budgetary comparison statement has been provided for the general fund to demonstrate budgetary compliance.
- **Special Revenue Funds** are used to account for specific revenue sources that are restricted to expenditures for specific purposes.
- **Debt Service Funds** are used to account for the accumulation of resources for the payment of general obligation bonds, special assessment bonds and sales tax

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

revenue and refunding bonds. Therefore, this fund is set up to accumulate the resources used to pay both the interest and principal on bond debt.

- ***Capital Projects Funds*** are used to account for financial resources to be used for the acquisition or construction of major capital improvements. These funds do not account for capital improvements financed by the proprietary funds.

***Proprietary Funds*** provide the same type of information as the government-wide financial statements, only in more detail. The City uses both enterprise funds and internal service funds. The basic proprietary fund financial statements can be found on pages 35-39 of this report.

- ***Enterprise Funds*** are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City currently operates enterprise funds for the City-owned water system, public transportation system (bus and trolley system), paid parking system and golf course.
- ***Internal Service Funds*** are used to account for the central financing of goods or services provided to various departments of the City or other governments on a cost-reimbursement basis. The City currently has two internal service funds. The Fleet Services Fund provides vehicle storage, repair and maintenance. The Self-Insurance Fund was established to allow the City to supplement its regular insurance coverage. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The combining statements for internal service funds can be found on pages 103-105 of this report.

***Fiduciary Funds*** are used for assets the City receives wherein the City has temporary custody. Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The basic fiduciary fund financial statement can be found on page 41 of this report.

**Notes to the financial statements** contain additional information important to a complete understanding of the information contained in the government-wide and fund financial statements. Notes to the financial statements are located after the basic financial statements as listed in the table of contents.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

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

*Net position* – The following table presents summary information from the Statement of Net Position for the years ended June 30, 2015 and 2014.

**Park City Municipal Corporation**  
**Comparative Summary of Net Position**  
**(in millions of dollars)**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>		<u>Total %</u> <u>Change</u>
	<u>2015</u>	<u>2014*</u>	<u>2015</u>	<u>2014*</u>	<u>2015</u>	<u>2014*</u>	
Current and other assets	\$ 76.8	\$ 72.9	\$ 40.6	\$ 39.0	\$ 117.4	\$ 111.9	4.9%
Capital assets	203.5	187.0	98.4	98.7	301.9	285.7	5.7%
Total assets	<u>280.3</u>	<u>259.9</u>	<u>139.0</u>	<u>137.7</u>	<u>419.3</u>	<u>397.6</u>	<u>5.5%</u>
Total deferred outflows of resources	<u>1.2</u>	<u>0.9</u>	<u>0.4</u>	<u>0.3</u>	<u>1.6</u>	<u>1.2</u>	<u>33.3%</u>
Long-term debt	54.5	44.1	47.1	48.5	101.6	92.6	9.7%
Other liabilities	<u>10.6</u>	<u>10.9</u>	<u>1.8</u>	<u>4.9</u>	<u>12.4</u>	<u>15.8</u>	<u>-21.5%</u>
Total liabilities	<u>65.1</u>	<u>55.0</u>	<u>48.9</u>	<u>53.4</u>	<u>114.0</u>	<u>108.4</u>	<u>5.2%</u>
Total deferred inflows of resources	<u>18.9</u>	<u>17.4</u>	<u>0.2</u>	<u>-</u>	<u>19.1</u>	<u>17.4</u>	<u>9.8%</u>
Net position							
Net investment in capital assets	159.3	150.1	61.1	58.9	220.4	209.0	5.5%
Restricted	12.9	6.9	5.1	5.1	18.0	12.0	50.0%
Unrestricted	<u>25.3</u>	<u>31.4</u>	<u>24.1</u>	<u>20.6</u>	<u>49.4</u>	<u>52.0</u>	<u>-5.0%</u>
Total net position	<u>\$ 197.5</u>	<u>\$ 188.4</u>	<u>\$ 90.3</u>	<u>\$ 84.6</u>	<u>\$ 287.8</u>	<u>\$ 273.0</u>	<u>5.4%</u>

\* Restatement of Fiscal Year 2014 is the result of the City implementing GASB Statement No. 68. In accordance with the Statement the City reported the net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans. The implementation is discussed in more detail in footnote A.7.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2015, the City's assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$287.8 million (net position), compared to \$273.0 million at June 30, 2014. This would indicate an improved financial position in comparison to last fiscal year. Approximately 76.6 percent at June 30, 2015, and 76.5 percent at June 30, 2014, of these amounts are represented by the investment in capital assets, less debt still outstanding relating to acquisition of those assets (see subsections explaining capital assets and debt below). Due to the nature of these assets (long-term assets which are not readily convertible to liquid assets) they are not considered to be available for spending or appropriation. Although the City's investment in capital assets is reported net of related debt, it should be understood that the repayment of this debt

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

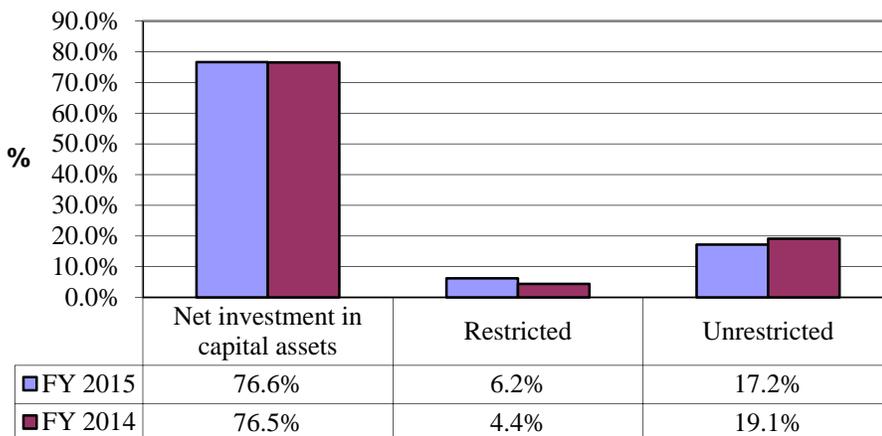
does not come from the capital assets themselves, but comes from other resources. The increase in the City's net investment in capital assets of \$11.4 million was due to the net of routine acquisition of capital assets, repayments of the related debt and depreciation expense.

Restricted net position of \$18.0 million at June 30, 2015, and \$12.0 million at June 30, 2014 represents resources that are subject to external restrictions on how they may be used. The increase in restricted net position of \$6.0 million reflects the net increase in restricted net position due to the drawdown of cash with the fiscal agent. The debt service net increase of \$6.0 million was due to the refunding of the Series 2004 General Obligation Bonds and Series 2005A Sales Tax Revenue and Refunding Bonds and the issuance of the 2014 General Obligation Revenue and Refunding Bonds, 2014A Sales Tax Revenue and Refunding Bonds and 2014B and 2015 Sales Tax Revenue Bonds. The 2014B and 2015 Sales Tax bond proceeds are restricted to the acquisition of open space and financing of certain improvements.

The other sub-classification of net position is unrestricted. The balance of approximately \$49.4 million at June 30, 2015, which is unrestricted, denotes that this amount may be used to meet general, on-going financial obligations without constraints established by debt covenants or other legal requirements. Unrestricted net position decreased \$2.6 million from last fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

The following graph depicts the percentage of restricted and unrestricted net position as discussed above.

**Park City Municipal Corporation**  
**Net Position Percentage**  
**June 30, 2015 and 2014**



**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

**Changes in Net Position** - As taken from the Statement of Activities, the following table depicts the changes in net position for fiscal years 2015 and 2014.

**Park City Municipal Corporation**  
**Summary of Changes in Net Position**  
**(in millions of dollars)**

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2015	2014*	2015	2014*	2015	2014*	
Revenues							
Program Revenues							
Charges for services	\$ 6.2	\$ 5.4	\$ 19.5	\$ 18.1	\$ 25.7	\$ 23.5	9.4%
Operating grants and contributions	0.1	0.2	1.6	1.6	1.7	1.8	-5.6%
Capital grants and contributions	2.5	1.8	4.2	3.3	6.7	5.1	31.4%
General Revenues							
Property Tax	18.1	17.9	-	-	18.1	17.9	1.1%
Other Taxes	17.9	16.7	4.4	4.0	22.3	20.7	7.7%
Investment earnings	0.2	0.3	0.4	0.4	0.6	0.7	-14.3%
Other	1.5	1.6	(0.2)	0.5	1.3	2.1	-38.1%
<b>Total revenues</b>	<b>46.5</b>	<b>43.9</b>	<b>29.9</b>	<b>27.9</b>	<b>76.4</b>	<b>71.8</b>	<b>6.4%</b>
Expenses							
General government	19.2	18.0	-	-	19.2	18.0	6.7%
Public safety	5.3	5.0	-	-	5.3	5.0	6.0%
Public works	7.0	7.0	-	-	7.0	7.0	0.0%
Library and recreation	4.6	4.4	-	-	4.6	4.4	4.5%
Interest on long-term debt	1.3	1.6	-	-	1.3	1.6	-18.8%
Water	-	-	11.9	11.6	11.9	11.6	2.6%
Transportation and parking	-	-	10.8	10.4	10.8	10.4	3.8%
Golf course	-	-	1.5	1.4	1.5	1.4	7.1%
<b>Total expenses</b>	<b>37.4</b>	<b>36.0</b>	<b>24.2</b>	<b>23.4</b>	<b>61.6</b>	<b>59.4</b>	<b>3.7%</b>
Change in net position	9.1	7.9	5.7	4.5	14.8	12.4	19.4%
Net position beginning	188.4	185.8	84.6	81.8	273.0	267.6	2.0%
Adjustment to beginning net position*	-	(5.3)	-	(1.7)	-	(7.0)	0.0%
Net position ending	<b>\$ 197.5</b>	<b>\$ 188.4</b>	<b>\$ 90.3</b>	<b>\$ 84.6</b>	<b>\$ 287.8</b>	<b>\$ 273.0</b>	<b>5.4%</b>

\* The restatement of the beginning net position in Fiscal Year 2014 is the result of the City implementing GASB Statement No. 68. The implementation is discussed in footnote A.7.

Net position increased from governmental activities in fiscal year 2015 approximately \$9.1 million and increased \$2.6 million in fiscal year 2014. The increase is primarily due to the restatement of fiscal year 2014 net position to include the pension liability along with increased charges for services and taxes. Expenses for governmental activities increased \$1.4 million. The reasons for this increase are discussed in the following section for governmental activities.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

Net position increased \$5.7 million in fiscal year 2015 and increased \$2.8 million in 2014 for business-type activities. The revenues for business-type activities increased in charges for services due to the increase in water service rates of 12.0 percent on July 1, 2014. Operating grants and contributions decreased in the Transportation and Parking Fund and capital grants and contributions increased in the Water Fund.

**Revenues** – For the year ended June 30, 2015, the City’s government-wide total revenues are approximately \$76.4 million as compared to the prior year total revenues of \$71.8 million. Key elements of this change were as follows:

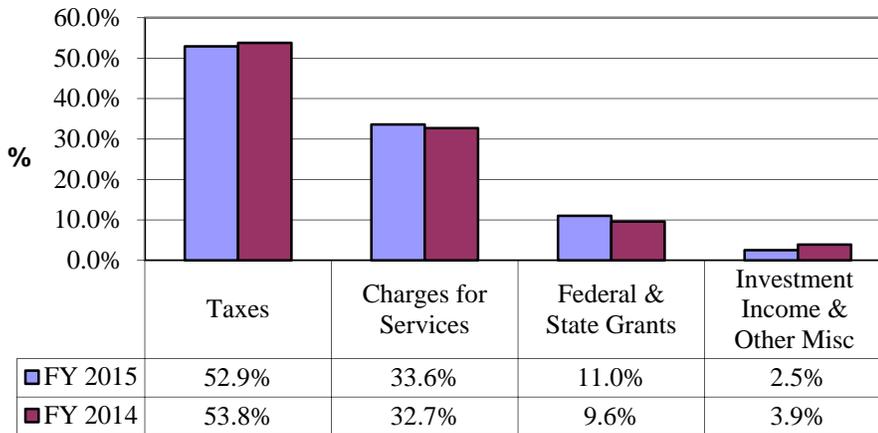
- Of the City’s total revenues, approximately 52.9 percent in fiscal year 2015 and 53.8 percent in fiscal year 2014 resulted from taxes, of which the majority was from general sales and use taxes and resort taxes as shown in the following table:

	<b>Tax Revenues</b>		<b>Total % Change</b>
	<b>2015</b>	<b>2014</b>	
Property tax, levied for general purposes	\$ 12.8	\$ 12.8	0.00%
Property tax, levied for debt service	5.3	5.1	3.92%
General sales and use tax	9.1	8.4	8.33%
Franchise tax	3.1	3.2	-3.13%
Resort tax	10.1	9.1	10.99%
Total	\$ 40.4	\$ 38.6	4.66%

- Charges for services increased in fiscal year 2015 approximately \$2.2 million and increased from 32.7 percent of total revenues in fiscal year 2014 to 33.6 percent in fiscal year 2015. The \$2.2 million increase is due to a combination of increased building permit fees and water service fees.
- Operating and capital contributions and grants increased to 11.0 percent of total revenues in fiscal year 2015 as compared to 9.6 percent in fiscal year 2014. This was a result of an increase in capital grants in the business type activities and governmental activities.
- Investment and other income, which is a combination of interest earnings and changes in the fair value of investments, and other miscellaneous income sources decreased to 2.5 percent of total revenues in fiscal year 2015 from 3.9 percent in fiscal year 2014. Other income decreased \$0.8 million due to a one-time large contribution during fiscal year 2014 combined with a required non-cash interfund transfer from the General Fund to the Water Fund for estimated water usage by City facilities during the fiscal year.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

**Government-Wide Revenues by Source**  
**June 30, 2015 and 2014**



**Expenses** - The City's government-wide total expenses cover a range of services. For the year ended June 30, 2015, the City's total expenses are \$61.6 million compared to the prior year of \$59.4 million. Of the \$2.2 million increase, general government expenses increased \$1.2 million, public safety increased \$0.3 million, library and recreation increased \$0.2 million and interest on long-term debt decreased \$0.3 million. Business-type activities increased \$0.8 million.

**Governmental Activities:**

*Revenue Highlights:*

- Taxes comprise the largest source of revenue for the City's governmental activities: Approximately \$36.0 million or 77.4 percent in fiscal year 2015 and \$34.6 million or 78.8 percent in fiscal year 2014 of total revenues from governmental activities. The \$1.4 million increase is the combination of the increased receipts of sales, resort and property taxes. Of total taxes, real property taxes are approximately \$18.1 million (50.3 percent) in fiscal year 2015 and \$17.9 million (51.7 percent) in fiscal year 2014.
- Charges for services increased to \$6.2 million or 13.4 percent of total revenues in fiscal year 2015 from \$5.4 million or 12.3 percent of total revenues in fiscal year 2014. The increase in 2015 was a result of collecting more building and permit fees.
- Grant and contribution revenue represents approximately \$2.6 million or 5.4 percent in fiscal year 2015 and \$2.0 million or 4.7 percent in fiscal year 2014 of total revenues. The \$0.6 million increase was the result of an increase in capital grants and contributions of \$0.7 million and a decrease of \$0.1 million in operating grants and contributions. The \$0.7 million increase in capital grants was from an increase of \$1.0 million in the State award from the Utah Governor's Office of Economic Development for Main Street improvements along with a decrease of \$0.3 million in Recreation, Arts, and Park Tax Grant.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

*Expense Highlights:*

- General government expenses of \$19.2 million in fiscal year 2015 and \$18.0 million in fiscal year 2014 represented 51.3 percent in fiscal year 2015 and 50.0 percent in fiscal year 2014 of total expenses from governmental activities. General government includes City Council, Mayor, City Attorney, Human Resources, Technical and Customer Services, Budget, Debt and Grants, Building, Economy, Community and Environment, Planning, Engineering, Finance, Quinns Recreation Complex, Lower Park Avenue Redevelopment Agency, Main Street Redevelopment Agency, and Non-departmental.
- Public Works, accounted for approximately \$7.0 million or 18.7 percent in fiscal year 2015 and \$7.0 million or 19.6 percent in fiscal year 2014 of total expenses.
- Public Safety expenses were \$5.3 million or 14.2 percent in fiscal year 2015 and \$5.0 million or 14.0 percent in fiscal year 2014. The increase was primarily due to increases in salaries and benefits along with increases in uniforms and training.
- Library and Recreation expenses were \$4.6 million or 12.4 percent in fiscal year 2015 and \$4.4 million or 12.2 percent in fiscal year 2014. The \$0.2 million increase is the result of increased use of part-time staff and outside consulting services.

As a result, total net expenses that were funded by general revenues were \$28.6 million. Tax revenues of \$36.0 million were sufficient to fund net expenses in fiscal year 2015.

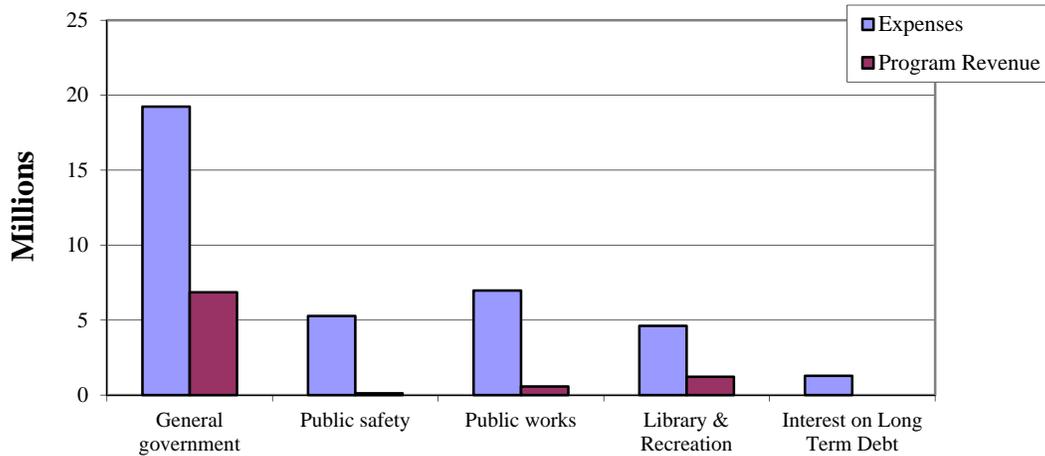
The following presents the costs and net costs (total cost less fees generated by the activities and intergovernmental aid) of the City's programs:

**Park City Municipal Corporation**  
**Costs of Governmental Activities**  
**(in millions of dollars)**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>		<b>Total % Change</b>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
General government	\$ 19.2	\$ 18.0	\$ 12.4	\$ 12.5	-0.8%
Public safety	5.3	5.0	5.1	4.9	4.1%
Public works	7.0	7.0	6.4	6.5	-1.5%
Library and recreation	4.6	4.4	3.4	3.1	9.7%
Interest on long term debt	1.3	1.6	1.3	1.5	-13.3%
<b>Total</b>	<u>\$ 37.4</u>	<u>\$ 36.0</u>	<u>\$ 28.6</u>	<u>\$ 28.5</u>	<u>0.4%</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued  
June 30, 2015**

**Expense and Program Revenue-Governmental Activities\*  
Fiscal Year 2015**



\*Based on Government-Wide Financial Statements. See page 25

**Business-type Activities:**

The City's business-type activities increased net position by \$5.7 million. Key elements of this increase were as follows:

*Revenue Highlights:*

- Charges for services for business-type activities increased approximately \$1.4 million in fiscal year 2015 primarily due to increased water service fees resulting from a 12.0 percent increase in water rates on July 1, 2014.
- Operating and capital grants and contributions increased approximately \$0.9 million from fiscal year 2014 to fiscal year 2015. The \$1.2 million decrease in the Transportation and Parking Fund was due to decreased capital grants from the federal government. The \$2.1 million increase in the Water Fund was due to increased water impact fee collection and increased grant funding from the Environmental Protection Agency.
- Combined general sales and use tax and transit resort tax increased approximately \$0.4 million from fiscal year 2014 to fiscal year 2015. In fiscal year 2015, an increase in visitors to Park City increased sales and resort tax.

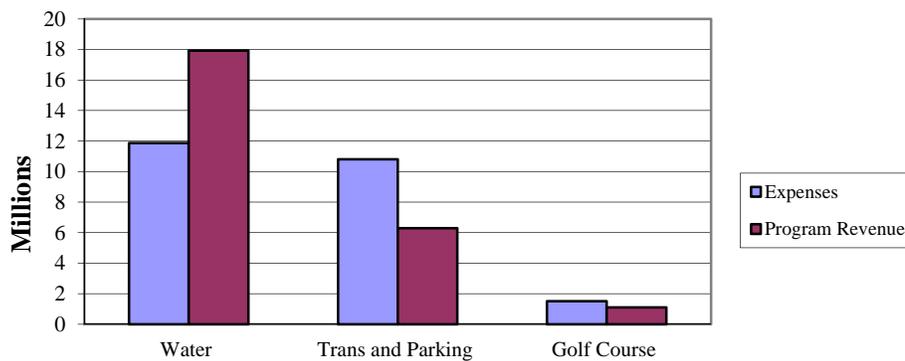
*Expense Highlights:*

- Salaries and benefits increased by \$0.5 million in 2015. The Water Fund accounted for \$0.2 million of the increase. The \$0.3 million increase in the Transportation and Parking Fund was due to an increase in the number of full-time benefitted positions that were previously filled by part-time and seasonal staff.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

- Supplies, maintenance and services decreased by \$0.3 million in fiscal year 2015. The \$0.3 million decrease in the Water Fund was due to a reduction in the use of outside professional consultants and meter supplies.
- Energy and utilities increased by \$0.2 million in fiscal year 2015. This is a result of increased electricity cost at the water pumping stations and increased fuel costs in the Transportation Fund.

**Business Type Funds - Program Revenues and Expenses\***



\*See Page 25

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**Governmental Funds:** The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources available for appropriation. Such information is useful in assessing the City's financing requirements. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the type of restrictions imposed on the use of funds. The City classified fund balances into the following five categories: nonspendable, restricted, committed, assigned and unassigned. In particular, unassigned fund balance is a useful measure of the City's net resources available for spending at the end of the fiscal year. More detailed information about GASB Statement No. 54 is presented in Note A, Section 5, on page 49.

As of June 30, 2015, the aggregate fund balance of the City's governmental funds was \$51.8 million, an increase of \$4.4 million in comparison with the fiscal year ended June 30, 2014. In fiscal year 2015, approximately \$6.8 million or 13.2 percent of this amount is in unassigned fund balance. Unassigned fund balance category is available for appropriation by the City Council at their discretion.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

Restricted fund balance has externally enforceable limitations on use and is not available for new spending. Restricted fund balance is approximately \$12.9 million in fiscal year 2015 and \$6.9 million in fiscal year 2014. Restricted capital improvement funds will be used to pay for several large dollar construction projects in future fiscal years.

The remainder of the fund balance of \$32.1 million is committed. Of the \$32.1 million committed fund balance, \$29.9 million is committed to capital projects and \$2.2 million is committed to debt service. In fiscal year 2014 committed fund balance was approximately \$33.9 million and \$32.3 million was committed to capital projects and \$1.6 million to debt service.

The General Fund is the principal operating fund of the City. Utah State code establishes a 5.0 percent minimum (\$1,492,040) and a 25.0 percent maximum (\$7,460,199) limit to the amount that may be accumulated as the fund balance in the General Fund. As of June 30, 2015 the unassigned fund balance of the General Fund was \$6,836,193 and was \$624,006 below the 25.0 percent limit. The unassigned fund balance increased by \$165,477 in 2015. The unassigned fund balance in fiscal year 2014 increased \$1,155,589.

As of June 30, 2015, the restricted fund balance in the Capital Improvements Fund was \$7.4 million and the committed fund balance was \$25.7 million. In fiscal year 2014 the restricted fund balance was \$6.9 million and the committed fund balance was \$20.4 million. The \$0.5 million increase in restricted fund balance is due to unspent impact fees. The \$5.3 million increase in committed fund balances resulted from decreased capital outlay spending.

As of June 30, 2015, the committed fund balance in the Lower Park Avenue Redevelopment Agency Capital Projects Fund was \$0.6 million. In fiscal year 2014 the committed fund balance was \$8.2 million. The \$7.6 million decrease in committed fund balance resulted from capital outlay spending.

**Proprietary Funds:** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

Net position of the City's enterprise funds totaled approximately \$90.4 million at June 30, 2015, as compared to \$84.6 million at the end of fiscal year 2014. Net position at the end of fiscal year 2015 and 2014 for each of these funds were:

**Park City Municipal Corporation**  
**Proprietary Funds**

<u>Fund</u>	<u>Amount</u>		<u>Change</u>
	<u>2015</u>	<u>2014*</u>	
Water	\$ 48,837,503	\$ 42,974,995	\$ 5,862,508
Transportation and parking	38,317,104	38,334,207	(17,103)
Golf course	3,259,638	3,308,266	(48,628)
Total	<u>\$ 90,414,245</u>	<u>\$ 84,617,468</u>	<u>\$ 5,796,777</u>

\*Restated

The net increase in net position from the prior year was \$5.8 million as compared to an increase of \$2.9 million in fiscal year 2014. Operating revenues increased \$1.4 million as compared to an increase of \$0.9 million in fiscal year 2014. The Water Fund operating revenues increased \$1.0 million. As noted earlier in the discussion of business-type activities, increased water fees resulted from a rate increase of 12.0 percent effective July 1, 2014. The Transportation Fund operating revenues increased \$0.4 million compared to fiscal year 2014. The increase is attributable to increases in parking meter revenue, regional transit, and business licenses. The Golf Fund operating revenues remained the same at \$1.4 million.

Transportation and Parking Fund net investment in capital assets decreased by \$1.5 million in fiscal year 2015 primarily due to routine acquisition and disposition of capital assets net of depreciation expense. Unrestricted net position increased \$1.5 million.

Water Fund net investment in capital assets increased by \$3.9 million, restricted net position remained the same and unrestricted net position increased by \$2.0 million resulting in a net increase of total net position of \$5.9 million. The increase in net investment in capital assets was due to the net of acquisition of capital assets, repayment of related debt, and depreciation expense.

Golf Fund net investment in capital assets decreased \$0.2 million due to depreciation expense. Unrestricted net position increased \$0.2 million due to increased play.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Park City budgets for full-time regular positions at the maximum wage each position could earn for a full 40 hours per week for 52 weeks. However, due to vacant positions and some employees being paid below the maximum allowed for a position, at any given time during the year, the City spends approximately 7.0 percent less than is budgeted for personnel. This is referred to as the vacancy factor. The majority of the adjustments in the budget this fiscal year were due to the vacancy factor.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

Differences between the original budget and the final amended budget for expenditures of \$1.0 million (net increase) can be briefly summarized as follows:

- \$1.5 million increase in appropriations for general government due to required transfer of estimated water usage and vacancy factor allocations.
- \$0.5 million combined decrease in public safety, public works, and library and recreation department budgets due to vacancy factor allocations.

Total actual expenditures came in \$0.9 million below the final budget. All departments kept within their legal spending authority. The differences between actual and the final budget can be briefly summarized as follows:

- The final budget was \$0.7 million more than the actual expenditures in general government. This variance is attributable to spending coming in under budget in outside professional services and health benefits.
- The final budget in public safety was approximately equal to the actual expenditures.
- The final budget was \$0.2 million more than actual expenditures in public works. This variance is attributable to spending coming in under budget in health benefits and utilities.
- The final budget was approximately equal to actual expenditures in library and recreation.

Actual revenues of \$25.9 million were \$1.1 million less than the budgeted revenues of \$27.0 million. See Note L-Budget Reconciliation on page 80 of this report.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets:** The City's investment in capital assets for its governmental and business-type activities totaled \$301.9 million (net of \$169.2 million accumulated depreciation) at June 30, 2015, as compared to \$285.7 million (net of \$159.7 million accumulated depreciation) at June 30, 2014. This investment in capital assets includes land and water rights, buildings, improvements other than buildings, vehicles and equipment, art, intangibles, infrastructure and construction in progress.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

Major capital asset additions during the year ended June 30, 2015 included:

*Governmental Activities:*

- \$8.9 million Library renovation
- \$6.1 million Clark Ranch land
- \$1.8 million Historic Main Street improvements

*Business-type Activities:*

- \$2.5 million Spiro Water Treatment Plant pipeline
- \$1.3 million Wyatt Earp Way waterline

**Park City Municipal Corporation**  
**Capital Assets**  
(net of accumulated depreciation, in millions of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total % Change</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
Land and water rights	\$ 109.8	\$ 101.6	\$ 20.3	\$ 20.3	\$ 130.1	\$ 121.9	6.7%
Infrastructure	108.4	107.3	-	-	108.4	107.3	1.0%
Buildings	43.0	37.1	17.3	17.3	60.3	54.4	10.8%
Art	0.6	0.6	0.1	0.1	0.7	0.7	0.0%
Improvements other than buildings	36.7	35.3	81.1	78.8	117.8	114.1	3.2%
Vehicles and equipment	12.5	10.3	22.2	22.1	34.7	32.4	7.1%
Construction in progress	6.0	3.5	7.1	5.3	13.1	8.8	48.9%
Intangibles	5.9	5.7	0.1	0.1	6.0	5.8	3.4%
Accumulated depreciation	(119.4)	(114.4)	(49.8)	(45.3)	(169.2)	(159.7)	5.9%
Total Assets	<u>\$ 203.5</u>	<u>\$ 187.0</u>	<u>\$ 98.4</u>	<u>\$ 98.7</u>	<u>\$ 301.9</u>	<u>\$ 285.7</u>	<u>5.7%</u>

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

**Long-term Debt:** At June 30, 2015, the City had \$98.9 million in bonds and contracts payable, an increase of 7.9 percent from fiscal year 2014. Of this amount \$29.3 million is considered to be general obligation debt and backed by the full faith and credit of the City. Debt that is secured solely by specific revenue sources is \$69.6 million.

The City's general obligation bonds Series 2013A and 2013B are rated Aa1 by Moody's, AA+ by Standard and Poor's and AA+ by Fitch. Standard and Poor's has assigned a rating of "AA-" to the most recent Series 2015 Sales Tax Revenue Bonds. The City's 2013 and 2014 Water Revenue Bonds are rated Aa2 by Moody's and AA by Standard and Poor's. The City's long-term obligations for the fiscal years 2015 and 2014 were as follows:

**PARK CITY MUNICIPAL CORPORATION, UTAH  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued  
June 30, 2015**

**Park City Municipal Corporation  
Debt Outstanding  
(in millions of dollars)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		Total % Change
	2015	2014	2015	2014	2015	2014	
Contracts payable	\$ 0.1	\$ 2.7	\$ -	\$ -	\$ 0.1	\$ 2.7	-96.3%
General obligation bonds	29.3	33.0	-	-	29.3	33.0	-11.2%
Revenue bonds	24.3	7.8	45.2	48.2	69.5	56.0	24.1%
Total debt	<u>\$ 53.7</u>	<u>\$ 43.5</u>	<u>\$ 45.2</u>	<u>\$ 48.2</u>	<u>\$ 98.9</u>	<u>\$ 91.7</u>	<u>7.9%</u>

The State of Utah mandates a general obligation debt limit to 4.0 percent of total assessed value of \$7,342,473,351. The current limitation for the City is \$293,698,934, which is significantly in excess of the City's outstanding general obligation debt. The City's net debt subject to this limitation was \$29,298,159 or 0.4 percent of total assessed value leaving the amount available for future indebtedness at \$264,400,775. See Schedule 17 on page 126 of this report.

More detailed information about the City's long-term liabilities is presented in Note E-Long-term Obligations on pages 59-72 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

- The unemployment rate for Summit County (of which Park City is the largest city) was 3.2 percent compared with the State unemployment rate of 3.7 percent, and a national rate of 5.1 percent. This compares with a rate of 3.1 percent for Summit County in 2014. (Sources: Utah Dept. of Workforce Services and Bureau of Labor Statistics)
- The fiscal year 2016 City budget does not include a property tax increase. The City Council recently adopted the certified tax rate for the General Fund. In accordance with Utah Statutes, the certified tax rate is intended to generate the same amount of property tax revenue as was received the prior year plus revenue for "new growth" occurring in the City. All other revenue sources have been estimated on a conservative basis using a multi-year trend analysis and assuming no significant changes in the local economy. The City's approach to budgeting includes preparation of a five-year capital plan. The long-term nature of the City's financial planning system allows decision makers to better understand the true effect of policy decisions. One of the most powerful aspects of the multi-year financial planning is its capability to recognize trends over time and begin at an early point to consider the necessary steps to alter the long-term forecasted position of the City.
- The rates and fees for most services remained constant for fiscal year 2016 compared with the fiscal year just ended except a new water pumping surcharge fee

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued**  
**June 30, 2015**

of \$0.00 - \$2.25/kgal, depending on elevation, was added in the Water Fund effective July 1, 2015. The City anticipates rate increases each year over the next several years in order to provide adequate working capital necessary to maintain the water system, pay debt service and comply with the rate-covenant contained in the City's water revenue bond issue.

**Contacting City Management**

This financial report is designed to give its readers a general overview of the City's finances. Questions regarding any information contained in this report or requests for additional financial information should be addressed to Park City Municipal Corporation, Finance and Accounting Department at P.O. Box 1480, Park City, Utah 84060-1480.

**BASIC FINANCIAL  
STATEMENTS**

**Park City Municipal Corporation, Utah**  
**Statement of Net Position**  
**June 30, 2015**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 42,528,873	\$ 32,379,787	\$ 74,908,660
Restricted cash and cash equivalents, fiscal agent	5,449,253	5,104,841	10,554,094
Restricted cash, cash equivalents and investments, other	7,418,529	-	7,418,529
Receivables:			
Taxes	20,218,244	412,959	20,631,203
Accounts	237,726	1,928,512	2,166,238
Notes	320,284	-	320,284
Internal balances	161,137	(161,137)	-
Inventories	480,265	447,713	927,978
Prepays	-	515,520	515,520
Capital assets not being depreciated:			
Land and water rights	109,764,201	20,270,189	130,034,390
Construction in progress	5,971,118	7,047,575	13,018,693
Art	601,356	109,214	710,570
Capital assets (net of accumulated depreciation):			
Buildings	31,827,283	11,843,335	43,670,618
Improvements other than buildings	19,225,657	48,387,756	67,613,413
Vehicles and equipment	5,455,188	10,668,648	16,123,836
Infrastructure	25,053,552	-	25,053,552
Intangibles	5,629,225	62,642	5,691,867
Net pension asset	18,486	4,352	22,838
Total assets	<u>280,360,377</u>	<u>139,021,906</u>	<u>419,382,283</u>
<b>Deferred outflows of resources</b>			
Deferred charge on refunding	-	15,227	15,227
Deferred outflows of resources related to pensions	1,182,201	415,797	1,597,998
Total deferred outflows of resources	<u>\$ 1,182,201</u>	<u>\$ 431,024</u>	<u>\$ 1,613,225</u>

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

**Park City Municipal Corporation, Utah**  
**Statement of Net Position**  
**June 30, 2015**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Accounts payable	\$ 3,419,022	\$ 1,394,638	\$ 4,813,660
Accrued liabilities	2,327,111	380,549	2,707,660
Long-term debt due within one year:			
Compensated absences	275,786	116,193	391,979
Contract payable	93,024	-	93,024
General obligation bonds	3,215,000	-	3,215,000
Revenue bonds	1,810,000	2,880,000	4,690,000
Long-term debt due in more than one year:			
Compensated absences	473,319	143,567	616,886
General obligation bonds	26,083,159	-	26,083,159
Revenue bonds	22,524,866	42,304,477	64,829,343
Net pension liability	4,880,029	1,716,227	6,596,256
Total liabilities	<u>65,101,316</u>	<u>48,935,651</u>	<u>114,036,967</u>
<b>Deferred inflows of resources</b>			
Property taxes	17,553,354	-	17,553,354
Deferred gain on refunding	529,450	-	529,450
Deferred inflows of resources related to pensions	812,531	237,279	1,049,810
Total deferred inflows of resources	<u>18,895,335</u>	<u>237,279</u>	<u>19,132,614</u>
<b>Net Position</b>			
Net investment in capital assets	159,315,342	61,064,884	220,380,226
Restricted for:			
Debt service	88,037	5,104,841	5,192,878
Capital projects	12,779,745	-	12,779,745
Other	47,201	-	47,201
Unrestricted	25,315,602	24,110,275	49,425,877
<b>Total net position</b>	<u><u>\$ 197,545,927</u></u>	<u><u>\$ 90,280,000</u></u>	<u><u>\$ 287,825,927</u></u>

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

**Park City Municipal Corporation, Utah**  
**Statement of Activities**  
**For the Year Ended June 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 19,233,343	\$ 4,718,626	\$ 3,047	\$ 2,131,024	\$ (12,380,646)
Public safety	5,270,197	-	106,775	5,000	(5,158,422)
Public works	6,967,243	224,820	-	343,215	(6,399,208)
Library and recreation	4,618,338	1,210,362	12,044	-	(3,395,932)
Interest on long-term debt	1,285,952	-	-	-	(1,285,952)
Total governmental activities	<u>37,375,073</u>	<u>6,153,808</u>	<u>121,866</u>	<u>2,479,239</u>	<u>(28,620,160)</u>
Business-type activities:					
Water	11,870,125	14,176,728	-	3,749,226	6,055,829
Transportation and parking	10,804,211	4,255,752	1,602,990	436,972	(4,508,497)
Golf course	1,512,330	1,105,882	-	-	(406,448)
Total business-type activities	<u>24,186,666</u>	<u>19,538,362</u>	<u>1,602,990</u>	<u>4,186,198</u>	<u>1,140,884</u>
Total primary government	<u>\$ 61,561,739</u>	<u>\$ 25,692,170</u>	<u>\$ 1,724,856</u>	<u>\$ 6,665,437</u>	<u>\$ (27,479,276)</u>

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

**Park City Municipal Corporation, Utah**  
**Statement of Activities**  
**For the Year Ended June 30, 2015**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Changes in net position:			
Net (expense) revenue	\$ (28,620,160)	\$ 1,140,884	\$ (27,479,276)
General revenues:			
Property tax, levied for general purposes	12,809,892	-	12,809,892
Property tax, levied for debt service	5,321,592	-	5,321,592
General sales and use tax	4,731,904	4,398,879	9,130,783
Franchise tax	3,061,207	-	3,061,207
Resort tax	10,066,040	-	10,066,040
Investment earnings	261,735	367,709	629,444
Miscellaneous	804,286	506,817	1,311,103
Transfers	715,000	( 715,000)	-
Total general revenues	<u>37,771,656</u>	<u>4,558,405</u>	<u>42,330,061</u>
Change in net position	<u>9,151,496</u>	<u>5,699,289</u>	<u>14,850,785</u>
Net position—beginning, as previously reported	193,666,214	86,277,732	279,943,946
Adjustment	<u>(5,271,783)</u>	<u>(1,697,021)</u>	<u>(6,968,804)</u>
Net position—beginning, as adjusted	<u>188,394,431</u>	<u>84,580,711</u>	<u>272,975,142</u>
Net position—end of year	<u>\$ 197,545,927</u>	<u>\$ 90,280,000</u>	<u>\$ 287,825,927</u>

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

**Park City Municipal Corporation**

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# GOVERNMENTAL FUNDS

## FINANCIAL STATEMENTS

### Major Funds

**General Fund** - Accounts for all activities not accounted for by other funds of the City. The General Fund accounts for the normal recurring activities of the City, (*i.e.*, police, public works, library, recreation, general government, *etc.*). The principal sources of revenue for this fund are property taxes, sales and use taxes and franchise taxes.

**Debt Service - Sales Tax Revenue and Refunding Bonds Fund** - Accounts for the accumulation of money for the repayment of the 2010, 2014A and B and 2015 Sales Tax Revenue and Refunding Bonds.

**Debt Service - Park City General Obligation Fund** - Accounts for the accumulation of money for the repayment of the 2008, 2009, 2010, 2013 and 2014 General Obligation Bonds. The principal source of revenue is property tax.

**Capital Projects - Capital Improvements Fund** - Accounts for the acquisition or construction of major capital projects not accounted for in the proprietary funds. The Capital Improvements Fund is used to account for capital projects of the City's general government.

**Capital Projects - Lower Park Avenue Redevelopment Agency Fund** - Accounts for the acquisition or construction of capital projects in the Lower Park Avenue Redevelopment area.

**Park City Municipal Corporation, Utah**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	General	Debt Service -Sales Tax Revenue and Refunding	Debt Service - Park City General Obligation	Capital Projects - Capital Improvements Fund	Capital Projects - Lower Park Avenue Redevelop- ment Agency	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash, cash equivalents and investments	\$ 6,791,627	\$ 1,078,694	\$ 964,344	\$ 26,446,981	\$ 1,563,714	\$ 3,836,588	\$ 40,681,948
Restricted cash, cash equivalents and investments, fiscal agent	-	5,449,073	180	-	-	-	5,449,253
Restricted cash, cash equivalents and investments, other	-	-	-	7,418,529	-	-	7,418,529
Receivables							
Taxes	11,052,516	-	4,291,436	416,979	-	3,698,402	19,459,333
Accounts	22,341	-	-	121,442	594	164	144,541
Notes	10,000	-	-	310,284	-	-	320,284
Interfund loan	-	-	-	26,892	-	-	26,892
Other assets	39,941	-	-	-	-	-	39,941
Total assets	<u>\$ 17,916,425</u>	<u>\$ 6,527,767</u>	<u>\$ 5,255,960</u>	<u>\$ 34,741,107</u>	<u>\$ 1,564,308</u>	<u>\$ 7,535,154</u>	<u>\$ 73,540,721</u>
<b>Liabilities</b>							
Accounts payable	\$ 728,737	\$ -	\$ 500	\$ 1,304,913	\$ 1,001,778	\$ 17,856	\$ 3,053,784
Accrued liabilities	715,977	-	-	-	-	-	715,977
Total liabilities	<u>1,444,714</u>	<u>-</u>	<u>500</u>	<u>1,304,913</u>	<u>1,001,778</u>	<u>17,856</u>	<u>3,769,761</u>
<b>Deferred inflows of resources</b>							
Unavailable revenue-property tax	9,578,317	-	4,291,436	-	-	3,683,601	17,553,354
Unavailable revenue-notes	10,000	-	-	337,176	-	-	347,176
Total deferred inflows of resources	<u>9,588,317</u>	<u>-</u>	<u>4,291,436</u>	<u>337,176</u>	<u>-</u>	<u>3,683,601</u>	<u>17,900,530</u>
<b>Fund Balances</b>							
Restricted:							
Capital projects	-	5,361,216	-	7,418,529	-	-	12,779,745
Debt service	-	87,857	180	-	-	-	88,037
Drug and tobacco enforcement	47,201	-	-	-	-	-	47,201
Committed:							
Capital projects funds	-	-	-	25,680,489	562,530	3,639,721	29,882,740
Debt service funds	-	1,078,694	963,844	-	-	193,976	2,236,514
Unassigned	6,836,193	-	-	-	-	-	6,836,193
Total fund balances	<u>6,883,394</u>	<u>6,527,767</u>	<u>964,024</u>	<u>33,099,018</u>	<u>562,530</u>	<u>3,833,697</u>	<u>51,870,430</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 17,916,425</u>	<u>\$ 6,527,767</u>	<u>\$ 5,255,960</u>	<u>\$ 34,741,107</u>	<u>\$ 1,564,308</u>	<u>\$ 7,535,154</u>	<u>\$ 73,540,721</u>

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

**Park City Municipal Corporation, Utah**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2015**

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>		<b>\$ 51,870,430</b>
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		203,527,580
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Taxes receivable	758,911	
Interest receivable	19,251	
Net pension asset	18,132	796,294
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		1,818,998
Certain items not accounted for as unavailable under accrual accounting.		347,176
Pollution remediation liability not reported in the funds.		(1,384,500)
Long-term liabilities, including bonds payable and net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of:		
Compensated absences	(693,433)	
Revenue bonds	(23,115,000)	
General obligation bonds	(28,850,000)	
Contracts payable	(93,024)	
Deferred bond premiums and discounts	(1,668,025)	
Deferred gain on debt refunding	(529,450)	
Accrued interest on the bonds	(192,010)	
Net pension liability	(4,645,850)	(59,786,792)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	1,130,772	
Deferred inflows of resources related to pensions	(774,031)	356,741
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>		<b>\$ 197,545,927</b>

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

**Park City Municipal Corporation, Utah**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**

	General	Debt Service - Sales Tax Revenue and Refunding	Debt Service - Park City General Obligation	Capital Improvements Fund	Lower Park Avenue Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes and special assessments	\$ 19,738,574	\$ -	\$ 5,321,592	\$ 7,389,182	\$ -	\$ 820,031	\$ 33,269,379
Licenses and permits	3,025,886	-	-	-	-	-	3,025,886
Intergovernmental	111,775	-	-	2,489,330	-	2,745,318	5,346,423
Charges for services	2,071,230	-	-	-	-	-	2,071,230
Fines and forfeitures	14,206	-	-	-	-	-	14,206
Investment income	67,526	4,669	252	187,409	( 8,451)	10,330	261,735
Impact fees	-	-	-	817,666	-	-	817,666
Rental and other miscellaneous	910,904	-	65,705	1,882,713	-	13,857	2,873,179
Total revenues	<u>25,940,101</u>	<u>4,669</u>	<u>5,387,549</u>	<u>12,766,300</u>	<u>(8,451)</u>	<u>3,589,536</u>	<u>47,679,704</u>
<b>Expenditures</b>							
Current							
General government	13,653,938	-	-	-	-	-	13,653,938
Public safety	4,953,544	-	-	-	-	-	4,953,544
Public works	4,718,959	-	-	-	-	-	4,718,959
Library and recreation	3,495,302	-	-	-	-	-	3,495,302
Capital outlay	-	-	-	16,130,464	9,397,780	1,086,017	26,614,261
Economic development	-	-	-	-	-	405,435	405,435
Debt service							
Principal	-	8,350,000	7,150,000	2,586,533	-	-	18,086,533
Interest	-	383,012	1,132,350	13,467	-	-	1,528,829
Bond issuance costs	-	429,373	74,606	-	-	-	503,979
Total expenditures	<u>26,821,743</u>	<u>9,162,385</u>	<u>8,356,956</u>	<u>18,730,464</u>	<u>9,397,780</u>	<u>1,491,452</u>	<u>73,960,780</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(881,642)</u>	<u>(9,157,716)</u>	<u>(2,969,407)</u>	<u>(5,964,164)</u>	<u>(9,406,231)</u>	<u>2,098,084</u>	<u>(26,281,076)</u>
<b>Other financing sources (uses)</b>							
Debt issuance	-	16,975,000	-	-	-	-	16,975,000
Refunding bonds issued	-	6,725,000	3,385,000	-	-	-	10,110,000
Premium on debt issuance	-	773,546	-	-	-	-	773,546
Premium on refunding bonds	-	518,996	154,845	-	-	-	673,841
Sale of capital assets	-	-	-	-	-	23,811	23,811
Transfers in	2,166,534	1,597,045	-	12,069,371	2,070,548	1,825,247	19,728,745
Transfers out	( 1,118,616)	( 12,069,371)	-	( 251,079)	( 326,938)	(3,851,207)	( 17,617,211)
Total other financing sources (uses)	<u>1,047,918</u>	<u>14,520,216</u>	<u>3,539,845</u>	<u>11,818,292</u>	<u>1,743,610</u>	<u>(2,002,149)</u>	<u>30,667,732</u>
<b>Change in fund balances</b>	<u>166,276</u>	<u>5,362,500</u>	<u>570,438</u>	<u>5,854,128</u>	<u>(7,662,621)</u>	<u>95,935</u>	<u>4,386,656</u>
<b>Fund balances - beginning</b>	<u>6,717,118</u>	<u>1,165,267</u>	<u>393,586</u>	<u>27,244,890</u>	<u>8,225,151</u>	<u>3,737,762</u>	<u>47,483,774</u>
<b>Fund balances - ending</b>	<u>\$ 6,883,394</u>	<u>\$ 6,527,767</u>	<u>\$ 964,024</u>	<u>\$ 33,099,018</u>	<u>\$ 562,530</u>	<u>\$ 3,833,697</u>	<u>\$ 51,870,430</u>

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

**Park City Municipal Corporation, Utah**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2015**

<b>Change in fund balances—total governmental funds</b>		<b>\$ 4,386,656</b>
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital outlay	22,805,130	
Depreciation expense	<u>(6,005,109)</u>	16,800,021
<p>In the statement of activities, only the gain or (loss) on the sale of capital assets is reported, whereas in the governmental funds, proceeds from sales increase financial resources.</p>		
		(351,247)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
Taxes receivable	(2,681)	
Interest receivable	(1,348)	
Unavailable revenue	<u>(1,293,446)</u>	(1,297,475)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Premiums and discounts associated with the issuance of debt are reported as other financing sources (uses) in the governmental funds, but in the statement of activities they are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position.</p>		
Issuance of long-term debt	(27,085,000)	
Principal repayments on long-term debt	18,086,533	
Capitalization of premiums and discounts	(1,447,387)	
Amortization of bond premiums and discounts	234,046	
Capitalization of deferred inflows-gain on debt refunding	<u>(560,000)</u>	(10,771,808)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
		(75,528)
<p>Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
Pension contributions	2,104,465	
Actuarial calculated pension expense	<u>(1,321,944)</u>	782,521
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. Internal service fund net loss of (\$419,133) less amount allocated to business-type activities of \$134,245 and reversal of prior year allocation of \$36,756.</p>		
		<u>(321,644)</u>
<b>Change in net position of governmental activities</b>		<b><u>\$ 9,151,496</u></b>

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

**Park City Municipal Corporation, Utah**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes				
General property tax	\$ 9,520,000	\$ 9,520,000	\$ 8,578,125	\$ (941,875)
Delinquent taxes	565,000	565,000	690,480	125,480
General sales and use taxes	4,229,802	4,229,802	4,731,904	502,102
Franchise taxes	3,277,000	3,439,000	3,061,207	(377,793)
Resort taxes	3,017,844	3,017,844	2,676,858	(340,986)
Licenses and permits				
Business licenses	432,000	432,000	412,605	( 19,395)
Building permits	949,000	1,602,000	1,572,515	( 29,485)
Plan application fees	152,000	244,000	157,925	( 86,075)
Building fees	434,000	748,000	845,976	97,976
Other	42,000	42,000	36,865	( 5,135)
Intergovernmental				
Federal contribution	60,000	60,000	44,557	( 15,443)
State liquor allotment	62,000	62,000	60,615	( 1,385)
State contributions	10,000	11,000	6,603	( 4,397)
County contributions	10,000	-	-	-
Charges for services				
Recreational service fees	2,074,500	2,041,000	1,933,402	( 107,598)
Reimbursable services	92,000	76,000	99,640	23,640
Cemetery fees and plot sales	25,000	25,000	35,590	10,590
Miscellaneous services	1,000	1,000	2,598	1,598
Fines and forfeitures	27,000	30,000	14,206	( 15,794)
Miscellaneous	816,000	816,000	910,904	94,904
Investment income	79,000	79,000	67,526	( 11,474)
Total revenues	<u>25,875,146</u>	<u>27,040,646</u>	<u>25,940,101</u>	<u>(1,100,545)</u>
<b>Expenditures:</b>				
General government	12,888,587	14,341,053	13,653,938	687,115
Public safety	5,179,399	5,008,481	4,953,544	54,937
Public works	5,051,608	4,900,791	4,718,959	181,832
Library and recreation	3,657,356	3,498,726	3,495,302	3,424
Total expenditures	<u>26,776,950</u>	<u>27,749,051</u>	<u>26,821,743</u>	<u>927,308</u>
(Deficiency) of revenues (under) expenditures	<u>(901,804)</u>	<u>(708,405)</u>	<u>(881,642)</u>	<u>(173,237)</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,451,534	2,166,534	2,166,534	-
Transfers out	<u>(1,130,247)</u>	<u>(1,118,616)</u>	<u>(1,118,616)</u>	<u>-</u>
Total other financing sources	<u>321,287</u>	<u>1,047,918</u>	<u>1,047,918</u>	<u>-</u>
<b>Change in fund balance</b>	(580,517)	339,513	166,276	(173,237)
<b>Fund balance - beginning</b>	<u>6,576,854</u>	<u>6,631,526</u>	<u>6,717,118</u>	<u>85,592</u>
<b>Fund balance - ending</b>	<u>\$ 5,996,337</u>	<u>\$ 6,971,039</u>	<u>\$ 6,883,394</u>	<u>\$ (87,645)</u>

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

# PROPRIETARY FUNDS

## Major Funds

**Water Fund** - Accounts for the operations of the City's water utility.

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

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

**Park City Municipal Corporation, Utah**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	<b>Business-type Activities-Enterprise Funds</b>				<b>Governmental</b>
	<b>Water Fund</b>	<b>Transportation and Parking Fund</b>	<b>Golf Course Fund</b>	<b>Total Enterprise Funds</b>	<b>Activities- Internal Service Funds</b>
<b>Assets</b>					
<b>Current assets:</b>					
Cash, cash equivalents and investments	\$ 11,976,787	\$ 19,891,189	\$ 511,811	\$ 32,379,787	\$ 1,846,925
Restricted cash and cash equivalents, fiscal agent	5,104,841	-	-	5,104,841	-
Taxes receivable	-	412,959	-	412,959	-
Accounts receivable	1,448,147	480,106	259	1,928,512	62,584
Inventories	342,130	21,563	84,020	447,713	440,324
Prepays	515,520	-	-	515,520	-
Total current assets	<u>19,387,425</u>	<u>20,805,817</u>	<u>596,090</u>	<u>40,789,332</u>	<u>2,349,833</u>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
Land and water rights	17,693,589	1,748,149	828,451	20,270,189	-
Buildings	480,000	15,185,263	1,671,486	17,336,749	-
Improvements other than buildings	75,303,845	4,072,699	1,728,630	81,105,174	-
Art	-	109,214	-	109,214	-
Vehicles and equipment	8,420,914	12,274,676	1,545,201	22,240,791	47,450
Construction in progress	7,047,575	-	-	7,047,575	-
Intangible	27,810	58,645	-	86,455	-
Accumulated depreciation and amortization	<u>( 32,436,113)</u>	<u>( 14,556,423)</u>	<u>( 2,814,252)</u>	<u>( 49,806,788)</u>	<u>( 47,450)</u>
Total capital assets (net of accumulated depreciation and amortization)	<u>76,537,620</u>	<u>18,892,223</u>	<u>2,959,516</u>	<u>98,389,359</u>	<u>-</u>
Net pension asset	1,436	2,715	201	4,352	354
Total assets	<u>95,926,481</u>	<u>39,700,755</u>	<u>3,555,807</u>	<u>139,183,043</u>	<u>2,350,187</u>
<b>Deferred outflows of resources</b>					
Deferred charge on refunding	15,227	-	-	15,227	-
Deferred outflows of resources related to pensions	174,727	218,292	22,778	415,797	51,429
Total deferred outflows of resources	<u>189,954</u>	<u>218,292</u>	<u>22,778</u>	<u>431,024</u>	<u>51,429</u>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	958,031	357,967	78,640	1,394,638	365,238
Accrued liabilities	194,663	120,237	65,649	380,549	23,274
<b>Current portion of long-term debt</b>					
Interfund loan	-	-	26,892	26,892	-
Compensated absences	40,310	69,207	6,676	116,193	8,927
Revenue bonds	2,880,000	-	-	2,880,000	-
Total current liabilities	<u>4,073,004</u>	<u>547,411</u>	<u>177,857</u>	<u>4,798,272</u>	<u>397,439</u>
<b>Noncurrent liabilities:</b>					
Compensated absences	52,676	70,675	20,216	143,567	46,745
Revenue bonds	42,304,477	-	-	42,304,477	-
Net pension liability	744,362	868,775	103,090	1,716,227	234,179
Total noncurrent liabilities	<u>43,101,515</u>	<u>939,450</u>	<u>123,306</u>	<u>44,164,271</u>	<u>280,924</u>
Total liabilities	<u>47,174,519</u>	<u>1,486,861</u>	<u>301,163</u>	<u>48,962,543</u>	<u>678,363</u>
<b>Deferred inflows of resources</b>					
Deferred inflows of resources related to pensions	104,413	115,082	17,784	237,279	38,500
Total deferred inflows of resources	<u>104,413</u>	<u>115,082</u>	<u>17,784</u>	<u>237,279</u>	<u>38,500</u>
<b>Net Position</b>					
Net investment in capital assets	39,213,145	18,892,223	2,959,516	61,064,884	-
Restricted for debt service	5,104,841	-	-	5,104,841	-
Unrestricted	4,519,517	19,424,881	300,122	24,244,520	1,684,753
<b>Total net position</b>	<u>\$ 48,837,503</u>	<u>\$ 38,317,104</u>	<u>\$ 3,259,638</u>	<u>\$ 90,414,245</u>	<u>\$ 1,684,753</u>

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

**Park City Municipal Corporation, Utah**  
**Reconciliation of the Statement of Net Position of the Proprietary Funds**  
**to the Statement of Net Position**  
**June 30, 2015**

**TOTAL NET POSITION - PROPRIETARY FUNDS** \$ 90,414,245

Amounts reported for business-type activities in the statement of net position are different because:

Certain internal service fund assets and liabilities are included with business-type activities. (134,245)

**Total net position - business-type activities** \$ 90,280,000

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

**Park City Municipal Corporation, Utah**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	<b>Business-type Activities-Enterprise Funds</b>				<b>Governmental Activities- Internal Service Funds</b>
	<b>Water Fund</b>	<b>Transportation and Parking Fund</b>	<b>Golf Course Fund</b>	<b>Total Enterprise Funds</b>	
<b>Operating revenues</b>					
Charges for services	\$ 14,176,728	\$ 4,255,752	\$ 1,105,882	\$ 19,538,362	\$ 3,449,927
Miscellaneous	-	-	341,712	341,712	-
<b>Total operating revenues</b>	<u>14,176,728</u>	<u>4,255,752</u>	<u>1,447,594</u>	<u>19,880,074</u>	<u>3,449,927</u>
<b>Operating expenses</b>					
Salaries and benefits	2,275,350	4,746,654	727,967	7,749,971	802,914
Supplies, maintenance and services	3,584,164	2,720,925	386,022	6,691,111	2,071,613
Energy and utilities	990,923	1,163,232	52,996	2,207,151	994,533
Depreciation and amortization	2,814,847	1,525,786	255,238	4,595,871	-
<b>Total operating expenses</b>	<u>9,665,284</u>	<u>10,156,597</u>	<u>1,422,223</u>	<u>21,244,104</u>	<u>3,869,060</u>
Operating income (loss)	<u>4,511,444</u>	<u>( 5,900,845)</u>	<u>25,371</u>	<u>( 1,364,030)</u>	<u>( 419,133)</u>
<b>Nonoperating revenues (expenses)</b>					
Intergovernmental	-	1,630,990	-	1,630,990	-
Transit and resort sales tax	-	4,398,879	-	4,398,879	-
Investment income	278,565	85,904	3,240	367,709	-
Interest expense	( 1,464,867)	-	( 692)	( 1,465,559)	-
Miscellaneous	165,105	-	-	165,105	-
Gain on sale of capital assets	11,575	3,420	2,025	17,020	-
<b>Total nonoperating revenues     (expenses)</b>	<u>( 1,009,622)</u>	<u>6,119,193</u>	<u>4,573</u>	<u>5,114,144</u>	<u>-</u>
Income (loss) before contributions and transfers	3,501,822	218,348	29,944	3,750,114	( 419,133)
Capital contributions	3,749,226	408,972	-	4,158,198	-
Transfers in	-	-	25,000	25,000	-
Transfers out	( 1,388,540)	( 644,423)	( 103,571)	( 2,136,534)	-
<b>Change in net position</b>	<u>5,862,508</u>	<u>( 17,103)</u>	<u>( 48,627)</u>	<u>5,796,778</u>	<u>( 419,133)</u>
<b>Net position - beginning, as previously reported</b>	43,660,945	39,246,772	3,406,771	86,314,488	2,322,171
Adjustment	( 685,950)	( 912,565)	( 98,506)	( 1,697,021)	( 218,285)
<b>Net position - beginning, as adjusted</b>	<u>42,974,995</u>	<u>38,334,207</u>	<u>3,308,265</u>	<u>84,617,467</u>	<u>2,103,886</u>
<b>Net position - ending</b>	<u>\$ 48,837,503</u>	<u>\$ 38,317,104</u>	<u>\$ 3,259,638</u>	<u>\$ 90,414,245</u>	<u>\$ 1,684,753</u>

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

**Park City Municipal Corporation, Utah**  
**Reconciliation of the Statement of Revenues, Expenses and Changes in Net Position**  
**to the Statement of Activities**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

**CHANGE IN NET POSITION - PROPRIETARY FUNDS** \$ 5,796,778

Amounts reported for business-type activities in the statement of activities are different because:

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. Internal service fund net loss of (\$419,133) plus amount allocated to governmental activities of \$284,888 and reversal of prior year allocation of \$36,756. (97,489)

**Change in net position of business-type activities** \$ 5,699,289

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

**Park City Municipal Corporation, Utah**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	<b>Business-type Activities-Enterprise Funds</b>				<b>Governmental Activities- Internal Service Funds</b>
	<b>Water Fund</b>	<b>Transportation and Parking Fund</b>	<b>Golf Course Fund</b>	<b>Total Enterprise Funds</b>	
<b>Cash flows from operating activities</b>					
Receipts from customers	\$ 14,462,634	\$ 4,210,414	\$ 1,447,376	\$ 20,120,424	\$ 3,461,839
Payments to suppliers	( 5,286,932)	( 4,182,266)	( 423,934)	( 9,893,132)	( 2,779,447)
Payments to employees	( 2,263,576)	( 4,862,491)	( 721,783)	( 7,847,850)	( 782,933)
Net cash provided by (used in) operating activities	<u>6,912,126</u>	<u>( 4,834,343)</u>	<u>301,659</u>	<u>2,379,442</u>	<u>( 100,541)</u>
<b>Cash flows from noncapital financing activities</b>					
Transfers from other funds	-	-	25,000	25,000	-
Transfers to other funds	( 673,540)	( 644,423)	( 103,571)	( 1,421,534)	-
Transit and resort sales tax	-	4,377,515	-	4,377,515	-
Intergovernmental operating grants	-	1,602,990	-	1,602,990	-
Net cash provided by (used in) noncapital financing activities	<u>( 673,540)</u>	<u>5,336,082</u>	<u>( 78,571)</u>	<u>4,583,971</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>					
Impact fees, contributions and grants	3,441,150	279,857	-	3,721,007	-
Acquisition and construction of capital assets	( 4,200,398)	( 56,396)	( 36,767)	( 4,293,561)	-
Principal paid on capital debt and interfund loan	( 2,790,000)	-	( 35,389)	( 2,825,389)	-
Interest paid on capital debt and interfund loan	( 1,720,478)	-	( 691)	( 1,721,169)	-
Proceeds from sales of capital assets	11,575	3,420	2,025	17,020	-
Federal subsidy on capital debt	165,105	-	-	165,105	-
Net cash provided by (used in) capital and related financing activities	<u>( 5,093,046)</u>	<u>226,881</u>	<u>( 70,822)</u>	<u>( 4,936,987)</u>	<u>-</u>
<b>Cash flows from investing activities</b>					
Interest received on investments	86,340	87,596	3,254	177,190	-
Net cash provided by investing activities	<u>86,340</u>	<u>87,596</u>	<u>3,254</u>	<u>177,190</u>	<u>-</u>
<b>Net increase (decrease) in cash, cash equivalents</b>	1,231,880	816,216	155,520	2,203,616	( 100,541)
<b>Balances—beginning of the year</b>	<u>15,849,748</u>	<u>19,074,973</u>	<u>356,291</u>	<u>35,281,012</u>	<u>1,947,466</u>
<b>Balances—end of the year</b>	<u>\$ 17,081,628</u>	<u>\$ 19,891,189</u>	<u>\$ 511,811</u>	<u>\$ 37,484,628</u>	<u>\$ 1,846,925</u>
<b>Reconciliation to statement of net assets:</b>					
Cash, cash equivalents	\$ 11,976,787	\$ 19,891,189	\$ 511,811	\$ 32,379,787	\$ 1,846,925
Cash, cash equivalents held by fiscal agent	5,104,841	-	-	5,104,841	-
Total cash, cash equivalents	<u>\$ 17,081,628</u>	<u>\$ 19,891,189</u>	<u>\$ 511,811</u>	<u>\$ 37,484,628</u>	<u>\$ 1,846,925</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 4,511,444	\$ (5,900,845)	\$ 25,371	\$ (1,364,030)	\$ (419,133)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expense	2,814,847	1,525,786	255,238	4,595,871	-
Non-cash water interfund transfer to general fund	( 715,000)	-	-	( 715,000)	-
Change in assets and liabilities:					
Receivables, net	1,000,906	( 45,338)	( 218)	955,350	11,912
Inventories	31,890	-	( 14,325)	17,565	46,011
Accounts and other payables	( 758,900)	( 302,675)	13,346	( 1,048,229)	240,688
Accrued expenses	26,939	( 111,271)	22,247	( 62,085)	19,981
Net cash provided by (used in) operating activities	<u>\$ 6,912,126</u>	<u>\$ (4,834,343)</u>	<u>\$ 301,659</u>	<u>\$ 2,379,442</u>	<u>\$ (100,541)</u>

**Noncash investing, capital and financing activities:**

Included in investment income is an increase of \$142,361 in fair value for the year ended June 30, 2015.

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

# **FIDUCIARY FUND**

The Park City Agency Fund is used to hold deposits and performance bonds.

**Park City Municipal Corporation, Utah**  
**Statement of Fiduciary Net Position**  
**June 30, 2015**

	<b>PARK CITY AGENCY FUND</b>
<b>ASSETS</b>	
Cash, cash equivalents and investments	\$ 2,149,817
<b>Total assets</b>	<b>\$ 2,149,817</b>
<b>LIABILITIES</b>	
Deposits payable	\$ 2,149,817
<b>Total liabilities</b>	<b>\$ 2,149,817</b>

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

**NOTES  
TO THE  
FINANCIAL  
STATEMENTS**

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statement follows.

**1. General Information**

The Park City Municipal Corporation (the City) is a municipal corporation governed by an elected mayor and five-member Council. The City was chartered March 15, 1884, under the provisions of the Utah Territorial Government and the City operates under a Council-Manager form of government. The City provides the following services as authorized in its charter: public safety (police), highways and streets, cultural and recreational, library, public improvements, planning and zoning, public transportation, water, golf and general administrative services.

**2. Reporting Entity**

These financial statements include the City and its component units. The City has considered all potential component units for which it is financially accountable. The criteria to be considered in determining financial accountability have been set forth in the Governmental Accounting Standards Board's (GASB) Statement No. 61. These criteria include (1) substantively the same governing body, (2) the primary government and the component unit have a financial benefit or burden relationship, or (3) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit.

Blended component units, although legally separate entities are so intertwined with the City that they are, in substance, the same as the City. They have the same governing board and provide services almost entirely to the City. They are reported as funds of the City. These are organizations for which the City is financially accountable, and the relationship with the City is significant enough that exclusions would possibly lead to misleading or incomplete financial statements.

Included in this report are the following blended component units:

The Park City Redevelopment Agency (RDA) was legally created by City ordinance pursuant to the Utah Limited Purpose Local Government Entities-Community Development and Renewal Agencies Act. The City Council is designated as the governing body of the RDA. The City has accountability for all fiscal and operating activities of the RDA. The RDA currently has two special revenue funds and two capital projects funds.

The Park City Municipal Building Authority (MBA) is comprised of the same individuals as the City Council and was created to provide a mechanism for financing City facilities. The MBA acquires and/or builds facilities by borrowing money secured by a lease agreement between the City and the Authority. The MBA currently has a capital projects fund. The bond issuance authorizations are approved by the City Council and the legal liability for those bonds remains with the City.

The Park City Housing Authority (HA) is comprised of the same individuals as the City Council and was created to accumulate funds for construction of affordable housing within the City.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**3. Government-wide and Fund Financial Statements**

The government-wide financial statements (*i.e.*, the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Certain eliminations have been made as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 for interfund activities. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, internal service fund transactions have been eliminated except interfund services provided and used by business-type activities, which are not eliminated.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**4. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Amounts received or recognized as a receivable at fiscal yearend are included in the financial statements as taxes receivable and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are recognized as revenues in the year for which they are levied. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It is used to account for all financial resources of the City not accounted for by a separate, specialized fund.

The Sales Tax Revenue and Refunding Bonds Debt Service Fund and the General Obligation Debt Service Fund are used to account for the accumulation of resources for the payment of sales tax revenue bonded debt and general obligation debt.

The Capital Improvements Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, the Redevelopment Agencies or Municipal Building Authority). The Lower Park Avenue Redevelopment Agency Capital Projects Fund accounts for the acquisition or construction of major capital facilities in the Lower Park Avenue Redevelopment area.

The City reports the following major enterprise funds:

The Water Fund operates the water distribution system for residents of the City.

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

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

Additionally, the City reports the following fund types:

Special Revenue Funds are used to account for specific revenue sources that are restricted to expenditures for specific purposes. The City currently has the Lower Park Avenue Redevelopment Agency and the Main Street Redevelopment Agency special revenue funds. These funds account for redevelopment activities that are supported by property tax increment.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

Internal Service Funds are used to account for the central financing of goods or services provided to various departments of the City or other governments on a cost-reimbursement basis. The City currently has two internal service funds. The fleet services fund provides vehicle storage, repair and maintenance. The self-insurance fund was established to allow the City to supplement its regular insurance coverage as further explained in Note K – Risk Management on page 79 of this report.

Agency Funds are used to account for the assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City currently has one agency fund. The Park City Agency Fund is used to hold deposits and performance bonds.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**5. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

***Cash, Cash Equivalents and Investments*** - Cash and investment management in the City is administered by the City Treasurer in accordance with the Utah Money Management Act, Section 51-7 of the Utah Code (see Note B on pages 52-55 of this report). The City complies with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The statement requires certain investments to be reported at fair value and the change in fair value to be included in revenues or expenses. The City's policy is to report all investments at fair value. The City's investment in the State Treasurer's Pool has a fair value approximately equal to the value of the pool shares. This pool is administered by the State of Utah and is regulated by the Money Management Council under provisions of the Utah State Money Management Act.

***Capital Assets*** - Capital assets, which include property, plant, and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government included all assets with acquisition dates as far back as June 30, 1980. Most of the City's infrastructure assets were valued at historical cost (when available) or estimated historical cost through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Donated capital assets are recorded at estimated fair value at the date of donation. Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on specific circumstances. Water revenue bonds have been issued to finance specific water system improvements. The total capitalized interest expense on the bonds this fiscal year was \$188,209. The total interest income foregone was \$4,755. The net amount of \$192,964 was included as part of and thereby increased the cost of capital assets under construction in connection with construction of water system improvements.

Art represents a collection of the City and is therefore not depreciated. Property, plant, equipment and intangible assets of the primary government are depreciated or amortized using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Buildings and improvements	20-40
Public domain infrastructure	50
System infrastructure	30
Vehicles, equipment and intangibles	5-20

***Inventories and prepaid items*** - Inventories of supplies for the proprietary fund types consist principally of items used in repairing and maintaining the water distribution system and transportation equipment. Supplies inventories are valued at cost using the weighted average method. Inventory held for retail sale in the Golf Fund is valued at lower-of-cost or market using the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

***Long-term Obligations*** – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts and gains and losses on bond refunding, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Gains and losses on bond refunding are reported as deferred inflows and outflows. Bond issuance costs are expensed in the period in which they are incurred. The unamortized bond premiums/discounts at June 30, 2015 for governmental activities were \$1,668,025 and \$1,759,477 for business-type activities and proprietary funds. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

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

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**Compensated Absences** - Accumulated unpaid vacation is accrued based on the years of service of each employee. Vacation is accumulated on a monthly basis and is fully vested when earned. The maximum amount of accumulated accrued vacation hours is determined by the length of service of each employee according to the following schedule:

0 to 5 years	192 hours
5 to 10 years	240 hours
10 plus years	288 hours

Accumulated vacation cannot exceed these limits at the end of any calendar year and any vacation in excess of this amount is forfeited. At retirement, death, or termination in good standing, all unpaid vacation that has been accrued, up to the above limits, is paid. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service.

**Deferred Outflows of Resources or Deferred Inflows of Resources** – In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports the deferred charge on refunding in the government-wide statement of net position and the proprietary fund statement of net position. The deferred charge on refunding resulted from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the government-wide statement of net position and the proprietary fund statement of net position report deferred outflows of resources related to pensions.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial 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. The City has items which qualify for reporting in this category. The governmental funds report unavailable revenue from property taxes and notes receivable. The government-wide statement of net position reports deferred inflows from property taxes, pension related items and deferred gain on refunding of debt. The property taxes are reported as a deferred inflow of resources since they are recognized as receivables before the period for which the taxes are levied. The deferred gain on refunding resulted from the difference in the carrying value of the refunded debt and its reacquisition price. The proprietary fund statement of net position reports items related to pensions.

**Net Position Flow Assumption** – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**Fund Balance** – Fund balances presented in the governmental fund financial statements represent the difference between assets and liabilities. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the type of restrictions imposed on the use of funds. The City evaluated each of its funds at June 30, 2015 and classified fund balances into the following five categories:

Nonspendable - Amounts that cannot be spent because they are (1) not in spendable form, such as prepaid items, inventories and long-term receivables for which the payment of proceeds are not restricted or committed with respect to the nature of the specific expenditures of that fund or (2) legally or contractually required to be maintained intact.

Restricted - Amounts that are restricted by external parties such as creditors or imposed by grants, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The City has legislative restrictions on amounts collected and reported in the City’s various governmental funds. As a result, these restrictions have been classified as restricted for capital projects, debt service and drug and tobacco enforcement.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (ordinance) of the entity’s “highest level of decision-making authority”, which the City considers to be the Park City Municipal City Council. Commitments may be changed by the government by taking the same action that imposed the constraint initially.

Assigned - Amounts that have been allocated by action of the Park City Municipal City Council through a resolution in which the City’s intent is to use the funds for a specific purpose, but that do not meet the criteria to be classified as restricted or committed.

Unassigned - Amounts that constitute the residual balances that have no restrictions placed upon them. If restrictions exceed available resources only deficit amounts are reported in the unassigned category. The general fund is the only fund that reports a positive unassigned balance.

The City reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available. The City reduces committed amounts first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The City does not have a minimum fund balance policy. *Utah Code* 10-6-116(4) requires that a minimum fund balance of 5.0 percent of total revenues be maintained in the general fund.

**Restricted Assets** - Certain proceeds of the City’s Water Revenue and Refunding Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the proprietary funds’ statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The “reserve fund” account with a balance at June 30, 2015 of \$5,104,841 is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

Proceeds of the City's 2004 and 2013A Series General Obligation Bonds in the amount of \$6,171,430 are classified as restricted assets as well as impact fees of \$1,051,845 and B and C road funds of \$195,254. Bond proceeds are restricted to acquiring and preserving undeveloped park and recreational land and to acquire, construct, improve and modify pathways, roads and related improvements for use by pedestrians and cyclists. The "reserve fund" account with a balance at June 30, 2015 of \$180 is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account.

Proceeds of the City's 2015 Sales Tax Revenue Bonds are classified as restricted assets on the governmental funds balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "construction fund" account with a balance at June 30, 2015 of \$5,361,216 is used to report those proceeds of revenue bond issuances that are restricted for the purpose of financing the cost associated with improvements and acquisition of open space. The "reserve fund" account with a balance at June 30, 2015 of \$87,857 is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account.

Water development fees are charged to new customers to pay for the cost of increasing the capacity of the water system to meet the additional demand created by the connection of new customers. The use of water development fees is legally restricted.

**6. Budgets**

State law requires the City Council to prepare and adopt budgets for all governmental and proprietary funds. The City Manager submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the proposed sources of revenues. Between May 1 and June 15, the City Council reviews and adjusts the City Manager's proposed budget. On or before June 15, a public hearing is held and the budget is legally adopted through passage of an ordinance. Budgets are adopted below individual department levels, but control of budget appropriations is exercised, under state law, at the department level (General Government, Public Safety, Public Works and Library and Recreation).

After the budget is adopted, transfers of any unexpended appropriation amount between line items within a major category are to be initiated and approved by each respective department. Transfers between major categories and between programs within the same department and fund are to be initiated by the respective departments and approved by the City Manager. Transfers between capital improvement projects within the same fund are to be initiated by the individual designated as responsible for the project and approved by the City Manager. Transfers that will result in a total change in the appropriation for a project of more than 20 percent or if a project would be eliminated by the transfer must be approved by the City Council. The City Council may reduce or increase the budget of any fund by ordinance during the budget year. The City Council must hold a public hearing to increase a fund's budget before it can pass the ordinance. Utah State law prohibits the appropriation of unassigned general fund balance until it exceeds the sum of five percent of the budgeted general fund revenues. Until unassigned fund balance is greater than the above amount, it cannot be budgeted but is used to provide working capital until tax revenue is received, meet emergency expenditures and cover unanticipated deficits.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

When the unassigned fund balance is greater than 25 percent of expected revenues, the excess must be appropriated to capital projects determined to be in the best long-term interest of the City. During the year, the General Fund budget was increased by \$972,101 under the guidelines described above. The supplemental appropriation was for estimated water usage by the general government.

Budgets are prepared on the modified accrual basis of accounting according to accounting principles generally accepted in the United States (GAAP) for governmental funds. Budgets are not prepared for the agency fund since this fund is comprised only of deposits and performance bonds held by the City. Encumbrance accounting is used by the City.

Each year the capital projects fund adjusted budget is comprised of new appropriations from the current year and unexpended appropriations from the prior year, since unexpended capital projects appropriations do not automatically lapse at yearend. Major capital project fund budgets included \$26,243,019 and non-major capital project fund budgets included \$3,639,721 for a total of \$29,882,740 of prior-year unexpended capital projects appropriations. The adjusted capital projects fund budget represents the amount available for expenditures in the current year. Future projects and appropriations that are to come from funds available in future years are not reflected in the current year budget.

**7. Implementation of New GASB Pronouncements**

In June 2012 the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The City implemented GASB Statement No. 68 in fiscal year 2015. This Statement requires the City to recognize a liability and asset for the City's proportionate share of the collective net pension liability, net pension asset, collective pension expense and collective deferred outflows of resources and deferred inflows of resources. The adoption of Statement No. 68 has no impact on the City's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the City's fiscal year 2014 government-wide and proprietary fund financial statements to reflect the reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources and the recognition of pension expense in accordance with the provisions of the Statement. Refer to Note F for more information regarding the City's pensions.

In January 2013 the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement provides guidance on accounting and reporting for state and local government mergers, acquisitions and transfers or disposals of operations. This Statement has no effect on the City's financial statements.

In April 2013 the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement provides guidance on accounting and reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement has no effect on the City's financial statements.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

In November 2013 the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. This amendment to GASB Statement No. 68 was included in the Statement No. 68 implementation.

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

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Each fund type's portion of this pool is displayed on the basic financial statements as "cash, cash equivalents and investments". Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund. The following is a summary of cash, cash equivalents and investments at June 30, 2015:

	Government-Wide Statement of Net Position			Fund Financials	
	Governmental Activities	Business-Type Activities	Total	Fiduciary Fund Statement of Net Position	Total
Held by city-unrestricted	\$ 42,528,873	\$ 32,379,787	\$ 74,908,660	\$ 2,149,817	\$ 77,058,477
Held by city-restricted	7,418,529	-	7,418,529	-	7,418,529
Total held by city	<u>\$ 49,947,402</u>	<u>\$ 32,379,787</u>	<u>\$ 82,327,189</u>	<u>\$ 2,149,817</u>	<u>\$ 84,477,006</u>
Held by fiscal agent	<u>\$ 5,449,253</u>	<u>\$ 5,104,841</u>	<u>\$ 10,554,094</u>	<u>\$ -</u>	<u>\$ 10,554,094</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

As of June 30, 2015, the City had the following deposits and investments, including \$2,149,817 held in an agency capacity for others:

Held by city:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investments maturities</u>	
		<u>1 year or less</u>	<u>1-5 years</u>
Debt securities			
Federal National Mortgage Association	\$ 450,945	\$ -	\$ 450,945
Federal Home Loan Mortgage Corporation	2,647,576	-	2,647,576
Federal Home Loan Bank	651,702	-	651,702
Corporate Bonds	487,215	437,465	49,750
	<u>4,237,438</u>	<u>\$ 437,465</u>	<u>\$ 3,799,973</u>
Other investments			
State treasurer's investment pool	78,479,155	<u>\$ 78,479,155</u>	
Total investments	<u>82,716,593</u>		
<u>Deposits</u>			
Cash deposits checking-net of			
outstanding checks	1,037,058		
Cash deposits money market/savings	716,735		
Cash on hand	6,620		
Total deposits	<u>1,760,413</u>		
Total cash, cash equivalents and investments held by city	<u>84,477,006</u>		
Held by fiscal agent:			
State treasurer's investment pool	10,554,094		
Total cash, cash equivalents and investments	<u>\$ 95,031,100</u>		

**Deposits** – State law requires that City deposits be with a “qualified depository” as defined by the Utah Money Management Act (UMMA). “Qualified depository” includes any depository institution that has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

*Custodial credit risk* for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and deposits are: (1) Uncollateralized, (2) Collateralized with securities held by the pledging financial institution, or (3) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor government's name. As of June 30, 2015, the City's deposits had a carrying value of \$1,037,058 and a bank balance of \$2,517,425. Of the above bank balance, \$250,000 was covered by federal depository insurance. The City does not have a deposit policy for custodial credit risk. However, Utah State Law does not require deposits to be insured or collateralized.

**Investments** –The City's investment policies are also governed by the UMMA. Public treasurers may use investment advisers to conduct investment transactions on behalf of public treasurers as permitted by statute, Rules of the Money Management Council and local ordinance or policy. Investment advisers must be certified by the Director of the Utah State Division of Securities of the Department of Commerce (the "Director") and meet the requirements of the Utah Money Management Act (Rule 15 of the State Money Management Council). The UMMA mandates that investment transactions be conducted only through qualified depositories, certified dealers or directly with issuers of the investment securities. Broker/dealers and agents who desire to become certified dealers must be certified by the Director and meet the requirements of the Utah Money Management Act. (Rule 16 of the State Money Management Council). The Utah Money Management Council issues a quarterly list of certified investment advisers, certified dealers and qualified depositories authorized by state statute to conduct transactions with public treasurers. All securities purchased through a certified investment adviser or certified dealer are required to be delivered to the custody of the City Treasurer or to the City's safekeeping bank or trust company.

*Custodial Credit Risk* for an investment is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either: (1) The counterparty or (2) The counterparty's trust department or agent but not in the government's name. For investments in U.S. government agencies and corporate bonds with combined fair value of \$4,237,438 at June 30, 2015, the City uses a qualified depository bank for safekeeping securities for the purpose of settling investment transactions, safekeeping, and collecting those investments. These investments are held by the investment's counterparty, not in the name of the City but are supported by a safekeeping receipt issued by the City's bank. The City does not have an investment policy for custodial credit risk.

*Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy limits the term of investments to a maximum maturity that shall not exceed five years in order to manage its exposure to fair value losses arising from increasing interest rates. The investment policy also specifies that the City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

*Credit Risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy, in compliance with the UMMA limits investments to the following: (1) Negotiable or nonnegotiable deposits of qualified depositories (see definition of qualified depository under "deposits" above). (2) Repurchase agreements with qualified depositories or primary reporting dealers only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are conducted with a qualified depository. (3) Commercial paper which is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Service or Standard and Poor's, Inc. (4) Obligations of the United States Treasury, including Treasury Bills, Treasury Notes, and United States Treasury Bonds. (5) Obligations other than mortgage pools and other mortgage derivative products issued by or fully guaranteed as to principal and interest by the following agencies of the United States in which a market is made by a primary reporting government securities dealer: Federal Farm Credit Banks, Federal Home Loan Banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Agriculture Mortgage Corporation, and the Tennessee Valley Authority. (6) The Utah State Treasurer's Investment Pool. (7) Publicly traded fixed rate corporate obligations rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations one of which must be Moody's or Standard and Poor's. (8) Tax anticipation and general obligation bonds of the state or a county, an incorporated city or town, a school district or other political subdivision of the State of Utah.

The City's rated debt investments as of June 30, 2015, are shown in the table below using Standard and Poor's rating scale:

<u>Primary government:</u>	<u>Value</u>	<u>AAA</u>	<u>A</u>
Debt securities			
Federal National Mortgage Association	\$ 450,945	\$ 450,945	\$ -
Federal Home Loan Mortgage Corporation	2,647,576	2,647,576	-
Federal Home Loan Bank	651,702	651,702	-
Corporate Bonds	487,215	-	487,215

The Utah State Treasurer's Investment Pool is not rated. The fair value of the position of the Utah State Treasurer's Investment Pool is approximately equal to the value of the pool shares. All investments of the Utah State Treasurer's Investment Pool must comply with the UMMA and Rules of the State Money Management Council. The Pool invests primarily in money market securities including time certificates of deposit and top-rated domestic commercial paper. No more than 5.0 percent of the pool may be invested with a single issuer. Investment activity of the State Treasurer is reviewed periodically by the Utah Money Management Council and is audited by the Utah State Auditor. Pool deposits are not insured or otherwise guaranteed by the State of Utah.

*Concentration of Credit Risk* is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy authorizes investments to be made in accordance with the UMMA and further specifies that with the exception of U.S. Treasury securities and authorized pools, no more than 50 percent of the City's total investment portfolio will be invested in a single security type. None of the City's investments exceed this limit.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE C – NOTES RECEIVABLE**

Notes receivable of the governmental fund types at June 30, 2015 include various sale of assets, affordable housing and employee mortgage assistance loans with interest rates ranging from 0% to 5.0%. The following is a schedule of future principal and interest payments required under the terms of the notes receivable as of June 30, 2015:

<u>Fiscal year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 251,047	\$ 3,422	\$ 254,469
2017	5,345	3,093	8,438
2018	6,622	2,749	9,371
2019	7,092	2,504	9,596
2020	7,721	2,172	9,893
2021 - 2030	42,457	5,264	47,721
Total	<u>\$ 320,284</u>	<u>\$ 19,204</u>	<u>\$ 339,488</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE D – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and water rights	\$ 101,650,047	\$ 8,114,154	\$ -	\$ 109,764,201
Construction in progress	3,473,839	3,406,181	(908,902)	5,971,118
Art	601,356	-	-	601,356
Total capital assets, not being depreciated	<u>105,725,242</u>	<u>11,520,335</u>	<u>(908,902)</u>	<u>116,336,675</u>
Capital assets, being depreciated:				
Buildings	37,083,366	5,955,038	-	43,038,404
Improvements other than building	35,370,377	2,006,610	(692,614)	36,684,373
Vehicles and equipment	10,288,312	2,913,171	(679,178)	12,522,305
Infrastructure	107,360,090	1,085,878	-	108,445,968
Intangibles	5,696,018	233,000	-	5,929,018
Total capital assets, being depreciated	<u>195,798,163</u>	<u>12,193,697</u>	<u>(1,371,792)</u>	<u>206,620,068</u>
Less accumulated depreciation for:				
Buildings	(10,038,816)	(1,172,305)	-	(11,211,121)
Improvements other than building	(16,804,780)	(1,134,342)	480,406	(17,458,716)
Vehicles and equipment	(6,759,765)	(847,491)	540,139	(7,067,117)
Infrastructure	(80,577,494)	(2,814,922)	-	(83,392,416)
Intangibles	(263,744)	(36,049)	-	(299,793)
Total accumulated depreciation	<u>(114,444,599)</u>	<u>(6,005,109)</u>	<u>1,020,545</u>	<u>(119,429,163)</u>
Total capital assets, being depreciated, net	<u>81,353,564</u>	<u>6,188,588</u>	<u>(351,247)</u>	<u>87,190,905</u>
Governmental activities capital assets, net	<u>\$ 187,078,806</u>	<u>\$ 17,708,923</u>	<u>\$ (1,260,149)</u>	<u>\$ 203,527,580</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land and water rights	\$ 20,270,189	\$ -	\$ -	\$ 20,270,189
Construction in progress	5,317,239	3,004,064	(1,273,728)	7,047,575
Art	109,214	-	-	109,214
Total capital assets, not being depreciated	<u>25,696,642</u>	<u>3,004,064</u>	<u>(1,273,728)</u>	<u>27,426,978</u>
Capital assets, being depreciated:				
Buildings	17,336,749	-	-	17,336,749
Improvements other than building	78,797,741	2,307,433	-	81,105,174
Vehicles and equipment	22,064,575	276,693	(100,477)	22,240,791
Intangibles	86,455	-	-	86,455
Total capital assets, being depreciated	<u>118,285,520</u>	<u>2,584,126</u>	<u>(100,477)</u>	<u>120,769,169</u>
Less accumulated depreciation for:				
Buildings	(4,980,858)	(512,556)	-	(5,493,414)
Improvements other than building	(30,309,332)	(2,408,086)	-	(32,717,418)
Vehicles and equipment	(10,007,308)	(1,663,206)	98,371	(11,572,143)
Intangibles	(11,790)	(12,023)	-	(23,813)
Total accumulated depreciation	<u>(45,309,288)</u>	<u>(4,595,871)</u>	<u>98,371</u>	<u>(49,806,788)</u>
Total capital assets, being depreciated, net	<u>72,976,232</u>	<u>(2,011,745)</u>	<u>(2,106)</u>	<u>70,962,381</u>
Business-type activities capital assets, net	<u>\$ 98,672,874</u>	<u>\$ 992,319</u>	<u>\$ (1,275,834)</u>	<u>\$ 98,389,359</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE D – CAPITAL ASSETS, Continued**

Depreciation expense was charged to functions for the year ended June 30, 2015 as follows:

**Governmental activities:**

General government	\$ 2,308,017
Public safety	322,009
Public works	2,264,408
Library and recreation	1,110,675
Total governmental activities depreciation expense	<u>\$ 6,005,109</u>

**Business-type activities:**

Water	\$ 2,814,847
Transportation and parking	1,525,786
Golf course	255,238
Total business-type activities depreciation expense	<u>\$ 4,595,871</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE E – LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended June 30, 2015:

	Beginning Balance July 1, 2014	Additions	Reductions	Amortization	Ending Balance June 30, 2015	Due Within One Year
<b>Governmental activities:</b>						
Contracts payable	\$ 2,679,557	\$ -	\$ (2,586,533)	\$ -	\$ 93,024	\$ 93,024
General obligation bonds:						
2004 series-principal	3,540,000	-	(3,540,000)	-	-	-
2004 series-premium	38,173	-	(38,173)	-	-	-
2008 series-principal	7,220,000	-	(605,000)	-	6,615,000	625,000
2008 series-premium/discount	37,504	-	-	(3,810)	33,694	-
2009 series-principal	8,450,000	-	(730,000)	-	7,720,000	750,000
2009 series-premium/discount	123,679	-	-	(12,561)	111,118	-
2010A series-principal	515,000	-	(515,000)	-	-	-
2010A series-premium	10,037	-	-	(10,037)	-	-
2010B series-principal	4,570,000	-	(365,000)	-	4,205,000	370,000
2010B series-premium	64,832	-	-	(5,977)	58,855	-
2013A series-principal	6,765,000	-	(405,000)	-	6,360,000	415,000
2013A series-premium	87,477	-	-	(6,318)	81,159	-
2013B series-principal	1,555,000	-	(380,000)	-	1,175,000	385,000
2013B series-premium	41,668	-	-	(10,856)	30,812	-
2014 series-principal	-	3,385,000	(610,000)	-	2,775,000	670,000
2014 series-premium	-	154,845	-	(22,324)	132,521	-
Total general obligation bonds	<u>33,018,370</u>	<u>3,539,845</u>	<u>(7,188,173)</u>	<u>(71,883)</u>	<u>29,298,159</u>	<u>3,215,000</u>
Revenue bonds:						
Sales tax revenue bonds						
2005A series-principal	7,130,000	-	(7,130,000)	-	-	-
2005A series-premium	10,978	-	(10,978)	-	-	-
2010 refunding-principal	635,000	-	(315,000)	-	320,000	320,000
2010 refunding-premium	9,786	-	-	(6,689)	3,097	-
2014A refunding-principal	-	6,725,000	(905,000)	-	5,820,000	885,000
2014A refunding-premium	-	518,996	-	(61,380)	457,616	-
2014B series-principal	-	5,375,000	-	-	5,375,000	-
2014B series-premium	-	166,022	-	(8,993)	157,029	-
2015 series-principal	-	11,600,000	-	-	11,600,000	605,000
2015 series-premium	-	607,524	-	(5,400)	602,124	-
Total revenue bonds	<u>7,785,764</u>	<u>24,992,542</u>	<u>(8,360,978)</u>	<u>(82,462)</u>	<u>24,334,866</u>	<u>1,810,000</u>
Compensated absences	<u>653,725</u>	<u>737,513</u>	<u>(642,133)</u>	<u>-</u>	<u>749,105</u>	<u>275,786</u>
Total governmental activities	<u>\$ 44,137,416</u>	<u>\$ 29,269,900</u>	<u>\$ (18,777,817)</u>	<u>\$ (154,345)</u>	<u>\$ 54,475,154</u>	<u>\$ 5,393,810</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

	Beginning Balance July 1, 2014	Additions	Reductions	Amortization	Ending Balance June 30, 2015	Due Within One Year
<b>Business-type activities:</b>						
2009A water revenue	\$ 2,000,000	\$ -	\$ (125,000)	\$ -	\$ 1,875,000	\$ 125,000
2009B water revenue refunding	8,270,000	-	(1,525,000)	-	6,745,000	1,575,000
2009B water revenue-premium	759,434	-	-	(152,977)	606,457	-
2009C water revenue	10,135,000	-	-	-	10,135,000	-
2010 water revenue	9,610,000	-	(700,000)	-	8,910,000	725,000
2010 water revenue-premium	625,190	-	-	(59,705)	565,485	-
2012 water revenue	3,730,000	-	(230,000)	-	3,500,000	240,000
2012 water revenue-premium	269,876	-	-	(20,812)	249,064	-
2012B water revenue	5,525,000	-	-	-	5,525,000	-
2012B water revenue-premium	111,048	-	-	(8,245)	102,803	-
2013A&B water revenue	2,830,000	-	(210,000)	-	2,620,000	215,000
2013A&B water revenue-premium	33,559	-	-	(2,926)	30,633	-
2014 water revenue	4,115,000	-	-	-	4,115,000	-
2014 water revenue-premium	223,730	-	-	(18,695)	205,035	-
Total revenue bonds	<u>48,237,837</u>	<u>-</u>	<u>(2,790,000)</u>	<u>(263,360)</u>	<u>45,184,477</u>	<u>2,880,000</u>
Compensated absences	229,292	214,402	(183,934)	-	259,760	116,193
Total business-type activities	<u>\$ 48,467,129</u>	<u>\$ 214,402</u>	<u>\$ (2,973,934)</u>	<u>\$ (263,360)</u>	<u>\$ 45,444,237</u>	<u>\$ 2,996,193</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. At yearend \$55,672 of internal service fund compensated absences are included in the above amounts. Also, for the governmental activities compensated absences are liquidated by the general fund.

The City has complied with all revenue bond covenants.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**General Obligation Bonds**

On December 22, 2008, the City issued General Obligation Bonds Series 2008 in the amount of \$10,000,000 plus a net premium/discount of \$58,537 pursuant to a bond election held on November 7, 2006. The proceeds of the bonds were used to acquire and forever preserve undeveloped park and recreational land. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

On June 16, 2009, the City issued General Obligation Bonds Series 2009 in the amount of \$13,500,000 plus a net premium/discount of \$186,966. A portion of the proceeds was used to refund \$1,695,000 of the City's General Obligation Bonds Series 1999, plus \$12,852 interest. Bond proceeds of approximately \$4.0 million were issued pursuant to a bond election held on November 7, 2006 to acquire and forever preserve undeveloped park and recreational land and approximately \$7.8 million were issued pursuant to a bond election held November 6, 2007 to acquire, construct, improve and modify pathways, roads and related improvements for use by pedestrians and cyclists. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

The debt service requirements for the bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2008 Dated Dec. 22, 2008 \$10,000,000 @ 3.375% to 4.50% per annum paid semi- annually (Nov. & May)		Series 2009 Dated June 16, 2009 \$13,500,000 @ 3.00% to 4.00% per annum paid semi- annually (Nov. & May)	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
	2016	\$ 625,000	\$ 275,000	\$ 750,000
2017	645,000	250,000	775,000	250,060
2018	670,000	224,200	795,000	226,810
2019	695,000	197,400	820,000	200,576
2020	725,000	169,600	850,000	173,516
2021	760,000	140,600	880,000	143,340
2022	795,000	109,250	915,000	111,220
2023	830,000	75,462	950,000	76,450
2024	870,000	39,150	985,000	39,400
Total	<u>6,615,000</u>	<u>1,480,662</u>	<u>7,720,000</u>	<u>1,493,932</u>
Plus unamortized premium/discount	33,694	-	111,118	-
Total	<u>\$ 6,648,694</u>	<u>\$ 1,480,662</u>	<u>\$ 7,831,118</u>	<u>\$ 1,493,932</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**General Obligation Bonds, Continued**

On April 30, 2010, the City issued federally taxable General Obligation Bonds Series 2010B Build America Bonds with direct pay subsidy in the par amount of \$6,000,000, a premium of \$89,739 and issuance costs of \$109,974. Bond proceeds were issued pursuant to a bond election held on November 7, 2006 to acquire and forever preserve undeveloped park and recreational land. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

The debt service requirements for the bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2010B Dated April 30, 2010 \$6,000,000 @ 1.10% to 5.25% per annum paid semi- annually (Nov. & May)	
	PRINCIPAL	INTEREST
2016	\$ 370,000	\$ 191,380
2017	380,000	178,985
2018	390,000	164,735
2019	400,000	149,135
2020	410,000	131,335
2021	425,000	112,475
2022	435,000	92,287
2023	450,000	71,190
2024	465,000	48,915
2025	480,000	25,200
Total	4,205,000	1,165,637
Plus unamortized premium/discount	58,855	-
Total	\$ 4,263,855	\$ 1,165,637

On August 28, 2013, the City issued General Obligation Bonds Series 2013A in the par amount of \$7,170,000, a premium of \$92,774 and issuance costs of \$98,614. Pursuant to a special bond election held on November 6, 2007, the proceeds of the bonds were used to acquire, construct, improve and modify pathways, roads and related improvements for use by pedestrians and cyclists. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

On August 28, 2013, the City issued General Obligation Bonds Series 2013B in the par amount of \$1,930,000, a premium of \$50,769 and issuance costs of \$25,317. The proceeds of the bonds were used to currently refund \$1,930,000 principal of the City's General Obligation Bonds Series 2003, plus \$37,222 interest. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**General Obligation Bonds, Continued**

The debt service requirements for the bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2013A Dated August 28, 2013 \$7,170,000 @ 2.00% to 3.25% per annum paid semi- annually (Nov. & May)		Series 2013B Dated August 28, 2013 \$1,930,000 @ 2.00% per annum paid semi- annually (Nov. & May)	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2016	\$ 415,000	\$ 163,613	\$ 385,000	\$ 23,500
2017	425,000	155,313	390,000	15,800
2018	430,000	146,813	400,000	8,000
2019	440,000	138,213	-	-
2020	455,000	129,413	-	-
2021	465,000	120,313	-	-
2022	480,000	109,850	-	-
2023	500,000	97,850	-	-
2024	515,000	84,100	-	-
2025	530,000	69,938	-	-
2026	550,000	54,036	-	-
2027	565,000	37,536	-	-
2028	590,000	19,174	-	-
Total	6,360,000	1,326,162	1,175,000	47,300
Plus unamortized premium/discount	81,159	-	30,812	-
Total	<u>\$ 6,441,159</u>	<u>\$ 1,326,162</u>	<u>\$ 1,205,812</u>	<u>\$ 47,300</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**General Obligation Bonds, Continued**

On November 6, 2014, the City issued General Obligation Bonds Series 2014 in the par amount of \$3,385,000, a premium of \$154,845 and issuance costs of \$74,606. The proceeds of the bonds plus \$149,007 of City funds were used to currently refund \$3,540,000 principal of the City's General Obligation Bonds Series 2004, plus \$74,025 interest. For government-wide reporting, the gain on refunding is reported as a deferred inflow of resources and amortized over the life of the bond. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund. The debt service requirements for the bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2014 Dated November 6, 2014 \$3,385,000 @ 2.00% to 4.00% per annum paid semi- annually (Nov. & May)	
	PRINCIPAL	INTEREST
2016	\$ 670,000	\$ 69,400
2017	685,000	56,000
2018	695,000	42,300
2019	725,000	14,500
Total	2,775,000	182,200
Plus unamortized premium	132,521	-
Total	\$ 2,907,521	\$ 182,200

**Redevelopment Agency Capital Projects Funds and Bonds**

The City maintains special revenue and capital project funds for the Main Street Redevelopment Agency and the Lower Park Avenue Redevelopment Agency. For the fiscal year ended June 30, 2015 the tax increment collected by the Main Street Redevelopment Agency was \$291,345 and the tax contributions from other governments were \$975,372. The tax increment collected by the Lower Park Avenue Redevelopment Agency was \$528,686 and the tax contributions from other governments were \$1,769,946. The tax increment paid to another taxing agency by the Main Street Redevelopment Agency and by the Lower Park Avenue Redevelopment Agency was \$310,086 and \$543,620, respectively.

During the fiscal year, the Main Street Redevelopment Agency expended \$30,000 in administrative costs. The Lower Park Avenue Redevelopment Agency expended \$9,397,780 for site improvements and \$95,349 for economic development.

**Other Debt**

On December 30, 1996, the City purchased open space property. The City executed a contract payable to the seller with interest at 7.50 percent per annum, payable \$100,000 per year on December 15. The debt service requirement for the contract payable at June 30, 2015 was:

Fiscal Year Ending June 30,	PRINCIPAL	INTEREST
2016	\$ 93,024	\$ 6,976

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**Water Revenue Refunding Bonds**

On September 29, 2009, the City issued the par amount of \$13,090,000 in Water Revenue and Refunding Bonds Series 2009B plus a premium of \$1,486,180. The premium was deferred and amortized over the life of the bond using the effective interest method. The bond proceeds were used to refund \$5,313,000 principal of outstanding Water Revenue Refunding Bonds Series 2002 plus interest of \$61,656. New money in the amount of \$8,567,659 was received to finance the construction of culinary water system improvements. The bonds bear interest at 3.0 percent to 5.0 percent paid semiannually. Repayments on the debt are made from the net revenues of the Water Fund.

The debt service requirements for the water refunding bonds at June 30, 2015 were as follows:

Fiscal Year Ending	<u>June 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
	2016	\$ 1,575,000	\$ 321,500
	2017	1,640,000	258,500
	2018	1,720,000	176,500
	2019	<u>1,810,000</u>	<u>90,500</u>
	Total	6,745,000	847,000
Plus unamortized premium		<u>606,457</u>	-
	Total	<u><u>\$ 7,351,457</u></u>	<u><u>\$ 847,000</u></u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**Water Revenue Refunding Bonds, Continued**

On December 14, 2012, the City issued the par amount of \$5,525,000 in Water Revenue and Refunding Bonds Series 2012B plus a premium of \$123,766. The premium was deferred and amortized over the life of the bond using the effective interest method. The bond proceeds were used to refund \$390,000 principal of outstanding Water Revenue Bonds Series 2006 plus interest of \$5,650. New money in the amount of \$4,600,000 was received to finance the construction of culinary water system improvements. The bonds bear interest at 2.25 percent paid semiannually. The bonds incurred bond issuance costs of \$100,848, which were recognized as an expense in the period incurred. Repayments on the debt are made from the net revenues of the Water Fund.

On February 21, 2013, the City issued the par amount of \$3,045,000 in Water Revenue and Refunding Bonds Series 2013 A and B plus a premium of \$37,518. The premium was deferred and amortized over the life of the bond using the effective interest method. The bond proceeds were used to refund \$3,029,000 principal of outstanding Water Revenue Bonds Series 2006 plus interest of \$63,609. The bonds bear interest at 2.00 percent paid semiannually. The bonds incurred bond issue costs of \$74,516, which were recognized as an expense in the period incurred. Repayments on the debt are made from the net revenues of the Water Fund.

The debt service requirements for the water refunding bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	SERIES 2012B Dated December 14, 2012 \$5,525,000 @ 2.25%		SERIES 2013A Dated February 21, 2013 \$3,045,000 @ 2.00%	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2016	\$ -	\$ 124,313	\$ 215,000	\$ 50,250
2017	-	124,312	215,000	45,950
2018	-	124,313	225,000	41,550
2019	-	124,312	230,000	37,000
2020	-	124,313	235,000	32,350
2021	-	124,312	240,000	27,600
2022	-	124,313	245,000	22,750
2023	-	124,312	245,000	17,850
2024	-	124,313	250,000	12,900
2025	-	124,312	255,000	7,850
2026	-	124,313	265,000	2,650
2027	2,525,000	95,906	-	-
2028	3,000,000	33,750	-	-
Total	5,525,000	1,497,094	2,620,000	298,700
Plus unamortized premium	102,803	-	30,633	-
Total	<u>\$ 5,627,803</u>	<u>\$ 1,497,094</u>	<u>\$ 2,650,633</u>	<u>\$ 298,700</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**Water Revenue Bonds**

On July 14, 2009, the City issued the par amount of \$2,500,000 in Taxable Water Revenue Bonds Series 2009A to finance the construction of drinking water system improvements. The bonds bear no interest and the principal payment of \$125,000 is paid annually beginning July 15, 2010 and ending July 15, 2029. Repayments on the debt are made from the net revenues of the Water Fund. The outstanding balance at June 30, 2015 is \$1,875,000.

On September 29, 2009, the City issued the par amount of \$10,135,000 in Taxable Water Revenue Bonds Series 2009C Build America Bonds with issuer subsidy to finance the construction of culinary water system improvements. The bonds bear interest at 4.70 percent to 5.25 percent paid semiannually. Repayments on the debt are made from the net revenues of the Water Fund.

On February 10, 2010, the City issued the par amount of \$12,200,000 in Water Revenue Bonds Series 2010 plus a premium of \$886,911. The premium was deferred and amortized over the life of the bond on an effective interest basis. The proceeds were used to purchase water rights from Jordanelle Special Service District. The bonds bear interest at 2.0 percent to 5.0 percent paid semiannually. Repayments on the debt are made from the net revenues of the Water Fund.

The debt service requirements for these bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2009C Dated September 29, 2009 \$10,135,000 @ 4.70% to 5.25%		Series 2010 Dated February 10, 2010 \$12,200,000 @ 2.00% to 5.00%	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2016	\$ -	\$ 508,638	\$ 725,000
2017	-	508,638	755,000	337,150
2018	-	508,638	790,000	302,300
2019	-	508,637	825,000	261,925
2020	1,900,000	508,637	870,000	219,550
2021	1,960,000	419,337	910,000	179,600
2022	2,025,000	323,297	950,000	142,400
2023	2,090,000	221,035	1,000,000	103,400
2024	2,160,000	113,400	1,015,000	63,100
2025	-	-	1,070,000	21,400
Total	10,135,000	3,620,257	8,910,000	1,997,575
Plus unamortized premium	-	-	565,485	-
Total	\$ 10,135,000	\$ 3,620,257	\$ 9,475,485	\$ 1,997,575

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**Water Revenue Bonds, Continued**

On May 31, 2012, the City issued the par amount of \$4,160,000 in Water Revenue Bonds Series 2012 plus a premium of \$313,211 to finance the construction of water system infrastructure. The premium was deferred and amortized over the life of the bond on an effective interest basis. The bonds bear interest at 2.00% to 4.00% paid semiannually. Repayments on the debt are made from net revenues of the Water Fund.

On June 25, 2014, the City issued the par amount of \$4,115,000 in Water Revenue Bonds Series 2014 plus a premium of \$223,986 to finance construction of water system infrastructure. The premium was deferred and amortized over the life of the bond on an effective interest basis. The bonds bear interest at 3.25% paid semiannually. The bonds incurred bond issue costs of \$93,218, which were recognized as an expense in the period incurred. Repayments on the debt are made from net revenues of the Water Fund.

The debt service requirements for these bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2012 Dated May 31, 2012 \$4,160,000 @ 2.00% to 4.00%		Series 2014 Dated June 25, 2014 \$4,115,000 @ 3.25%	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2016	\$ 240,000	\$ 103,550	\$ -
2017	245,000	98,750	-	133,737
2018	255,000	93,850	-	133,737
2019	265,000	86,200	-	133,737
2020	280,000	78,250	-	133,737
2021	290,000	69,850	-	133,738
2022	300,000	61,150	-	133,738
2023	310,000	52,150	-	133,738
2024	315,000	42,850	-	133,738
2025	325,000	33,400	2,350,000	133,738
2026	335,000	23,650	1,765,000	57,363
2027	340,000	13,600	-	-
Total	3,500,000	757,250	4,115,000	1,394,738
Plus unamortized premium	249,064	-	205,035	-
Total	<u>\$ 3,749,064</u>	<u>\$ 757,250</u>	<u>\$ 4,320,035</u>	<u>\$ 1,394,738</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**Sales Tax Revenue and Refunding Bonds**

On December 8, 2010, the City issued Sales Tax Revenue Refunding Bonds, Series 2010 in the amount of \$1,525,000 plus a premium of \$33,592. The proceeds from the Series 2010 Bonds were used to refund the Lower Park Avenue Redevelopment Agency Tax Increment Revenue Bonds, Series 1998.

On September 11, 2014, the City issued Sales Tax Revenue Refunding Bonds, Series 2014A in the amount of \$6,725,000 plus a premium of \$518,996. The proceeds from the Series 2014A Revenue Refunding Bonds plus \$67,358 of City funds were used to refund \$7,130,000 of the Sales Tax Revenue Bonds Series 2005A, plus \$71,574 interest. For government-wide reporting, the gain on refunding is reported as a deferred inflow of resources and amortized over the life of the bond.

On September 11, 2014, the City issued Sales Tax Revenue Bonds, Series 2014B in the amount of \$5,375,000 plus a premium of \$166,022. The proceeds from the sale of the Series 2014B Sales Tax Revenue Bonds were used for the purpose of financing the cost associated with improvements and acquisition of open space.

The debt service requirements for the bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2010, \$1,525,000 @ 2.25% -3.00% paid semiannually		Series 2014A, \$6,725,000 @ 2.00% -4.00% paid semiannually		Series 2014B, \$5,375,000 @3.00%-3.25% paid semiannually	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2016	\$ 320,000	\$ 4,000	\$ 885,000	\$ 202,650	\$ -	\$ 164,912
2017	-	-	910,000	176,100	-	164,912
2018	-	-	950,000	139,700	-	164,912
2019	-	-	985,000	101,700	-	164,912
2020	-	-	1,025,000	62,300	-	164,912
2021	-	-	1,065,000	21,300	-	164,912
2022	-	-	-	-	605,000	164,912
2023	-	-	-	-	625,000	146,763
2024	-	-	-	-	640,000	128,013
2025	-	-	-	-	660,000	108,813
2026	-	-	-	-	680,000	89,013
2027	-	-	-	-	700,000	68,613
2028	-	-	-	-	720,000	47,613
2029	-	-	-	-	745,000	24,213
Total	320,000	4,000	5,820,000	703,750	5,375,000	1,767,425
Plus unamortized premium	3,097	-	457,616	-	157,029	-
Total	\$ 323,097	\$ 4,000	\$ 6,277,616	\$ 703,750	\$ 5,532,029	\$ 1,767,425

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

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

On May 12, 2015, the City issued Sales Tax Revenue Bonds, Series 2015 in the amount of \$11,600,000 plus a premium of \$607,524. The proceeds from the sale of the bonds were used for the purpose of financing the cost associated with improvements and acquisition of open space.

The debt service requirements for the bonds at June 30, 2015 were as follows:

Fiscal Year Ending June 30,	Series 2015, \$11,600,000 @ 2.00% - 4.00% paid semiannually	
	PRINCIPAL	INTEREST
	2016	\$ 605,000
2017	640,000	359,325
2018	655,000	346,525
2019	665,000	333,425
2020	680,000	320,125
2021	710,000	292,925
2022	735,000	264,525
2023	765,000	235,125
2024	795,000	204,525
2025	820,000	180,675
2026	845,000	156,075
2027	880,000	122,275
2028	905,000	95,875
2029	930,000	68,725
2030	970,000	31,525
Total	11,600,000	3,417,122
Plus unamortized premium	602,124	-
Total	\$ 12,202,124	\$ 3,417,122

The Series 2010, 2014A, 2014B and 2015 Bonds are special limited obligations of the City, payable solely from and secured solely by a pledge of revenues from (1) 100 percent of the revenues received by the City from the local sales and use tax levied by the City pursuant to the Utah Local Sales and Use Tax Act, Title 59, Chapter 12, Part 2, Utah Code and (2) 100 percent of the revenues received by the City from the resort communities tax levied by the City pursuant to Title 59, Chapter 12, Part 4 of the Utah Code. The bonds do not constitute a pledge of the ad valorem taxing power or the full faith and credit of the City. More detailed information about pledged-revenue coverage is presented in Schedule 18 on page 127 of this report.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

The annual debt service requirements for all long-term debt outstanding as of June 30, 2015 by activity are as follows:

Year ending June 30,	Governmental Activities			Business-Type Activities
	Contracts Payable	General Obligation Bonds	Revenue Bonds	
Principal				
2016	\$ 93,024	\$ 3,215,000	\$ 1,810,000	\$ 2,880,000
2017	-	3,300,000	1,550,000	2,980,000
2018	-	3,380,000	1,605,000	3,115,000
2019	-	3,080,000	1,650,000	3,255,000
2020	-	2,440,000	1,705,000	3,410,000
2021-2025	-	11,730,000	7,420,000	18,930,000
2026-2030	-	1,705,000	7,375,000	8,855,000
Total	93,024	28,850,000	23,115,000	43,425,000
Plus unamortized premium/discount	-	448,159	1,219,866	1,759,477
Total	<u>\$ 93,024</u>	<u>\$ 29,298,159</u>	<u>\$ 24,334,866</u>	<u>\$ 45,184,477</u>
Interest				
2016	\$ 6,976	\$ 995,453	\$ 777,034	\$ 1,608,738
2017	-	906,158	700,337	1,507,037
2018	-	812,858	651,137	1,380,888
2019	-	699,824	600,037	1,242,311
2020	-	603,864	547,337	1,096,837
2021-2025	-	1,566,990	1,912,488	3,225,571
2026-2030	-	110,746	703,927	351,232
Total	<u>\$ 6,976</u>	<u>\$ 5,695,893</u>	<u>\$ 5,892,297</u>	<u>\$ 10,412,614</u>

**Defeasance of debt**

On September 11, 2014, the City issued \$6,725,000 in Sales Tax Revenue and Refunding Bonds Series 2014A with an average interest rate of 3.30 percent. The bond proceeds were used for a current refunding of \$7,130,000 of outstanding 2005A Sales Tax Bonds with an average interest rate of 4.00 percent. An aggregate amount of \$7,311,355 (representing \$6,725,000 of proceeds together with a premium of \$518,997 and \$67,358 of City funds) currently refunded the Sales Tax Revenue Bonds Series 2005A. In addition, the City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) to the City of approximately \$631,904. The refunding also decreased the City's total debt service payments over the next seven years by approximately \$653,774. For government-wide reporting the reacquisition price of the Series 2014A bonds was less than the net carrying amount of the 2005A Series bonds resulting in a gain on refunding of \$405,000. The gain on refunding was recorded as a deferred inflow of resources and amortized over the seven year life of the debt.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

**Defeasance of debt, Continued**

On November 6, 2014, the City issued \$3,385,000 in General Obligation Bonds Series 2014 with an average interest rate of 2.50 percent. The bond proceeds were used for a current refunding of \$3,540,000 of outstanding General Obligation Bonds Series 2004 with an average interest rate of 4.20 percent. An aggregate amount of \$3,688,852 (representing \$3,385,000 of proceeds together with a premium of \$154,845 and \$149,007 of City funds) currently refunded the General Obligation Bonds Series 2004. In addition, the City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) to the City of approximately \$225,492. The refunding also decreased the City's total debt service payments over the next five years by approximately \$231,472. For government-wide reporting the reacquisition price of the Series 2014 bonds was less than the net carrying amount of the 2004 Series bonds resulting in a gain on refunding of \$155,000. The gain on refunding was recorded as a deferred inflow of resources and amortized over the five year life of the debt.

**NOTE F – RETIREMENT PLANS**

**General Information about the Pension Plans**

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems (Systems). The Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System); Public Employees Contributory Retirement System (Contributory System); are multiple employer, cost sharing, public employees, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple employer, cost sharing, public employees, retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Systems are members of the Tier 2 Retirement System.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. The Systems are a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. The Systems issue a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: [www.urs.org](http://www.urs.org).

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE F – RETIREMENT PLANS, Continued**

Benefits provided: The Systems provide retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final average salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4.0%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.0% per year July 1975 to present	Up to 4.0%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	2.5% to 4.0% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

\* with actuarial reductions

\*\* All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

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

**Utah Retirement Systems**

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
11-Local Governmental Division Tier 1	N/A	6.000%	14.460%
111 – Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15 – Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
23 – Other Division A Contributory Tier 1	N/A	12.290%	22.750%
43 – Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122 – Other Division A Contributory Tier 2	N/A	N/A	22.550%

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE F – RETIREMENT PLANS, Continued**

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

The City reported a net pension asset of \$22,838 and a net pension liability of \$6,596,256:

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	1.1057757%	-0-	4,801,538
Contributory System	1.7202131%	-0-	496,184
Public Safety System	1.0325635%	-0-	1,298,534
Tier 2 Public Employees System	0.4811751%	14,582	-0-
Tier 2 Public Safety and Firefighter System	0.5580685%	8,256	-0-
Total Net Pension Asset / Liability		<u>\$22,838</u>	<u>\$6,596,256</u>

The net pension asset and liability were measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended June 30, 2015 the City recognized pension expense of \$1,846,451. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 269	\$ 373,410
Changes in assumptions	-0-	676,400
Net difference between projected and actual earnings on pension plan investments	164,781	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	-0-	-0-
Contributions subsequent to the measurement date	1,432,948	-0-
Total	<u>\$ 1,597,998</u>	<u>\$ 1,049,810</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE F – RETIREMENT PLANS, Continued**

\$1,432,948 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to its fiscal yearend, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2015	\$ (288,917)
2016	(228,246)
2017	(203,465)
2018	(147,884)
2019	(2,574)
Thereafter	(13,674)

Actuarial assumptions: The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% - 10.50%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member’s gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

**Retired Member Mortality**

Class of Member
<b>Educators</b>
Men EDUM (90%)
Women EDUF (100%)
<b>Public Safety and Firefighters</b>
Men RP 2000mWC (100%)
Women EDUF (120%)
<b>Local Government, Public Employees</b>
Men RP 2000mWC (100%)
Women EDUF (120%)
EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage
EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage
RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE F – RETIREMENT PLANS, Continued**

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 through December 31, 2013.

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

	<b>Expected Return Arithmetic Basis</b>		
<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Real Return Arithmetic Basis</b>	<b>Long-Term expected portfolio real rate of return</b>
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
Inflation			2.75%
Expected arithmetic nominal return			7.98%

The 7.50 percent assumed investment rate of return is comprised of an inflation rate of 2.75 percent, a real return of 4.75 percent that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Systems' Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE F – RETIREMENT PLANS, Continued**

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1-percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of Net pension (asset) / liability	\$16,336,052	\$6,573,418	\$ (1,515,672)

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

**NOTE G - DEFINED CONTRIBUTION PLANS**

Section 401(a) defined contribution money purchase plan

The City sponsors a defined contribution plan under Internal Revenue Code Section 401(a) for all full-time City employees not covered by the Public Safety Retirement System for employers with Social Security coverage.

The ICMA Retirement Corporation (ICMA) administers this plan. The City's total payroll in the fiscal year ended June 30, 2015 was \$19,275,706. Of that amount, \$8,027,652 was eligible to participate in this plan. The City participated at a rate of 0.50 percent, under City resolution for the year ended June 30, 2015 for employees covered by the State Contributory System retirement plan, 0.50 percent for employees covered by the State Noncontributory System retirement plan, and 18.47 percent under State Statue for a limited number of employees that are exempt from the State plan. During the year ended June 30, 2015 contributions totaling \$112,018 or 1.40 percent of covered payroll were made by the City. Employer contributions are fully vested in one year. All contributions were made by the due dates. The 401(a) defined contribution monies are not available to the City or its general creditors. Therefore, no assets or liabilities of the 401(a) defined contribution plan are reflected in the City’s financial statements.

Section 457 deferred compensation plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. The City's total payroll in the fiscal year ended June 30, 2015 was \$19,275,706. The City's covered payroll eligible for this plan totaled \$14,574,165 for the year ended June 30, 2015. The City participates in employer benefits of \$100 per month for those employees who have chosen single health insurance coverage and match the employees’ voluntary contribution amount at fifty cents on the dollar to a maximum contribution of \$900. Contributions totaling \$272,870 or 1.87 percent of covered payroll were made by the City and voluntary contributions totaling \$797,056 or 5.47 percent of covered payroll were made by employees. All contributions were made by the due dates.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

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

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of participants and their beneficiaries, except that expenses and taxes may be paid from the Trust. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair value of the deferred account for each participant. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Investments are managed by the plan's administrator under one of seven investment options, or a combination thereof. The choice of the investment option(s) is made by the participants. All of the assets and income of the 457 Plan are held in investment fund trusts by ICMA for the exclusive benefit of the participants or their beneficiaries rather than as assets of the employer. As ICMA is the fiduciary of these assets, the City is no longer required to report the assets.

Loans or notes between the City and the defined contribution plans - There are no securities, loans or notes of the City included in the plans' assets.

**NOTE H - COMMITMENTS AND CONTINGENCIES**

There are several pending lawsuits in which the City is involved. The City Attorney estimates the potential claims against the City resulting from such litigation not covered by insurance would not materially affect the financial position of the City.

Commitments for major construction and capital improvements projects at June 30, 2015 are as follows:

Capital Projects Funds	\$2,293,020
Enterprise Funds	\$3,987,480

**NOTE I- INTERGOVERNMENTAL REVENUES**

Intergovernmental revenues were received by governmental fund types for the year ended June 30, 2015. They consist of the following:

State of Utah Class "C" road allotments	\$ 343,215
State contributions	2,109,242
County contributions	546,938
Federal contributions	48,648
Fire District	367,323
School District	1,931,057
	<hr/>
Total	\$ 5,346,423
	<hr/> <hr/>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE J – INTERFUND LOANS**

Due to cash flow needs of the Golf Fund to purchase new golf carts, \$140,000 was advanced from the Capital Improvements Fund on April 1, 2012. The advance bears interest at 1.5 percent paid monthly for forty-eight months. The annual repayment requirement for the advance at June 30, 2015 was as follows:

<b>Fiscal Year Ending</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>
<u>June 30,</u>		
2016	26,892	168

**NOTE K – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1989, the City established a Self Insurance Fund (an internal service fund) to account for and finance its uninsured risk of loss. Under this program, the Self Insurance Fund provides coverage for up to a maximum of \$250,000 per occurrence for general liability, automobile and errors and omissions. The City purchases commercial insurance for claims in excess of coverage provided by the Self Insurance Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Liabilities are recorded for any claim or judgment when information available prior to issuance of the financial statements indicates it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Unpaid claims as of June 30, 2013	\$ -
Incurred claims	93,821
Claim payments	<u>93,821</u>
Unpaid claims as of June 30, 2014	-
Incurred claims	88,998
Claim payments	<u>71,368</u>
Unpaid claims as of June 30, 2015	<u><u>\$ 17,630</u></u>

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE L – BUDGET RECONCILIATION**

A reconciliation of the original 2014-2015 budget, to the final legally adopted budget for all governmental fund types net of transfers approved in June 2015 is as follows:

	<u>Original Budget</u>	<u>Increase (Decrease)</u>	<u>Budget as Revised</u>
General Fund:			
Revenues	\$ 25,875,146	\$ 1,165,500	\$ 27,040,646
Expenditures	26,776,950	972,101	27,749,051
Special Revenue Funds:			
Revenues	\$ 2,192,000	\$ 1,305,247	\$ 3,497,247
Expenditures	72,513	448,940	521,453
Debt Service Funds:			
Revenues	\$ 4,820,867	\$ 566,430	\$ 5,387,297
Expenditures	6,402,126	11,137,974	17,540,100
Capital Projects Funds:			
Revenues	\$ 14,374,156	\$ 2,630,936	\$ 17,005,092
Expenditures	26,428,181	39,631,808	66,059,989

**NOTE M – INTERFUND TRANSFERS**

**Fund Financial Statements**

Transfers were made to and from several funds during the course of the year ended June 30, 2015. An interfund transfer is a legally authorized transfer between funds in which one fund is responsible for the initial receipt of funds and another fund is responsible for the actual disbursement. The General Fund transferred \$925,000 to the Equipment Replacement Capital Projects Fund for future replacement of rolling stock and computer equipment. Several funds transferred a total of \$1,597,045 to the Sales Tax Revenue Bond Debt Service Fund to support principal and interest payments on debt. The Sales Tax Revenue Bond Debt Service Fund transferred \$12,069,371 of net bond proceeds to the Capital Improvements Fund for construction project costs. Transfers to the General Fund were comprised of: \$30,000 received from the Main Street RDA Capital Projects Fund, \$673,540 from the Water Fund, \$644,423 from the Transportation and Parking Fund and \$103,571 from the Golf Fund for administrative expenses for the year ended June 30, 2015.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE M – INTERFUND TRANSFERS, Continued**

	Transfers into:						
	Major Funds						Business- Type Activities
	General Fund	Capital Improvement Fund	Sales Tax Revenue & Refunding - DSF	Lower Park Avenue RDA - CIP	Nonmajor Funds	Golf Course Fund	Total
<u>Transfers out from:</u>							
<b>Governmental activities</b>							
Major funds:							
General fund	\$ -	\$ -	\$ 168,616	\$ -	\$ 925,000	\$ 25,000	\$ 1,118,616
Capital improvement fund	-	-	251,079	-	-	-	251,079
RDA cip - park ave	-	-	326,938	-	-	-	326,938
Sales tax rev & refund - DSF	-	12,069,371	-	-	-	-	12,069,371
Nonmajor funds:							
Other funds	30,000	-	850,412	2,070,548	900,247	-	3,851,207
<b>Business-type activities</b>							
Water fund	1,388,540	-	-	-	-	-	1,388,540
Transportation and parking	644,423	-	-	-	-	-	644,423
Golf course fund	103,571	-	-	-	-	-	103,571
<b>Total</b>	<b>\$ 2,166,534</b>	<b>\$ 12,069,371</b>	<b>\$ 1,597,045</b>	<b>\$ 2,070,548</b>	<b>\$ 1,825,247</b>	<b>\$ 25,000</b>	<b>\$ 19,753,745</b>

**Government-Wide Financial Statements**

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

**NOTE N - TAXES**

Before June 15 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. All property taxes levied by the City are assessed and collected by Summit and Wasatch Counties. Property taxes are levied on January 1 on real property values assessed as of the same date. Taxes are due November 30 and delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15 of the following year, a lien is attached to the property and the amount of taxes and penalties bear interest from January 1 until paid.

If after five years delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

Sales and resort taxes are collected by the State Tax Commission and remitted to the City monthly. Franchise taxes are collected by the telephone, natural gas, electric utilities, cable television and sewer companies and remitted to the City periodically.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE O – UNAVAILABLE REVENUE**

**Fund Financial Statements**

At June 30, 2015, the following unavailable revenues were recorded in the fund financial statements as deferred inflows of resources because the funds were not available to finance expenditures of the current period.

	General	Debt Service - Park City General Obligation	Capital Projects - Capital Improvement Fund	Other Governmental Funds	Total
Miscellaneous loans/receivable	\$ 10,000	\$ -	\$ 337,176	\$ -	\$ 347,176
Property tax levied-not yet collected	9,578,317	4,291,436	-	3,683,601	17,553,354
	<u>\$ 9,588,317</u>	<u>\$ 4,291,436</u>	<u>\$ 337,176</u>	<u>\$ 3,683,601</u>	<u>\$ 17,900,530</u>

**NOTE P – CONDUIT DEBT**

On May 29, 2015, the City issued \$18,885,000 of 2015 Industrial Revenue Refunding Bonds on behalf of the United States Ski and Snowboard Association (USSA), a nonprofit corporation. The bonds refunded \$18,695,000 of the 2007 Multi-Mode Variable Rate Revenue Bonds issued on December 18, 2007, on behalf of USSA. The bonds bear interest at a variable rate and mature June 1, 2040. The bonds were used to partially finance the construction of The USSA Center of Excellence, an athletic training and office facility located in Park City. The bonds are secured by a pledge of revenues under the Bond Indenture. Neither the City’s General Fund nor the full faith and credit of the City are pledged for the payment of principal or interest on the bonds. Since the bonds do not constitute a debt of the City, they are not reported in the accompanying financial statements. The principal balance of outstanding bonds was \$18,885,000 at June 30, 2015.

**NOTE Q – POLLUTION REMEDIATION**

GAAP addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. GASB 49 identifies the obligating events, which require the City to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

On December 30, 2008, Park City Municipal Corporation and Summit County purchased as tenants in common approximately 107 acres of land that are outside the City limits. Prior to the purchase, soil testing was conducted on the property and it was found that a portion of the parcel is contaminated by lead and other contaminants due to prior upstream mining activity by others and needs remediation. The City, Summit County, and the two sellers of the land agreed in writing to each contribute the lesser of (a) twenty-five percent (25%) of the remediation costs incurred; or (b) \$200,000. The City’s Environmental Coordinator estimates that the cost to remediate the parcel would be approximately \$450,000. The City’s twenty-five percent (25%) share would be approximately \$112,500. The estimate of \$450,000 is measured at current value using the expected cash flow technique, which measures the liability as the sum of probability-weighted amounts in a range of possible estimated amounts. This technique uses all expectations about possible cash flows. The pollution remediation obligation is an estimate subject to changes resulting from price increases

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE Q – POLLUTION REMEDIATION, Continued**

or reductions, technology, or changes in applicable laws and regulations. The City's legal obligation to share in this cleanup is an obligating event pursuant to GASB 49. Pollution remediation outlays should be capitalized in the government-wide and proprietary fund statements when property is acquired with known or suspected pollution that was expected to be remediated because it is assumed that the property was acquired at a discount because of the remediation. The financial reporting impact and effect was the recognition of a liability and the capitalization of an asset for \$112,500. The City entered into a Voluntary Clean-up Agreement with the Utah Department of Environmental Quality (UDEQ) to develop a remediation work plan for this property.

The Environmental Protection Agency (USEPA) and UDEQ have been investigating and evaluating mine sites within the Park City area since the early 1980's. In 1988, pursuant to approval of USEPA, Park City Municipal Corporation enacted the Landscaping and Maintenance of Soil Cover Ordinance for lots within the City limits. In general, the landscaping and soil maintenance cover requirements mandated a 6-inch clean top soil cap in order to contain the underlying mine related material. The general objective of these measures was to isolate potentially contaminated material from the surface and minimize direct contact. On April 30, 2004, the City implemented an Environmental Management System (EMS) to further strengthen the Soils Ordinance Program on a long-term basis. The EMS Soils Ordinance Boundary contains pollution remediation obligations of Park City Municipal Corporation pursuant to this local ordinance, which is an obligating event pursuant to GASB 49. The City plans to conduct remediation of 48 acres of land in accordance with the Utah Department of Environmental Quality Clean-up Program. The estimated cost to remediate these 48 acres is \$1,272,000 and is a liability of the City. The estimate of \$1,272,000 is measured at current value using the expected cash flow technique, which measures the liability as the sum of probability-weighted amounts in a range of possible estimated amounts. This technique uses all expectations about possible cash flows. The pollution remediation obligation is an estimate subject to changes resulting from price increases or reductions, technology, or changes in applicable laws and regulations.

**PARK CITY MUNICIPAL CORPORATION, UTAH**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2015**

**NOTE R - RESTATEMENTS**

**Prior Period Adjustment**

In fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which adjustments resulting from a restatement of beginning net position of the Water Fund, Golf Fund, Transportation and Parking Fund, Fleet Fund and entity-wide level for governmental activities and business-type activities are as follows:

	<u>Net Position</u>	<u>Adjustment</u>	<u>Net Position Restated</u>
Government-wide:			
Governmental activities	\$ 193,666,214	\$ (5,271,783)	\$ 188,394,431
Business-type activities	86,277,732	(1,697,021)	84,580,711
Proprietary funds:			
Water	43,660,945	(685,950)	42,974,995
Transportation and parking	39,246,772	(912,565)	38,334,207
Golf	3,406,771	(98,506)	3,308,265
Fleet	2,322,171	(218,285)	2,103,886

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**Schedule of Required Supplementary Information**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Park City Municipal Corporation, Utah**  
**Utah Retirement Systems**  
**December 31, 2014**  
**Last 10 Fiscal Years \***

	<u>Noncontributory System</u>	<u>Contributory Retirement System</u>	<u>Public Safety System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighter System</u>
Proportion of the net pension liability (asset)	1.1057757%	1.7202131%	1.0325635%	0.4811751%	0.5580685%
Proportionate share of the net pension liability (asset)	\$ 4,801,538	\$ 496,184	\$ 1,298,534	\$ (14,582)	\$ (8,256)
Covered employee payroll	\$ 8,969,083	\$ 921,380	\$ 1,628,847	\$ 2,361,287	\$ 230,513
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	53.5%	53.9%	79.7%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	90.5%	103.5%	120.5%

\* Table represents data available since implementation of GASB Statement 68 and will increase to ten years over time. Amounts presented were determined as of calendar year January 1 - December 31.

**Schedule of Required Supplementary Information**  
**SCHEDULE OF CONTRIBUTIONS**  
**Park City Municipal Corporation, Utah**  
**Utah Retirement Systems**  
**December 31, 2014**  
**Last 10 Fiscal Years \***

	<u>Noncontributory System</u>	<u>Contributory Retirement System</u>	<u>Public Safety System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighter System</u>
Contractually required contribution	\$ 1,737,970	\$ 127,643	\$ 508,594	\$ 198,520	\$ 25,146
Contributions in relation to the contractually required contribution	\$ (1,737,970)	\$ (127,643)	\$ (508,594)	\$ (198,520)	\$ (25,146)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered employee payroll	\$ 8,969,083	\$ 921,380	\$ 1,628,847	\$ 2,361,287	\$ 230,513
Contributions as a percentage of covered-employee payroll **	19.4%	13.9%	31.2%	8.4%	10.9%

\* Table represents data available since implementation of GASB Statement 68 and will increase to ten years over time. Amounts presented were determined as of calendar year January 1 - December 31.

\*\* Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

**Park City Municipal Corporation, Utah**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2015**

**Note 1. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan**

For the year ended June 30, 2015, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated January 1, 2014.

The actuarial valuation report dated January 1, 2014, is the only valuation to date of the multiple-employer cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional pension plan information can be found in Note F.

**SUPPLEMENTARY  
INFORMATION**

# NONMAJOR GOVERNMENTAL FUNDS

**Lower Park Avenue Redevelopment Agency and Main Street Redevelopment Agency Special Revenue Funds** – Special revenue funds are used to account for specific revenue sources that are restricted, committed or assigned to expenditures for particular purposes. These special revenue funds account for the agencies’ redevelopment activities which are supported by property tax increment revenue.

**Main Street Redevelopment Agency Capital Projects Fund** - Accounts for capital projects in the Main Street Redevelopment area.

**Municipal Building Authority** - The Municipal Building Authority is a legally separate organization that is a mechanism for financing needed City facilities. The Authority acquires and/or builds facilities by borrowing money secured by a lease agreement between the City and the Authority.

**Equipment Replacement Capital Projects Fund** - Accounts for the accumulation of resources for the future replacement of fixed assets such as computers, vehicles and heavy equipment.

**Park City Municipal Corporation, Utah**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2015**

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental	
	Lower Park Ave. Redevelopment Agency	Main Street Redevelopment Agency	Total	Main Street Redevelopment Agency	Municipal Building Authority	Equipment Replacement CIP		Total
<b>Assets</b>								
Cash, cash equivalents and investments	\$ 132,112	\$ 49,613	\$ 181,725	\$ 1,346,528	\$ 460,931	\$ 1,847,404	\$ 3,654,863	\$ 3,836,588
Receivables								
Taxes	2,388,205	1,310,197	3,698,402	-	-	-	-	3,698,402
Accounts	15	49	64	66	34	-	100	164
Total assets	<u>\$ 2,520,332</u>	<u>\$ 1,359,859</u>	<u>\$ 3,880,191</u>	<u>\$ 1,346,594</u>	<u>\$ 460,965</u>	<u>\$ 1,847,404</u>	<u>\$ 3,654,963</u>	<u>\$ 7,535,154</u>
<b>Liabilities, deferred inflows of resources and fund balances</b>								
Accounts payable	\$ 2,614	\$ -	\$ 2,614	\$ -	\$ -	\$ 15,242	\$ 15,242	\$ 17,856
Deferred inflows of resources-property tax	2,383,601	1,300,000	3,683,601	-	-	-	-	3,683,601
Total liabilities and deferred inflows of resources	<u>2,386,215</u>	<u>1,300,000</u>	<u>3,686,215</u>	<u>-</u>	<u>-</u>	<u>15,242</u>	<u>15,242</u>	<u>3,701,457</u>
<b>Fund Balances</b>								
Committed:								
Capital projects	-	-	-	1,346,594	460,965	1,832,162	3,639,721	3,639,721
Economic development	134,117	59,859	193,976	-	-	-	-	193,976
Total fund balances	<u>134,117</u>	<u>59,859</u>	<u>193,976</u>	<u>1,346,594</u>	<u>460,965</u>	<u>1,832,162</u>	<u>3,639,721</u>	<u>3,833,697</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 2,520,332</u>	<u>\$ 1,359,859</u>	<u>\$ 3,880,191</u>	<u>\$ 1,346,594</u>	<u>\$ 460,965</u>	<u>\$ 1,847,404</u>	<u>\$ 3,654,963</u>	<u>\$ 7,535,154</u>

**Park City Municipal Corporation, Utah**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2015**

	Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental
	Lower Park Ave. Redevelopment Agency	Main Street Redevelopment Agency	Total	Main Street Redevelopment Agency	Municipal Building Authority	Equipment Replacement CIP	Total	
<b>Revenues</b>								
Taxes and special assessments	\$ 528,686	\$ 291,345	\$ 820,031	\$ -	\$ -	\$ -	\$ -	\$ 820,031
Contribution from other governments	1,769,946	975,372	2,745,318	-	-	-	-	2,745,318
Investment income	1,382	3,475	4,857	3,682	1,791	-	5,473	10,330
Rental and other miscellaneous	-	-	-	13,857	-	-	13,857	13,857
Total revenues	<u>2,300,014</u>	<u>1,270,192</u>	<u>3,570,206</u>	<u>17,539</u>	<u>1,791</u>	<u>-</u>	<u>19,330</u>	<u>3,589,536</u>
<b>Expenditures</b>								
Capital outlay	-	-	-	-	66,575	1,019,442	1,086,017	1,086,017
Economic development	95,349	310,086	405,435	-	-	-	-	405,435
Total expenditures	<u>95,349</u>	<u>310,086</u>	<u>405,435</u>	<u>-</u>	<u>66,575</u>	<u>1,019,442</u>	<u>1,086,017</u>	<u>1,491,452</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,204,665</u>	<u>960,106</u>	<u>3,164,771</u>	<u>17,539</u>	<u>( 64,784)</u>	<u>( 1,019,442)</u>	<u>( 1,066,687)</u>	<u>2,098,084</u>
<b>Other financing sources (uses)</b>								
Sale of capital assets	-	-	-	-	-	23,811	23,811	23,811
Transfers in	-	-	-	900,247	-	925,000	1,825,247	1,825,247
Transfers out	( 2,070,548)	( 900,247)	( 2,970,795)	( 880,412)	-	-	(880,412)	(3,851,207)
Total other financing sources (uses)	<u>( 2,070,548)</u>	<u>( 900,247)</u>	<u>( 2,970,795)</u>	<u>19,835</u>	<u>-</u>	<u>948,811</u>	<u>968,646</u>	<u>( 2,002,149)</u>
<b>Net change in fund balances</b>	134,117	59,859	193,976	37,374	( 64,784)	( 70,631)	( 98,041)	95,935
<b>Fund balances - beginning</b>	-	-	-	1,309,220	525,749	1,902,793	3,737,762	3,737,762
<b>Fund balances - ending</b>	<u>\$ 134,117</u>	<u>\$ 59,859</u>	<u>\$ 193,976</u>	<u>\$ 1,346,594</u>	<u>\$ 460,965</u>	<u>\$ 1,832,162</u>	<u>\$ 3,639,721</u>	<u>\$ 3,833,697</u>

**Park City Municipal Corporation, Utah**  
**Sales Tax Revenue and Refunding Bonds Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ 4,669	\$ 4,669
<b>Expenditures</b>				
Debt service				
Principal	1,250,000	8,350,000	8,350,000	-
Interest	319,613	391,106	383,012	8,094
Bond issuance costs	-	430,000	429,373	627
Total expenditures	<u>1,569,613</u>	<u>9,171,106</u>	<u>9,162,385</u>	<u>8,721</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,569,613)</u>	<u>(9,171,106)</u>	<u>(9,157,716)</u>	<u>13,390</u>
<b>Other financing sources</b>				
Debt issuance	-	16,975,000	16,975,000	-
Refunding bonds issued	-	6,725,000	6,725,000	-
Premium on debt issuance	-	773,546	773,546	-
Premium on refunding bonds	-	518,996	518,996	-
Transfers in	1,561,551	1,597,045	1,597,045	-
Transfers out	-	(12,069,371)	(12,069,371)	-
Total other financing sources	<u>1,561,551</u>	<u>14,520,216</u>	<u>14,520,216</u>	<u>-</u>
<b>Net change in fund balance</b>	(8,062)	5,349,110	5,362,500	13,390
<b>Fund balance - beginning</b>	<u>1,159,267</u>	<u>1,165,267</u>	<u>1,165,267</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 1,151,205</u>	<u>\$ 6,514,377</u>	<u>\$ 6,527,767</u>	<u>\$ 13,390</u>

**Park City Municipal Corporation, Utah**  
**General Obligation Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes				
General property tax	\$ 4,737,987	\$ 5,309,592	\$ 5,309,592	\$ -
Delinquent taxes	12,000	12,000	12,000	-
Investment income	-	-	252	252
Miscellaneous	70,880	65,705	65,705	-
Total revenues	<u>4,820,867</u>	<u>5,387,297</u>	<u>5,387,549</u>	<u>252</u>
<b>Expenditures</b>				
Debt service				
Principal	3,655,000	7,150,000	7,150,000	-
Interest	1,177,513	1,144,388	1,132,350	12,038
Bond issuance costs	-	74,606	74,606	-
Total expenditures	<u>4,832,513</u>	<u>8,368,994</u>	<u>8,356,956</u>	<u>12,038</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,646)</u>	<u>(2,981,697)</u>	<u>(2,969,407)</u>	<u>12,290</u>
<b>Other financing sources</b>				
Refunding bonds issued	-	3,385,000	3,385,000	-
Premium on refunding bonds	-	154,845	154,845	-
Total other financing sources	<u>-</u>	<u>3,539,845</u>	<u>3,539,845</u>	<u>-</u>
<b>Net change in fund balance</b>	(11,646)	558,148	570,438	12,290
<b>Fund balance - beginning</b>	<u>400,651</u>	<u>432,580</u>	<u>393,586</u>	<u>( 38,994)</u>
<b>Fund balance - ending</b>	<u>\$ 389,005</u>	<u>\$ 990,728</u>	<u>\$ 964,024</u>	<u>\$ (26,704)</u>

**Park City Municipal Corporation, Utah**  
**Capital Improvements Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes and special assessments	\$ 5,900,156	\$ 6,902,000	\$ 7,389,182	\$ 487,182
Intergovernmental	350,000	2,404,000	2,489,330	85,330
Investment income	-	-	187,409	187,409
Impact fees	370,000	630,000	817,666	187,666
Miscellaneous	6,500,000	7,066,092	1,882,713	( 5,183,379)
Total revenues	<u>13,120,156</u>	<u>17,002,092</u>	<u>12,766,300</u>	<u>(4,235,792)</u>
<b>Expenditures</b>				
Capital outlay				
Land and building acquisition	5,500,000	11,227,003	8,652,912	2,574,091
Street and storm drain improvements	2,740,833	3,953,592	2,104,864	1,848,728
Building renovation and construction	557,709	2,426,889	546,208	1,880,681
Improvements other than building	4,448,095	31,935,373	7,224,282	24,711,091
City parks and cemetery improvements	100,000	458,121	8,627	449,494
Equipment	145,637	454,034	193,571	260,463
Total expenditures	<u>13,492,274</u>	<u>50,455,012</u>	<u>18,730,464</u>	<u>31,724,548</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(372,118)</u>	<u>(33,452,920)</u>	<u>(5,964,164)</u>	<u>27,488,756</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	12,069,371	12,069,371	-
Transfers out	(134,366)	(251,079)	(251,079)	-
Total other financing sources (uses)	<u>(134,366)</u>	<u>11,818,292</u>	<u>11,818,292</u>	<u>-</u>
<b>Net change in fund balance</b>	(506,484)	(21,634,628)	5,854,128	27,488,756
<b>Fund balance - beginning</b>	<u>2,554,602</u>	<u>27,106,574</u>	<u>27,244,890</u>	<u>138,316</u>
<b>Fund balance - ending</b>	<u>\$ 2,048,118</u>	<u>\$ 5,471,946</u>	<u>\$ 33,099,018</u>	<u>\$ 27,627,072</u>

**Park City Municipal Corporation, Utah**  
**Lower Park Avenue Redevelopment Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ (8,451)	\$ (8,451)
<b>Expenditures</b>				
Capital outlay				
Land and building acquisition	-	1,436,072	57,545	1,378,527
Street and storm drain improvements	-	39,845	-	39,845
Building renovation and construction	6,900,000	1,180,000	31,961	1,148,039
Improvements other than building	4,500,274	10,172,162	9,282,380	889,782
City parks and cemetery improvements	100,000	108,135	25,894	82,241
Total expenditures	<u>11,500,274</u>	<u>12,936,214</u>	<u>9,397,780</u>	<u>3,538,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,500,274)</u>	<u>(12,936,214)</u>	<u>(9,406,231)</u>	<u>3,529,983</u>
Other financing sources (uses)				
Debt issuance	9,000,000	6,000,000	-	( 6,000,000)
Sale of capital assets	2,750,000	-	-	-
Transfers in	2,090,000	2,070,548	2,070,548	-
Transfers out	<u>(326,938)</u>	<u>(326,938)</u>	<u>(326,938)</u>	<u>-</u>
Total other financing sources (uses)	<u>13,513,062</u>	<u>7,743,610</u>	<u>1,743,610</u>	<u>( 6,000,000)</u>
<b>Net change in fund balance</b>	2,012,788	(5,192,604)	(7,662,621)	(2,470,017)
<b>Fund balance - beginning</b>	<u>1,374,200</u>	<u>8,183,095</u>	<u>8,225,151</u>	<u>42,056</u>
<b>Fund balance - ending</b>	<u>\$ 3,386,988</u>	<u>\$ 2,990,491</u>	<u>\$ 562,530</u>	<u>\$ (2,427,961)</u>

**Park City Municipal Corporation, Utah**  
**Lower Park Avenue Redevelopment Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes and special assessments	\$ 2,192,000	\$ 2,192,000	\$ 528,686	\$ (1,663,314)
Contribution from other governments	-	-	1,769,946	1,769,946
Investment income	-	-	1,382	1,382
Total revenues	<u>2,192,000</u>	<u>2,192,000</u>	<u>2,300,014</u>	<u>108,014</u>
<b>Expenditures</b>				
Economic development	<u>72,513</u>	<u>116,453</u>	<u>95,349</u>	<u>(21,104)</u>
Excess of revenues over expenditures	<u>2,119,487</u>	<u>2,075,547</u>	<u>2,204,665</u>	<u>86,910</u>
Other financing uses-transfers out	<u>(2,090,000)</u>	<u>(2,070,548)</u>	<u>(2,070,548)</u>	<u>-</u>
<b>Net change in fund balances</b>	29,487	4,999	134,117	86,910
<b>Fund balance - beginning</b>	-	-	-	-
<b>Fund balance - ending</b>	<u>\$ 29,487</u>	<u>\$ 4,999</u>	<u>\$ 134,117</u>	<u>\$ 86,910</u>

**Park City Municipal Corporation, Utah**  
**Main Street Redevelopment Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes and special assessments	\$ -	\$ 338,707	\$ 291,345	\$ (47,362)
Contribution from other governments	-	966,540	975,372	8,832
Investment income	-	-	3,475	3,475
Total revenues	<u>-</u>	<u>1,305,247</u>	<u>1,270,192</u>	<u>(35,055)</u>
<b>Expenditures</b>				
Economic development	-	405,000	310,086	(94,914)
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>900,247</u>	<u>960,106</u>	<u>(129,969)</u>
Other financing uses-transfers out	-	(900,247)	(900,247)	-
<b>Net change in fund balances</b>	-	-	59,859	(129,969)
<b>Fund balance - beginning</b>	-	-	-	-
<b>Fund balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,859</u>	<u>\$ (129,969)</u>

**Park City Municipal Corporation, Utah**  
**Main Street Redevelopment Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
General property tax	\$ 1,251,000	\$ -	\$ -	\$ -
Investment income	-	-	3,682	3,682
Rental and other miscellaneous	-	-	13,857	13,857
Total revenues	<u>1,251,000</u>	<u>-</u>	<u>17,539</u>	<u>17,539</u>
<b>Expenditures</b>				
Capital outlay-improvements other than building	495,633	122,603	-	122,603
Excess (deficiency) of revenues over (under) expenditures	<u>755,367</u>	<u>(122,603)</u>	<u>17,539</u>	<u>140,142</u>
Other financing sources (uses)				
Transfers in	-	900,247	900,247	-
Transfers out	(950,000)	(880,412)	(880,412)	-
Total other financing sources (uses)	<u>(950,000)</u>	<u>19,835</u>	<u>19,835</u>	<u>-</u>
<b>Net change in fund balance</b>	(194,633)	(102,768)	37,374	140,142
<b>Fund balance - beginning</b>	944,306	1,302,719	1,309,220	6,501
<b>Fund balance - ending</b>	<u>\$ 749,673</u>	<u>\$ 1,199,951</u>	<u>\$ 1,346,594</u>	<u>\$ 146,643</u>

**Park City Municipal Corporation, Utah**  
**Municipal Building Authority Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment income	\$ 3,000	\$ 3,000	\$ 1,791	\$ (1,209)
<b>Expenditures</b>				
Capital outlay-improvements other than building	-	66,585	66,575	10
Excess (deficiency) of revenues over (under) expenditures	3,000	(63,585)	(64,784)	(1,199)
<b>Net change in fund balance</b>	3,000	(63,585)	(64,784)	(1,199)
<b>Fund balance - beginning</b>	458,457	523,127	525,749	2,622
<b>Fund balance - ending</b>	<u>\$ 461,457</u>	<u>\$ 459,542</u>	<u>\$ 460,965</u>	<u>\$ 1,423</u>

**Park City Municipal Corporation, Utah**  
**Equipment Replacement Capital Improvements Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Capital outlay - equipment	\$ 940,000	\$ 2,479,575	\$ 1,019,442	\$ 1,460,133
<b>Other financing sources</b>				
Sale of capital assets	-	15,000	23,811	8,811
Transfers in	925,000	925,000	925,000	-
Total other financing sources	<u>925,000</u>	<u>940,000</u>	<u>948,811</u>	<u>8,811</u>
<b>Net change in fund balance</b>	(15,000)	(1,539,575)	(70,631)	1,468,944
<b>Fund balance - beginning</b>	<u>359,663</u>	<u>1,902,793</u>	<u>1,902,793</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 344,663</u>	<u>\$ 363,218</u>	<u>\$ 1,832,162</u>	<u>\$ 1,468,944</u>

# INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing and operations of services provided to various City departments and other governments, on a cost-reimbursement basis. Included are:

**Fleet Services Fund:** Fleet Services Fund accounts for the cost of storage, repair and maintenance of City-owned vehicles.

**Self-Insurance Fund:** Self-Insurance Fund accounts for the establishment of a self-insurance program.

**Park City Municipal Corporation, Utah**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2015**

	<u>Fleet Services Fund</u>	<u>Self- Insurance Fund</u>	<u>Total</u>
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and investments	\$ 975,253	\$ 871,672	\$ 1,846,925
Accounts receivable	62,584	-	62,584
Inventories	440,324	-	440,324
Total current assets	<u>1,478,161</u>	<u>871,672</u>	<u>2,349,833</u>
Capital assets			
Vehicles and equipment	47,450	-	47,450
Accumulated depreciation	<u>( 47,450)</u>	<u>-</u>	<u>( 47,450)</u>
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Net pension asset	<u>354</u>	<u>-</u>	<u>354</u>
Total assets	<u>1,478,515</u>	<u>871,672</u>	<u>2,350,187</u>
<b>Deferred outflows of resources</b>			
Deferred outflows of resources related to pensions	<u>51,429</u>	<u>-</u>	<u>51,429</u>
Total deferred outflows of resources	<u>51,429</u>	<u>-</u>	<u>51,429</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	101,013	264,225	365,238
Accrued liabilities	23,274	-	23,274
Compensated absences	<u>8,927</u>	<u>-</u>	<u>8,927</u>
Total current liabilities	<u>133,214</u>	<u>264,225</u>	<u>397,439</u>
Noncurrent liabilities:			
Compensated absences	46,745	-	46,745
Net pension liability	<u>234,179</u>	<u>-</u>	<u>234,179</u>
Total noncurrent liabilities	<u>280,924</u>	<u>-</u>	<u>280,924</u>
Total liabilities	<u>414,138</u>	<u>264,225</u>	<u>678,363</u>
<b>Deferred inflows of resources</b>			
Deferred inflows of resources related to pensions	<u>38,500</u>	<u>-</u>	<u>38,500</u>
Total deferred inflows of resources	<u>38,500</u>	<u>-</u>	<u>38,500</u>
<b>Total net position-unrestricted</b>	<u>\$ 1,077,306</u>	<u>\$ 607,447</u>	<u>\$ 1,684,753</u>

**Park City Municipal Corporation, Utah**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2015**

	<b>Fleet Services Fund</b>	<b>Self- Insurance Fund</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Operating revenues-charges for services</b>	\$ 2,728,700	\$ 721,227	\$ 3,449,927
<b>Operating expenses</b>			
Salaries and benefits	802,914	-	802,914
Supplies, maintenance and services	749,621	1,321,992	2,071,613
Energy and utilities	994,533	-	994,533
	<u>2,547,068</u>	<u>1,321,992</u>	<u>3,869,060</u>
Income (loss) from operations and change in net position	<u>181,632</u>	<u>( 600,765)</u>	<u>( 419,133)</u>
<b>Net position - beginning, as previously reported</b>	1,113,959	1,208,212	2,322,171
Adjustment	<u>( 218,285)</u>	<u>-</u>	<u>( 218,285)</u>
<b>Net position - beginning, as adjusted</b>	895,674	1,208,212	2,103,886
<b>Net position - ending</b>	<u>\$ 1,077,306</u>	<u>\$ 607,447</u>	<u>\$ 1,684,753</u>

**Park City Municipal Corporation, Utah**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2015**

	<b>Fleet Services Fund</b>	<b>Self- Insurance Fund</b>	<b>Total</b>
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 2,740,227	\$ 721,612	\$ 3,461,839
Payments to suppliers	( 1,702,936)	( 1,076,511)	( 2,779,447)
Payments to employees	( 782,933)	-	( 782,933)
Net cash provided by (used in) operating activities	<u>254,358</u>	<u>( 354,899)</u>	<u>( 100,541)</u>
Net increase (decrease) in cash, cash equivalents and investments	254,358	( 354,899)	( 100,541)
<b>Balances—beginning of the year</b>	<u>720,895</u>	<u>1,226,571</u>	<u>1,947,466</u>
<b>Balances—end of the year</b>	<u>\$ 975,253</u>	<u>\$ 871,672</u>	<u>\$ 1,846,925</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 181,632	\$ (600,765)	\$ (419,133)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Receivables, net	11,527	385	11,912
Inventories	46,011	-	46,011
Accounts and other payables	( 4,793)	245,481	240,688
Accrued expenses	19,981	-	19,981
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 254,358</u>	<u>\$ (354,899)</u>	<u>\$ (100,541)</u>

# **FIDUCIARY FUND**

The Park City Agency Fund is used to hold deposits and performance bonds.

**Park City Municipal Corporation, Utah**  
**Statement of Changes in Assets and Liabilities**  
**For the Year Ended June 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Park City Agency</b>				
<b>Assets</b>				
Cash, cash equivalents and investments	\$ <u>2,049,616</u>	\$ <u>2,263,717</u>	\$ <u>(2,163,516)</u>	\$ <u>2,149,817</u>
<b>Liabilities</b>				
Deposits	\$ <u>2,049,616</u>	\$ <u>2,263,717</u>	\$ <u>(2,163,516)</u>	\$ <u>2,149,817</u>

## STATISTICAL SECTION

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the City’s overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> - These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
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Fund Balances of Governmental Funds	112
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Schedule 1**  
**Park City Municipal Corporation, Utah**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012 (1)	2013	2014 (1)	2015
Governmental activities										
Net investment in capital assets	\$ 84,556,119	\$ 89,314,177	\$ 94,499,292	\$ 104,268,572	\$ 126,232,311	\$ 133,919,927	\$ 136,071,293	\$ 142,887,371	\$ 150,053,024	\$ 159,315,342
Restricted	13,382,225	9,601,159	6,881,623	16,373,427	8,409,654	4,523,349	1,300,187	756,943	6,914,189	12,914,983
Unrestricted	45,952,484	58,692,064	64,231,443	46,530,239	40,053,884	39,298,940	43,625,788	42,124,211	31,427,218	25,315,602
Total governmental activities net position	<u>\$ 143,890,828</u>	<u>\$ 157,607,400</u>	<u>\$ 165,612,358</u>	<u>\$ 167,172,238</u>	<u>\$ 174,695,849</u>	<u>\$ 177,742,216</u>	<u>\$ 180,997,268</u>	<u>\$ 185,768,525</u>	<u>\$ 188,394,431</u>	<u>\$ 197,545,927</u>
Business-type activities										
Net investment in capital assets	\$ 33,886,798	\$ 34,285,569	\$ 33,742,422	\$ 36,546,622	\$ 45,544,573	\$ 51,237,710	\$ 56,867,717	\$ 57,738,180	\$ 58,889,312	\$ 61,064,884
Restricted	8,732,350	9,745,959	8,881,500	9,254,588	22,052,008	9,905,734	4,625,572	7,168,903	5,103,868	5,104,841
Unrestricted	5,208,267	10,525,780	16,473,348	17,152,620	234,871	11,465,665	18,103,004	16,869,063	20,587,531	24,110,275
Total business-type activities net position	<u>\$ 47,827,415</u>	<u>\$ 54,557,308</u>	<u>\$ 59,097,270</u>	<u>\$ 62,953,830</u>	<u>\$ 67,831,452</u>	<u>\$ 72,609,109</u>	<u>\$ 79,596,293</u>	<u>\$ 81,776,146</u>	<u>\$ 84,580,711</u>	<u>\$ 90,280,000</u>
Primary government										
Net investment in capital assets	\$ 118,442,917	\$ 123,599,746	\$ 128,241,714	\$ 140,815,194	\$ 171,776,884	\$ 185,157,637	\$ 192,939,010	\$ 200,625,551	\$ 208,942,336	\$ 220,380,226
Restricted	22,114,575	19,347,118	15,763,123	25,628,015	30,461,662	14,429,083	5,925,759	7,925,846	12,018,057	18,019,824
Unrestricted	51,160,751	69,217,844	80,704,791	63,682,859	40,288,755	50,764,605	61,728,792	58,993,274	52,014,749	49,425,877
Total primary government net position	<u>\$ 191,718,243</u>	<u>\$ 212,164,708</u>	<u>\$ 224,709,628</u>	<u>\$ 230,126,068</u>	<u>\$ 242,527,301</u>	<u>\$ 250,351,325</u>	<u>\$ 260,593,561</u>	<u>\$ 267,544,671</u>	<u>\$ 272,975,142</u>	<u>\$ 287,825,927</u>

Notes:  
(1) Restated

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012 (6)	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
General government	\$ 9,793,758 (1)	\$ 9,104,598	\$ 13,410,484	\$ 15,340,741	\$ 15,424,562	\$ 13,876,694	\$ 16,418,511	\$ 15,410,428	\$ 17,971,342	\$ 19,233,343
Public safety	3,614,976	3,639,734	4,150,644	4,243,055	4,410,647	4,523,175	4,749,019	5,005,854	5,023,548	5,270,197
Public works	7,806,325	7,945,868	9,355,418	8,464,545	8,186,146	7,539,516	7,120,275	7,225,061	7,053,923	6,967,243
Library and recreation	2,569,725	2,858,010	3,181,083	3,234,338	3,252,784	3,146,783	3,707,452	4,194,025	4,408,912	4,618,338
Interest on long-term debt	1,864,527	1,742,611	1,615,426	1,767,188	2,213,998	2,039,807	1,812,222	1,588,388	1,552,101	1,285,952
Total governmental activities expenses	<u>25,649,311</u>	<u>25,290,821</u>	<u>31,713,055</u>	<u>33,049,867</u>	<u>33,488,137</u>	<u>31,125,975</u>	<u>33,807,479</u>	<u>33,423,756</u>	<u>36,009,826</u>	<u>37,375,073</u>
Business-type activities:										
Water	5,126,182	6,021,603	5,953,499	7,895,070	9,220,606	9,168,368	9,828,676	10,980,949	11,678,822	11,870,125
Transportation and parking	5,664,315	6,822,384	7,244,088	7,167,411	9,406,997	8,433,607	9,243,798	9,608,636	10,378,982	10,804,211
Golf course	1,197,417	1,609,662	1,236,033	1,280,080	1,182,865	1,291,645	1,394,404	1,415,478	1,441,498	1,512,330
Total business-type activities expenses	<u>11,987,914</u>	<u>14,453,649</u>	<u>14,433,620</u>	<u>16,342,561</u>	<u>19,810,468</u>	<u>18,893,620</u>	<u>20,466,878</u>	<u>22,005,063</u>	<u>23,499,302</u>	<u>24,186,666</u>
Total primary government expenses	<u>\$ 37,637,225</u>	<u>\$ 39,744,470</u>	<u>\$ 46,146,675</u>	<u>\$ 49,392,428</u>	<u>\$ 53,298,605</u>	<u>\$ 50,019,595</u>	<u>\$ 54,274,357</u>	<u>\$ 55,428,819</u>	<u>\$ 59,509,128</u>	<u>\$ 61,561,739</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 3,605,851	\$ 4,440,720	\$ 5,807,731	\$ 3,120,334	\$ 1,535,425	\$ 1,959,149	\$ 2,072,172	\$ 2,388,214	\$ 3,907,142	\$ 4,718,626
Public safety	4,625	2,290	1,350	1,695	2,550	2,700	6,593	12,313	100	-
Public works	54,660	50,515	209,828	249,405	201,643	219,843	222,708	246,390	190,022	224,820
Library and recreation	1,078,903	1,091,658	1,147,238	1,236,024	1,107,536	836,328	1,142,700	1,287,791	1,309,934	1,210,362
Operating grants and contributions	191,803	126,395	158,494	111,044	88,142	126,759	151,111	350,352	165,147	121,866
Capital grants and contributions	1,994,234	817,530	1,951,362	3,163,329	8,827,676	649,032	1,476,472	1,073,924	1,879,881	2,479,239
Total governmental activities program revenues	<u>6,930,076</u>	<u>6,529,108</u>	<u>9,276,003</u>	<u>7,881,831</u>	<u>11,762,972</u>	<u>3,793,811</u>	<u>5,071,756</u>	<u>5,358,984</u>	<u>7,452,226</u>	<u>8,754,913</u>
Business-type activities:										
Charges for services										
Water	5,314,807	6,002,411	5,814,397	7,233,359	7,370,380	8,416,666	9,915,490	12,242,653	13,171,473	14,176,728
Transportation and parking	2,535,187	2,840,910	3,280,270	3,421,979	3,842,616	3,495,838	3,487,939	3,977,883	3,895,008	4,255,752
Golf course	896,091	948,753	955,473	994,049	843,621	878,237	1,033,286	1,102,133	1,056,248	1,105,882
Operating grants and contributions	-	1,536,448	54,774	1,186,122	3,219,683	-	3,681,732	-	1,649,174	1,602,990
Capital grants and contributions	3,099,552	5,134,055	4,097,331	4,095,971	4,449,296	6,367,580	4,856,335	2,373,881	3,353,572	4,186,198
Total business-type activities program revenues	<u>11,845,637</u>	<u>16,462,577</u>	<u>14,202,245</u>	<u>16,931,480</u>	<u>19,725,596</u>	<u>19,158,321</u>	<u>22,974,782</u>	<u>19,696,550</u>	<u>23,125,475</u>	<u>25,327,550</u>
Total primary government program revenues	<u>\$ 18,775,713</u>	<u>\$ 22,991,685</u>	<u>\$ 23,478,248</u>	<u>\$ 24,813,311</u>	<u>\$ 31,488,568</u>	<u>\$ 22,952,132</u>	<u>\$ 28,046,538</u>	<u>\$ 25,055,534</u>	<u>\$ 30,577,701</u>	<u>\$ 34,082,463</u>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (18,719,235)	\$ (18,761,713)	\$ (22,437,052)	\$ (25,168,036)	\$ (21,725,165)	\$ (27,332,164)	\$ (28,735,723)	\$ (28,064,772)	\$ (28,557,600)	\$ (28,620,160)
Business-type activities	(142,277)	2,008,928	(231,375)	588,919	(84,872)	264,701	2,507,904	(2,308,513)	(373,827)	1,140,884
Total primary government net expense	<u>\$ (18,861,512)</u>	<u>\$ (16,752,785)</u>	<u>\$ (22,668,427)</u>	<u>\$ (24,579,117)</u>	<u>\$ (21,810,037)</u>	<u>\$ (27,067,463)</u>	<u>\$ (26,227,819)</u>	<u>\$ (30,373,285)</u>	<u>\$ (28,931,427)</u>	<u>\$ (27,479,276)</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012 (6)	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property tax, levied for general purposes	\$ 10,235,875	\$ 10,504,429	\$ 11,051,669	\$ 11,003,476	\$ 11,921,879	\$ 12,442,798	\$ 13,797,851	\$ 13,587,385	\$ 12,772,297	\$ 12,809,892
Property tax, levied for debt service	2,211,909	2,211,909	2,211,909	2,211,909	4,009,000	4,570,315	4,580,904	4,577,873	5,082,714	5,321,592
General sales and use tax	4,268,697	4,352,388	4,047,348	3,881,142	3,990,274	3,966,554	4,125,435	4,187,472	4,347,534	4,731,904
Franchise tax	2,715,184	2,529,915	2,748,571	2,720,272	2,774,319	2,906,982	2,816,070	3,037,407	3,158,716	3,061,207
Resort tax	4,261,186	5,155,164	5,157,557	4,709,483	4,483,804	5,022,250	5,443,231	5,983,636	9,151,788	10,066,040
Investment earnings	2,976,800	3,968,351	3,669,971	1,646,364	753,587	399,928	283,191	258,657	348,090	261,735
Miscellaneous	1,275,609	983,013	793,279	874,055	1,124,367	1,022,968	944,093	1,203,599	1,594,150	804,286
Gain/Loss on sale of capital assets	1,051,678	3,079,451	761,706	(46,785)	-	215,705	-	-	-	-
Transfers	-	-	-	-	(1,132,821)	(168,969)	-	-	-	715,000
<b>Total governmental activities</b>	<b>28,996,938</b>	<b>32,784,620</b>	<b>30,442,010</b>	<b>26,999,916</b>	<b>27,924,409</b>	<b>30,378,531</b>	<b>31,990,775</b>	<b>32,836,029</b>	<b>36,455,289</b>	<b>37,771,656</b>
Business-type activities:										
General sales and use tax	2,871,465	3,469,575	3,550,538	2,436,838	3,127,767	3,503,440	3,798,125	3,868,264	4,019,133	4,398,879
Investments earnings	465,996	821,835	892,754	543,562	339,629	438,221	247,058	196,237	358,535	367,709
Miscellaneous	331,125	429,555	328,045	287,241	362,277	402,326	434,097	423,865	497,745	506,817
Transfers	-	-	-	-	1,132,821	168,969	-	-	-	(715,000)
<b>Total business-type activities</b>	<b>3,668,586</b>	<b>4,720,965</b>	<b>4,771,337</b>	<b>3,267,641</b>	<b>4,962,494</b>	<b>4,512,956</b>	<b>4,479,280</b>	<b>4,488,366</b>	<b>4,875,413</b>	<b>4,558,405</b>
<b>Total primary government</b>	<b>\$ 32,665,524</b>	<b>\$ 37,505,585</b>	<b>\$ 35,213,347</b>	<b>\$ 30,267,557</b>	<b>\$ 32,886,903</b>	<b>\$ 34,891,487</b>	<b>\$ 36,470,055</b>	<b>\$ 37,324,395</b>	<b>\$ 41,330,702</b>	<b>\$ 42,330,061</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 10,277,703	\$ 14,022,907	\$ 8,004,958	(2) \$ 1,831,880	(3) \$ 6,199,244	(4) \$ 3,046,367	(5) \$ 3,255,052	\$ 4,771,257	\$ 7,897,689	(7) \$ 9,151,496
Adjustment to governmental activities net position	-	-	-	-	-	-	-	-	(5,271,783)	(8) -
Business-type activities	3,526,309	6,729,893	4,539,962	3,856,560	4,877,622	4,777,657	6,987,184	2,179,853	4,501,586	5,699,289
Adjustment to business-type activities net position	-	-	-	-	-	-	-	-	(1,697,021)	(8) -
<b>Total primary government</b>	<b>\$ 13,804,012</b>	<b>\$ 20,752,800</b>	<b>\$ 12,544,920</b>	<b>\$ 5,688,440</b>	<b>\$ 11,076,866</b>	<b>\$ 7,824,024</b>	<b>\$ 10,242,236</b>	<b>\$ 6,951,110</b>	<b>\$ 5,430,471</b>	<b>\$ 14,850,785 (9)</b>

Notes:

- (1) In February 2006, the City began operation of the Quinns Recreation Complex Ice Skating Arena. The expenses for operation of the arena are included in general government.
- (2) Decrease in governmental activities net position is due to increases in general government, public safety and public works expense.
- (3) Decrease in governmental activities net position is due to increases in payroll expenditures and the ice facility, which was open two more months in FY 2009 compared to FY 2008.
- (4) Increase in governmental activities net position is due to increases in capitalizable grants and contributions.
- (5) Decrease in governmental activities net position is due to decreases in capitalizable grants and contributions.
- (6) Restated.
- (7) Increase in governmental activities net position is due to increases in resort tax collected.
- (8) FY 2015 - Implemented GASB 68, Accounting and Financial Reporting for Pensions, required restatement of FY 2014.
- (9) Increase in total primary government net position is due to restatement of fiscal year 2014 for the implementation of GASB 68.

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Unreserved, undesignated	\$ 3,120,657	\$ 4,614,015	\$ 3,672,132	\$ 3,747,296	\$ 3,894,972	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-	-	4,209,020	4,011,625	5,515,127	6,670,716	6,836,193
Restricted - Drug and tobacco enforcement	-	-	-	-	-	31,258	36,517	47,776	46,402	47,201
Total general fund	<u>\$ 3,120,657</u>	<u>\$ 4,614,015</u>	<u>\$ 3,672,132</u>	<u>\$ 3,747,296</u>	<u>\$ 3,894,972</u>	<u>\$ 4,240,278</u>	<u>\$ 4,048,142</u>	<u>\$ 5,562,903</u>	<u>\$ 6,717,118</u>	<u>\$ 6,883,394</u>
All other governmental funds										
Reserved										
Major capital projects funds-capital projects	\$ 3,615,314	\$ 3,512,677	\$ 1,506,103	\$ 11,384,726	\$ 6,608,983	\$ -	\$ -	\$ -	\$ -	\$ -
Major debt service funds-capital projects	8,015,584	4,247,676	4,022,666	4,104,881	1,115,930	-	-	-	-	-
Major debt service	5,548	46,755	222,246	204,089	3,880	-	-	-	-	-
Nonmajor debt service funds-capital projects	1,061,227	1,111,655	-	-	-	-	-	-	-	-
Nonmajor debt service funds-debt service	684,552	682,396	1,130,608	679,731	680,861	-	-	-	-	-
Unreserved, designated										
Major capital projects funds	37,188,250 (1)	42,039,728 (1)	46,763,396 (1)	40,220,685 (1)	26,618,929 (1)	-	-	-	-	-
Nonmajor capital projects funds	3,551,772	3,469,259	3,140,465	1,798,846	1,948,358	-	-	-	-	-
Major debt service funds	436,235	488,982	652,121	647,183	1,084,351	-	-	-	-	-
Nonmajor debt service funds	58,800	118,394	187,889	198,251	203,868	-	-	-	-	-
Unreserved, undesignated										
Major capital projects funds	9,748,106	7,725,190	8,950,857	5,250,664	6,496,859	-	-	-	-	-
Major debt service funds	(6,232,622)	(2,684,701)	(2,501,669)	(2,384,282)	-	-	-	-	-	-
Nonmajor capital projects funds	1,856,919	2,078,624	76,071	570,697	1,215,873	-	-	-	-	-
Nonmajor debt service funds	112,581	-	1,094,765	-	-	-	-	-	-	-
Restricted for:										
Capital projects	-	-	-	-	-	4,490,602 (2)	1,261,260	708,350	6,866,835	12,779,745
Debt service	-	-	-	-	-	1,489	2,410	817	952	88,037
Assigned:										
Capital projects funds	-	-	-	-	-	34,536,547	-	-	-	-
Debt service funds	-	-	-	-	-	1,537,118	-	-	-	-
Committed:										
Capital projects funds	-	-	-	-	-	-	31,635,190	31,470,751	32,340,968	29,882,740
Debt service funds	-	-	-	-	-	-	1,713,903	1,480,633	1,557,901	2,236,514
Total all other governmental funds	<u>\$ 60,102,266</u>	<u>\$ 62,836,635</u>	<u>\$ 65,245,518</u>	<u>\$ 62,675,471</u>	<u>\$ 45,977,892</u>	<u>\$ 40,565,756</u>	<u>\$ 34,612,763</u>	<u>\$ 33,660,551</u>	<u>\$ 40,766,656</u>	<u>\$ 44,987,036</u>

Notes:  
(1) Designated fund balance includes a transfer from the general fund to the capital projects improvement fund per the City's budget, as follows:  
FY 2006-transfer of \$6.5 million; FY 2007-transfer of \$5.6 million; FY 2008-transfer of \$4.8 million; FY 2009-transfer of \$2.8 million; FY 2010-transfer of \$1.6 million.  
(2) FY 2011- Implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions.

**Schedule 4**  
**Park City Municipal Corporation, Utah**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes and special assessments	\$ 23,715,701	\$ 24,781,947	\$ 25,235,186	\$ 24,523,906	\$ 27,038,657	\$ 28,939,586	\$ 30,705,261	\$ 31,399,695	\$ 34,486,284	\$ 33,269,379
Licenses and permits	2,250,004	2,686,965	3,286,754	1,702,201	808,055	1,067,438	1,166,721	1,446,142	2,611,576	3,025,886
Intergovernmental	933,555	843,925	1,310,951	601,868	690,912	775,791	627,433	1,404,276	1,818,822	5,346,423
Charges for services	1,375,512	1,603,390	1,640,952	1,785,328	1,705,148	1,526,455	1,910,119	2,017,593	2,194,197	2,071,230
Fines and forfeitures	28,622	26,981	44,855	43,825	40,562	28,833	29,404	35,342	21,648	14,206
Investment income	2,976,800	3,968,351	3,669,971	1,646,364	753,587	399,928	283,191	258,657	348,090	261,735
Impact fees	1,089,901	1,267,847	1,310,955	844,074	109,553	191,521	133,421	201,235	397,737	817,666
Rental and other miscellaneous	1,216,022	1,407,452	3,273,529	2,017,353	2,843,770	2,104,193	2,366,777	1,476,317	1,912,540	2,873,179
<b>Total revenues</b>	<b>33,586,117</b>	<b>36,586,858</b>	<b>39,773,153</b>	<b>33,164,919</b>	<b>33,990,244</b>	<b>35,033,745</b>	<b>37,222,327</b>	<b>38,239,257</b>	<b>43,790,894</b>	<b>47,679,704</b>
<b>Expenditures</b>										
General government	7,201,245	7,983,283	9,341,117	9,290,488	9,926,208	10,717,351	11,260,367	11,381,542	12,086,576	13,653,938
Public safety	3,509,959	3,565,474	3,986,114	3,929,574	4,118,458	4,266,143	4,498,776	4,687,516	4,684,672	4,953,544
Public works	4,021,580	4,098,548	5,426,957	4,464,352	4,366,909	4,422,633	4,718,003	4,835,958	4,643,828	4,718,959
Library and recreation	2,268,341	2,370,047	2,565,820	2,581,640	2,608,012	2,534,737	2,839,500	3,164,535	3,361,464	3,495,302
Debt Service										
Principal retirement	3,820,134	3,703,520	3,847,159	5,171,070	5,955,275	5,349,796	5,424,637	4,664,880	5,220,496	18,086,533
Interest	1,897,895	1,756,593	1,629,489	1,674,501	2,065,562	2,066,631	1,835,199	1,661,003	1,616,778	1,528,829
Bond issuance costs	-	-	43,417	261,213	137,262	51,663	-	-	123,931	503,979
Arbitrage rebate	-	-	-	-	31,874	-	-	-	-	-
Capital outlay	19,137,043	15,173,156	14,402,328	35,150,900	33,827,783	12,847,882	17,073,402	8,517,860	13,923,767	26,614,261
Economic development	-	-	-	-	-	-	-	-	-	405,435
<b>Total expenditures</b>	<b>41,856,197</b>	<b>38,650,621</b>	<b>41,242,401</b>	<b>62,523,738</b>	<b>63,037,343</b>	<b>42,256,836</b>	<b>47,649,884</b>	<b>38,913,294</b>	<b>45,661,512</b>	<b>73,960,780</b>
Revenues (under) expenditures	(8,270,080)	(2,063,763)	(1,469,248)	(29,358,819)	(29,047,099)	(7,223,091)	(10,427,557)	(674,037)	(1,870,618)	(26,281,076)
<b>Other financing sources (uses)</b>										
Debt issuance	-	-	779,793	24,477,505	6,092,683	-	-	-	7,170,000	16,975,000
Refunding bonds issued	-	-	-	1,695,000	2,025,000	1,525,000	-	-	1,930,000	10,110,000
Payment to refunded bondholders	-	-	-	(1,695,000)	-	(2,655,000)	-	-	(1,930,000)	-
Payment to refunded bond escrow agent	-	-	-	-	(2,055,334)	-	-	-	-	-
Premium on debt issuance	-	-	-	270,712	89,739	-	-	-	92,774	773,546
Premium on refunding bonds	-	-	-	-	59,922	33,592	-	-	50,769	673,841
Payment received on note	-	-	-	-	-	-	-	-	1,375,000	-
Discount on debt issuance	-	-	-	(25,209)	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	1,082,898	3,995,223	1,606,153	16,515	4,155,231	1,124,436	2,290,798	17,586	146,554	23,811
Transfers in	27,192,306	11,754,974	11,673,653	30,892,855	12,836,826	6,595,012	6,424,043	4,731,710	10,978,139	19,728,745
Transfers out	(25,063,308)	(9,458,707)	(11,123,351)	(28,768,442)	(10,706,871)	(4,466,779)	(4,432,413)	(3,512,710)	(9,682,298)	(17,617,211)
<b>Total other financing sources</b>	<b>3,211,896</b>	<b>6,291,490</b>	<b>2,936,248</b>	<b>26,863,936</b>	<b>12,497,196</b>	<b>2,156,261</b>	<b>4,282,428</b>	<b>1,236,586</b>	<b>10,130,938</b>	<b>30,667,732</b>
<b>Net change in fund balances</b>	<b>\$ (5,058,184)</b>	<b>\$ 4,227,727</b>	<b>\$ 1,467,000</b>	<b>\$ (2,494,883)</b>	<b>\$ (16,549,903)</b>	<b>\$ (5,066,830)</b>	<b>\$ (6,145,129)</b>	<b>\$ 562,549</b>	<b>\$ 8,260,320</b>	<b>\$ 4,386,656</b>
Debt Service as a percentage of noncapital expenditures	25%	21%	18%	21%	24%	23%	21%	19%	19%	40%

**Schedule 5**  
**Park City Municipal Corporation, Utah**  
**General Government Tax Revenues by Source (1)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales and Use Tax</b>	<b>Franchise Tax</b>	<b>Resort Tax</b>	<b>Total</b>
2006	\$ 8,942,736	\$ 4,268,697	\$ 2,715,184	\$ 4,261,186	\$ 20,187,803
2007	8,968,068	4,352,388	2,529,915	5,155,164	21,005,535
2008	9,353,405	4,047,348	2,748,571	5,157,557	21,306,881
2009	9,148,584	3,881,142	2,720,272	4,709,483	20,459,481
2010	11,750,185	3,990,274	2,774,319	4,483,804	22,998,582
2011	13,217,398	3,966,554	2,906,982	3,022,250	23,113,184
2012	14,545,369	4,125,435	2,816,070	3,643,231	25,130,105
2013	14,601,807	4,187,472	3,037,407	3,461,728	25,288,414
2014	14,361,738	4,347,534	3,158,716	2,966,879	24,834,867
<b>2015</b>	<b>14,590,197</b>	<b>4,731,904</b>	<b>3,061,207</b>	<b>2,676,858</b>	<b>25,060,166</b>

Change:					
2006-2015	63.2%	10.9%	12.7%	-37.2%	24.1%

Note: (1) Includes general fund and debt service fund.

**Schedule 6**  
**Park City Municipal Corporation, Utah**  
**Assessed Value of Taxable Property Excluding Fee-In-Lieu**  
**Summit and Wasatch Counties Combined (1)**  
**Last Ten Calendar Years**  
**(in thousands of dollars)**

<u>Calendar Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Miscellaneous Property</u>	<u>Total Assessed Value</u>	<u>Total Estimated Actual Value of Taxable Property</u>	<u>Total Direct Tax Rate</u>
2005	\$ 4,738,920	\$ 387,993	\$ 324,801	\$ 5,451,714	\$ 6,157,397	0.002349 %
2006	5,310,584	403,302	346,877	6,060,763	6,959,883	0.001983
2007	6,595,402	488,894	372,113	7,456,409	8,472,956	0.001674
2008	7,875,426	516,851	401,060	8,793,337	9,962,881	0.001779
2009	6,026,603	543,548	351,478	6,921,629	8,028,606	0.002148
2010	5,501,360	552,927	344,217	6,398,504	7,261,898	0.002130
2011	5,858,428	781,086	457,203	7,096,717	7,941,327	0.002236
2012	5,821,784	770,866	417,491	7,010,141	7,826,836	0.002197
2013	5,937,313	678,855	401,319	7,017,488	7,835,845	0.002131
<b>2014</b>	<b>6,274,164</b>	<b>679,149</b>	<b>389,160</b>	<b>7,342,473</b>	<b>8,215,313</b>	<b>0.002067</b>

Source: Utah State Tax Commission, Property Tax Division

Note: (1) Starting in 2013 the City uses the Utah State Tax Commission as the source to obtain more accurate information, data was updated for all years shown for comparison.

**Schedule 7**  
**Park City Municipal Corporation, Utah**  
**Assessed Value of Taxable Property Including Fee-In-Lieu**  
**Summit and Wasatch Counties Combined (2)**  
**Last Ten Calendar Years**  
**(in thousands of dollars)**

<u>Calendar Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Miscellaneous Property</u>	<u>Fee-In-Lieu Value</u>	<u>Total Assessed Value</u>
2005	\$ 4,738,920	\$ 387,993	\$ 324,801	\$ 14,881	\$ 5,466,595
2006	5,310,584	403,302	346,877	13,666	6,074,429
2007	6,595,402	488,894	372,113	14,397	7,470,806
2008	7,875,426	516,851	401,060	13,943	8,807,280
2009	6,026,603	543,548	351,478	11,815	6,933,444
2010	5,501,360	552,927	344,217	13,509	6,412,013
2011	5,858,428	781,086	457,203	12,755 (1)	7,109,472
2012	5,821,784	770,866	417,491	13,179	7,023,320
2013	5,937,313	678,855	401,319	13,820	7,031,308
<b>2014</b>	<b>6,274,164</b>	<b>679,149</b>	<b>389,160</b>	<b>14,560</b>	<b>7,357,033</b>

Source: Utah State Tax Commission, Property Tax Division

Notes: (1) The State's method of calculating the Fee-In-Lieu was changed in 2011, previous years were recalculated using the old formula  
(2) Starting in 2013 the City uses Utah State Tax Commission as the source to obtain more accurate information, data was updated for all years shown for comparison.

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

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Apparel stores	\$ 18,177	\$ 24,620	\$ 27,266	\$ 23,627	\$ 19,710	\$ 21,833	\$ 25,919	\$ 24,069	\$ 22,927	\$ 25,777
Food stores	45,617	47,386	50,148	66,801	60,784	60,269	64,592	67,066	56,238	57,809
Sporting goods, hobby, book and music	-	-	-	33,633 (1)	29,779	35,891	40,163	38,638	40,609	40,524
Home furnishings and appliances	13,545	15,126	15,073	13,717	12,363	21,785	21,745	20,849	12,394	12,730
Building materials and farm tools	24,894	29,142	25,252	7,008	4,871	2,735	2,704	2,819	3,654	3,652
Miscellaneous retail stores	64,944	72,966	73,907	28,323	23,798	26,427	26,894	27,985	25,884	29,162
All other outlets	<u>1,031</u>	<u>1,477</u>	<u>1,628</u>	<u>11,156</u>	<u>6,953</u>	<u>3,698</u>	<u>3,484</u>	<u>3,674</u>	<u>4,452</u>	<u>4,329</u>
<b>Total</b>	<b>\$ <u>168,208</u></b>	<b>\$ <u>190,717</u></b>	<b>\$ <u>193,274</u></b>	<b>\$ <u>184,265</u></b>	<b>\$ <u>158,258</u></b>	<b>\$ <u>172,638</u></b>	<b>\$ <u>185,501</u></b>	<b>\$ <u>185,100</u></b>	<b>\$ <u>166,158</u></b>	<b>\$ <u>173,983</u></b>
City direct sales tax rate	2.25 %	2.25 %	2.25 %	2.40 %	2.40 %	2.40 %	2.40 %	2.90 %	2.90 %	2.90 %

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

Note: (1) 2008 - Sporting goods, hobby, book and music, previously classified in Miscellaneous retail stores, became a significant amount and was separated into a new category.

**Schedule 9  
Park City Municipal Corporation, Utah  
Direct and Overlapping Property Tax Rates  
Last Ten Calendar Years**

Calendar Year	City Direct Rates			Overlapping Rates						Total Levy for Park City Residents
	Basic Rate	General Obligation Debt Service	Total Direct	Summit County Levy	State Assessment/Collecting	Weber Basin Water	Park City Fire	Park City School	Summit Co. Mosquito Abatement	
2005	0.001748	0.000601	0.002349	0.001170	0.000321	0.000193	0.001132	0.005494	0.000050	0.010709
2006	0.001493	0.000490	0.001983	0.001009	0.000247	0.000178	0.000963	0.005212	0.000044	0.009636
2007	0.001288	0.000386	0.001674	0.000846	0.000213	0.000200	0.000811	0.004302	0.000038	0.008084
2008	0.001125	0.000654	0.001779	0.000753	0.000182	0.000181	0.000846	0.003895	0.000034	0.007670
2009	0.001327	0.000821	0.002148	0.000746	0.000202	0.000188	0.000849	0.004018	0.000034	0.008185
2010	0.001389	0.000741	0.002130	0.000895	0.000228	0.000207	0.001070	0.004360	0.000040	0.008930
2011	0.001383	0.000853	0.002236	0.000924	0.000241	0.000217	0.001161	0.004405	0.000040	0.009224
2012	0.001431	0.000766	0.002197	0.000943	0.000239	0.000215	0.000987	0.004924	0.000041	0.009546
2013	0.001385	0.000746	0.002131	0.000909	0.000226	0.000210	0.000950	0.004630	0.000040	0.009096
<b>2014</b>	<b>0.001248</b>	<b>0.000819</b>	<b>0.002067</b>	<b>0.000826</b>	<b>0.000222</b>	<b>0.000199</b>	<b>0.000907</b>	<b>0.004770</b>	<b>0.000038</b>	<b>0.009029</b>

Tax Rate (per \$1 of taxable value)

Source: Summit County property tax notices.

Note: The City's basic property tax rate may be increased only by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

**Schedule 10**  
**Park City Municipal Corporation, Utah**  
**Direct and Overlapping Sales Tax Rate**  
**Last Ten Calendar Years**

<u>Calendar Year</u>	<u>City Direct Rate</u>	<u>Summit County</u>	<u>State of Utah</u>	<u>Total</u>
2006	2.25 %	0.35 %	4.75 %	7.35 %
2007	2.25	0.35	4.75	7.35
2008	2.40	0.35	4.65	7.40
2009	2.40	0.35	4.70	7.45
2010	2.40	0.35	4.70	7.45
2011	2.40	0.35	4.70	7.45
2012	2.40	0.35	4.70	7.45
2013	2.90 (1)	0.35	4.70	7.95
2014	2.90	0.35	4.70	7.95
<b>2015</b>	<b>2.90</b>	<b>0.35</b>	<b>4.70</b>	<b>7.95</b>

Source: Utah State Tax Commission

Note: (1) Includes 0.50 percent Additional Resort Communities Sales and Use Tax implemented in fiscal year 2013.

**Schedule 11**  
**Park City Municipal Corporation, Utah**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Talisker Empire Pass Hotel LLC (Montage)	\$ 285,499,000	1	3.48 %	\$ -	-	- %
Marriott Ownership Resorts	114,504,078	2	1.39	114,504,078	1	3.04
VR CPC Holdings Inc. (Vail Resorts)	33,505,743	3	0.41	-	-	-
Deer Valley Resort	30,892,906	4	0.38	48,244,936	2	1.28
United Park City Mines	28,098,000	5	0.34	12,167,280	6	0.32
Chateaux at Silver Lake	21,521,376	6	0.26	-	-	-
Silver Lake Development Corp.	19,540,360	7	0.24	-	-	-
Residences at the Chateaux	16,000,000	8	0.19	-	-	-
Wasatch Retreat LLC	14,780,000	9	0.18	-	-	-
Wintzer Wolfe Properties	14,120,394	10	0.17	-	-	-
Mountain Developments Inc.	-	-	-	16,312,707	3	0.43
Madanas Family	-	-	-	14,485,982	4	0.39
POWdr Development	-	-	-	14,247,158	5	0.38
Qwest	-	-	-	11,400,575	7	0.30
George Stefanis	-	-	-	10,630,322	8	0.28
Spring Canyon Associates	-	-	-	9,988,980	9	0.27
PacifiCorp	-	-	-	8,756,011	10	0.23
Totals	\$ <u>578,461,857</u>		<u>7.04</u> %	\$ <u>251,982,018</u>		<u>6.92</u> %

Source: Summit County Treasurer and Park City Finance Department

**Schedule 12  
Park City Municipal Corporation, Utah  
City Tax Revenue Collected by County  
Last Ten Calendar Years**

<b>Tax Year End 12/31</b>			<b>Collected Within the Year of the Levy</b>				<b>Total Collections to Date</b>	
	<b>Original Levy (1)</b>	<b>Adjusted Levy</b>	<b>Amount (2)</b>	<b>Percent of Adjusted Levy</b>	<b>Collections in Subsequent Years</b>	<b>Amount (2)</b>	<b>Percent of Net Levy</b>	
<b><u>Summit County</u></b>								
2005	\$ 8,578,808	\$ 8,578,808	\$ 8,572,693	99.93 %	\$ 6,115	\$ 8,578,808	100.00 %	
2006	9,179,147	9,173,475	8,550,050	93.20	623,425	9,164,100	99.90	
2007	9,666,856	9,648,962	8,946,941	92.72	702,021	9,639,419	99.90	
2008	9,714,765	9,682,178	8,972,113	92.67	710,065	9,674,827	99.92	
2009	12,401,579	12,194,585	11,379,638	93.32	814,947	12,182,628	99.90	
2010	12,984,657	12,918,445	12,060,672	93.36	857,773	12,899,839	99.86	
2011	12,750,981	14,170,463	13,579,302	95.83	591,161	14,147,531	99.84	
2012	14,655,626	14,480,342	13,275,742	91.68	1,204,600 (3)	14,453,551	99.81	
2013	14,236,860	14,213,872	13,637,854	95.95	576,018	14,121,172	99.35	
<b>2014</b>	<b>14,445,661</b>	<b>14,441,587</b>	<b>13,714,698</b>	<b>94.97</b>	<b>-</b>	<b>13,714,698</b>	<b>94.97</b>	
<b><u>Wasatch County</u></b>								
2005	\$ 210,386	\$ 210,712	\$ 210,712	100.00 %	\$ -	\$ 210,712	100.00 %	
2006	199,350	190,368	190,368	100.00	-	190,368	100.00	
2007	173,621	166,911	166,911	100.00	-	166,911	100.00	
2008	193,390	157,195	157,195	100.00	-	157,195	100.00	
2009	346,442	287,560	287,560	100.00	-	287,560	100.00	
2010	723,334	711,980	711,980	100.00	-	711,980	100.00	
2011	568,568	521,424	521,424	100.00	-	521,424	100.00	
2012	586,238	583,467	583,467	100.00	-	583,467	100.00	
2013	608,641	605,996	605,996	100.00	-	605,996	100.00	
<b>2014</b>	<b>611,098</b>	<b>611,098</b>	<b>611,098</b>	<b>100.00</b>	<b>-</b>	<b>611,098</b>	<b>100.00</b>	

Source: Summit and Wasatch County Annual Financial Reports.

- (1) Excludes redevelopment agencies valuation.
- (2) Total Collection amounts do not include any fee-in-lieu payments.
- (3) Increase was due to miscoding, by Summit County, of a large portion of Flagstaff Annexation, which was corrected in calendar year 2013, and property taxes paid.

**Schedule 13**  
**Park City Municipal Corporation, Utah**  
**Property Tax Levies and Collections (1)**  
**Last Ten Calendar Years**

Calendar Year Ended December 31,	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 8,789,520	\$ 8,783,405	99.93 %	\$ 6,115	\$ 8,789,520	100.00 %
2006	9,363,843	8,740,418	93.34	623,425	9,354,468	99.90
2007	9,815,873	9,113,852	92.85	702,021	9,806,330	99.90
2008	9,839,373	9,129,308	92.78	710,065	9,832,022	99.93
2009	12,482,145	11,667,198	93.47	814,947	12,470,188	99.90
2010	13,630,425	12,772,652	93.71	857,773	13,611,819	99.86
2011	14,691,887	14,100,726	95.98	591,161	14,668,955	99.84
2012	15,063,809	13,859,209	92.00	1,204,600 (2)	15,037,018	99.82
2013	14,819,868	14,243,850	96.11	576,018	14,727,168	99.37
<b>2014</b>	<b>15,052,685</b>	<b>14,325,796</b>	<b>95.17</b>	-	<b>14,325,796</b>	<b>95.17</b>

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

Notes:

(1) Includes general fund and debt service fund.

(2) Increase was due to miscoding, by Summit County, of a large portion of Flaggstaff Annexation, which was corrected in calendar year 2013, and property taxes paid.

**Schedule 14**  
**Park City Municipal Corporation, Utah**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-type Activities				
	General Obligation Bonds (1)	Redevelopment Bonds	Sales Tax Increment Bonds (1)	Municipal Building Authority	Contracts Payable	Water Bonds (1)	Capital Leases	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2006	\$ 18,570,000	\$ 4,320,000	\$ 18,870,000	\$ -	\$ 686,409	\$ 11,375,000	(3) \$ 58,400	\$ 53,879,809	3.31 %	6,680
2007	17,175,000	3,930,000	17,000,000	-	637,889	10,856,000	-	49,598,889	2.67	6,098
2008	15,720,000	3,525,000	15,065,000	779,793	585,730	10,162,000	-	45,837,523	2.38	5,708
2009	36,015,000 (4)	3,100,000	13,235,000	2,102,298	529,660	9,443,000	-	64,424,954	2.97	8,073
2010	39,375,000 (6)	2,655,000	11,835,000	844,981	469,385	41,236,000 (5)	-	96,415,366	4.17	11,869
2011	36,135,000	-	11,915,000 (7)	244,981	404,589	39,677,000	-	88,376,570	3.87	11,635
2012	33,168,627	-	10,167,292	-	334,933	44,367,488 (8)	-	88,038,340	3.52	11,665
2013	29,701,426	-	8,994,028	-	2,760,053	46,853,772 (9)	-	88,309,279	3.17	11,466
2014	33,018,370 (10)	-	7,785,764	-	2,679,557	48,237,837 (11)	-	91,721,528	3.20	11,650
<b>2015</b>	<b>29,298,159 (12)</b>	<b>-</b>	<b>24,334,866 (13)</b>	<b>-</b>	<b>93,024</b>	<b>45,184,477</b>	<b>-</b>	<b>98,910,526</b>	<b>3.21</b>	<b>12,275</b>

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Presented net of original issuance discounts and premiums.

(2) See Schedule 20 for personal income and population data.

(3) The City issued Water Revenue Bonds Series 2006 for \$4.45 million in fiscal year 2006.

(4) The City issued GO Bonds Series 2008 for \$10 million and Series 2009 for \$13.5 million in fiscal year 2009.

(5) The City issued Water Revenue Bonds Series 2009 and 2010 for \$37.9 million in fiscal year 2010.

(6) The City issued GO Bonds Series 2010 for \$8.0 million in fiscal year 2010.

(7) The City issued Sales Tax Bonds Series 2010 for \$1.5 million in fiscal year 2011.

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

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

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

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

(12) The City issued General Obligation Bonds Series 2014 for \$3.385 million in fiscal year 2015.

(13) The City issued Sales Tax Bonds Series 2014A for \$6.725 million, Series 2014B for \$5.375 million, and Series 2015 for \$11.6 million in fiscal year 2015.

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

Fiscal Year	General Bonded Debt					Total	Percentage of Actual Property Value (2)	Per Capita (3)
	General Obligation Bonds (1)	Redevelopment Bonds	Sales Tax Increment Bonds (1)	Contracts Payable				
2006	\$ 18,570,000	\$ 4,320,000	\$ 18,870,000	\$ 686,409	\$ 42,446,409	0.69 %	\$ 5,262	
2007	17,175,000	3,930,000	17,000,000	637,889	38,742,889	0.56	4,764	
2008	15,720,000	3,525,000	15,065,000	585,730	34,895,730	0.41	4,346	
2009	36,015,000	3,100,000	13,235,000	529,660	52,879,660	0.53	6,627	
2010	39,375,000	2,655,000	11,835,000	469,385	54,334,385	0.68	6,689	
2011	36,135,000	-	11,915,000	404,589	48,454,589	0.67	6,379	
2012	33,168,627	-	10,167,292	334,933	43,670,852	0.55	5,787	
2013	29,701,426	-	8,994,028	2,760,053	41,455,507	0.53	5,382	
2014	33,018,370	-	7,785,764	2,679,557	43,483,691	0.55	5,523	
<b>2015</b>	<b>29,298,159</b>	<b>-</b>	<b>24,334,866</b>	<b>93,024</b>	<b>53,726,049</b>	<b>0.65</b>	<b>6,667</b>	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) Presented net of original issuance discounts and premiums.
- (2) See Schedule 6 for property value data.
- (3) See Schedule 20 for population and personal income data.

**Schedule 16**  
**Park City Municipal Corporation, Utah**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2015**

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable to Park City (1)</u>	<u>Estimated Amount Applicable to Park City</u>
<b>Debt repaid with property taxes</b>			
Summit County	\$ 675,000	44.50 %	\$ 300,375
Park City School District	3,795,000	53.90	2,045,505
Weber Basin Water Conservancy District	20,075,074	14.63	2,936,983
<b>Other debt</b>			
Summit County	14,354,000	44.50	6,387,530
Weber Basin Water Conservancy District	103,006,000	14.63	<u>15,069,778</u>
Subtotal, overlapping debt			26,740,171
City direct debt			<u>53,726,049</u>
Total direct and overlapping			<u>\$ 80,466,220</u>

Sources: Summit County Annual Financial Report and Utah State Tax Commission, Property Tax Division.

Notes:

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Park City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**Schedule 17**  
**Park City Municipal Corporation, Utah**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 150,448,648	\$ 179,762,069	\$ 220,910,526	\$ 271,346,097	\$ 242,939,444	\$ 273,828,091	\$ 266,103,174	\$ 269,015,017	\$ 280,699,514	\$ 293,698,934
Total net debt applicable to limit	<u>18,570,000</u>	<u>17,175,000</u>	<u>15,720,000</u>	<u>36,015,000</u>	<u>39,375,000</u>	<u>36,135,000</u>	<u>33,168,627</u>	<u>29,701,426</u>	<u>33,018,370</u>	<u>29,298,159</u>
Legal debt margin	<u>\$ 131,878,648</u>	<u>\$ 162,587,069</u>	<u>\$ 205,190,526</u>	<u>\$ 235,331,097</u>	<u>\$ 203,564,444</u>	<u>\$ 237,693,091</u>	<u>\$ 232,934,547</u>	<u>\$ 239,313,591</u>	<u>\$ 247,681,144</u>	<u>\$ 264,400,775</u>
Total net debt applicable to the limit as a percentage of debt limit	12.34%	9.55%	7.12%	13.27%	16.21%	13.20%	12.46%	11.04%	11.76%	9.98%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Total assessed value	\$ <u>7,342,473,351</u>
Debt limit - 4.0% of total assessed value	\$ 293,698,934
Amount of debt applicable to debt limits:	
General Obligation Bonds 2008, 2009, 2010A, 2010B, 2013A, 2013B, and 2014	29,298,159
Less: Amount available for repayment of general obligation bonds	<u>-</u>
Total net debt applicable to limit	<u>29,298,159</u>
Legal debt margin	\$ <u><u>264,400,775</u></u>

Notes: Under Utah State Law, Park City's outstanding general obligation debt should not exceed 4.0 percent of total assessed property value.  
The general obligation debt subject to the limitation may be offset by resources set aside for the repayment of the principal that are externally restricted.

**Schedule 18**  
**Park City Municipal Corporation, Utah**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Sales Tax Increment Bonds</u>				
	<u>Sales Tax Increment</u>	<u>Debt Service</u>		<u>Coverage</u>	
		<u>Principal</u>	<u>Interest</u>		
2006	\$ 8,529,883	\$ 1,130,000	\$ 837,355	4.3	
2007	9,507,552	1,870,000	723,150	3.7	
2008	9,204,905	1,935,000	667,162	3.5	
2009	8,590,625	1,830,000	597,787	3.5	
2010	8,474,078	1,400,000	528,962	4.4	
2011	6,988,804	1,445,000	501,680	3.6	
2012	7,768,666	1,785,000	465,813	3.5	
2013	7,649,200	1,165,000	401,587	4.9	
2014	7,314,413	1,200,000	359,863	4.7	
<b>2015</b>	<b>7,408,762</b>	<b>8,350,000</b>	<b>383,012</b>	<b>0.8</b>	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
See Schedule 19 for information on water revenue bond coverage.

Schedule 19  
 Park City Municipal Corporation, Utah  
 Water Fund Refunding and Revenue Bonds  
 Schedule of Net Revenues to Aggregate Debt Service  
 As of June 30, 2015

		Coverage Ratio	
		<u>Actual</u>	<u>Minimum</u>
Net revenues (change in net position)	\$ 5,862,508		
Add			
Excluded transfer to general fund	1,388,540		
Depreciation and amortization	2,814,847		
Bond interest expense	1,464,867		
		<u>11,530,762</u>	
Revenues pledged to debt		2.71	1.20

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009A Water Bonds-DEQ	\$ 125,000	\$ 2,500	\$ 127,500
2009B Water Revenue and Refunding Bonds	1,525,000	238,686	1,763,686
2009C Water Revenue Bonds	-	512,592	512,592
2010 Water Revenue Bonds	700,000	330,667	1,030,667
2012 Water Revenue Bonds	230,000	89,703	319,703
2012B Water Revenue and Refunding Bonds	-	118,623	118,623
2013 A and B Water Revenue and Refunding Bonds	210,000	54,305	264,305
2014 Water Revenue Bonds	-	117,791	117,791
	<u>\$ 2,790,000</u>	<u>\$ 1,464,867</u>	<u>\$ 4,254,867</u>

Less water development fees and capital contributions collected in fiscal year 2015 (3,749,226)

Net revenues less development fees and capital contributions \$ 7,781,536 1.83 1.00

Year	Net Revenue (Loss)	Gross Revenues (Less Development Fees) Available for Debt Service	Total Debt Service	Coverage	Gross Revenue Available for Debt Service	Debt	Coverage
2006	\$ 2,096,796	\$ 2,457,076	\$ 789,905	3.11	\$ 4,188,674	\$ 789,905	5.30
2007	3,697,651	2,580,530	942,918	2.74	5,894,276	942,918	6.25
2008	1,775,543	3,071,985	1,101,246	2.79	4,476,691	1,101,246	4.07
2009	2,394,583	2,105,634	1,101,423	1.91	4,809,939	1,101,423	4.37
2010	(863,388)	1,544,407	849,263	1.82	2,159,954	849,263	2.54
2011	372,687	3,408,046	3,004,182	1.13	3,856,339	3,004,182	1.28
2012	928,730	4,262,970	3,000,782	1.42	4,765,325	3,000,782	1.59
2013	2,256,909	6,115,611	4,069,154	1.50	6,827,075	4,069,154	1.68
2014	3,644,383	6,603,287	4,124,483	1.60	8,314,345	4,124,483	2.02
2015	<b>5,862,508</b>	<b>7,781,536</b>	<b>4,254,867</b>	<b>1.83</b>	<b>11,530,762</b>	<b>4,254,867</b>	<b>2.71</b>

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**Schedule 20**  
**Park City Municipal Corporation, Utah**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)(1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate (1)</u>
2006	8,066	\$ 1,626,716	\$ 47,933	32.7	4,411	4.0 %
2007	8,133	1,854,400	52,981	34.0	4,336	2.2
2008	8,030	1,927,700	60,411	33.3	4,443	3.5
2009	7,980	2,171,400	60,233	34.6	4,477	6.0
2010	8,123	2,311,000	63,832	35.5	4,563	7.1
2011	7,596	2,281,691	61,719	37.4	4,351	6.6
2012	7,547	2,503,395	68,524	35.7	4,400	6.0
2013	7,702	2,730,934	72,643	37.4	4,421	4.0
2014	7,873	2,944,020	77,468	34.9	4,630	3.1
<b>2015</b>	<b>8,058</b>	<b>3,177,339</b>	<b>82,558</b>	<b>38.8</b>	<b>4,739</b>	<b>3.2</b>

Notes: (1) Applies to Summit County.

Sources:

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

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

Employer	2015 (1)				2006 (2)			
	Yearly Maximum Employees	Yearly Minimum Employees	Rank	Percentage of Total City Employment(3)	Yearly Maximum Employees	Yearly Minimum Employees	Rank	Percentage of Total City Employment(3)
VR CPC Holdings Inc. (Vail Resorts) (4)	2,844	1,026	1	22.28 %	950	70	2	6.33 %
Royal Street of Utah ET AL (Deer Valley Resort)	2,790	784	2	21.86	1,962	191	1	13.07
Park City School District	710	666	3	5.56	763	500	4	5.08
Stein Eriksen Lodge	541	529	4	4.24	499	250	6	3.32
Park City Municipal Corporation	541	464	5	4.24	827	668	3	5.51
IHC/Park City Surgical Center	499	250	6	3.91	-	-	-	-
Montage Hotels & Resorts, LLC	499	250	7	3.91	-	-	-	-
All Seasons Resorts	499	250	8	3.91	-	-	-	-
Hotel Park City	249	100	9	1.95	-	-	-	-
Resort Express, Inc.	249	100	10	1.95	-	-	-	-
U.S. Ski & Snow Board Association	249	100	11	1.95	-	-	-	-
Fresh Market (Albertson's)	249	100	12	1.95	249	100	8	1.66
Jan's Mountain Outfitters	249	100	13	1.95	250	100	7	1.67
Marriott Resorts	-	-	-	-	129	129	9	1.66
Premier Resorts of Utah	-	-	-	-	600	300	5	4.00
Dan's Foods	-	-	-	-	100	85	10	0.67
<b>Total</b>	<b>9,670</b>	<b>4,519</b>		<b>79.65 %</b>	<b>6,329</b>	<b>2,393</b>		<b>40.64 %</b>

Note: (1) Current numbers are from respective employers and Department of Workforce State of Utah.  
(2) Prior Year Numbers are from Summit County and Department of Workforce State of Utah.  
(3) Percentage is based on the maximum number of employees in the range.  
(4) Information provided is Countywide.

**Schedule 22**  
**Park City Municipal Corporation, Utah**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	<u>Full-time Equivalent Employees</u>									
General government										
Executive	3.0	3.0	4.0	3.5	4.5	4.5	5.1	5.5	5.1	4.0
Finance	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.7	6.7
Human resources	5.6	7.0	7.0	7.0	7.0	6.9	6.9	5.3	5.1	5.1
Budget, debt and grants	3.3	3.3	3.3	3.0	2.0	2.0	2.0	1.3	3.0	3.3
Planning	6.5	7.5	6.0	7.0	7.0	6.0	7.0	7.0	8.0	9.0
Building	14.8	14.8	15.8	15.8	15.8	14.8	13.0	13.0	13.0	15.0
Engineering	3.0	2.5	2.5	2.5	3.0	3.0	2.8	2.7	2.8	2.8
Legal	7.1	6.8	7.8	7.8	7.8	7.8	7.8	7.0	7.0	7.0
Sustainability	-	-	-	-	6.0	(1) 6.0	9.8	9.7	10.9	11.3
I.T.	-	-	-	-	-	9.8	(2) 9.8	10.8	9.5	9.5
Other	21.1	19.3	22.8	23.3	14.9	5.5	5.0	5.1	5.0	6.0
Public safety										
Police	32.1	32.6	34.8	34.8	35.2	34.9	34.0	33.9	34.6	34.0
Communication center	8.5	8.5	9.0	9.0	10.0	10.0	10.0	10.4	10.4	10.4
Other	1.4	1.4	1.2	1.2	1.4	1.5	1.5	1.5	1.5	1.5
Public works										
Transit	55.4	62.5	63.5	73.8	76.3	81.8	82.5	82.9	80.8	77.2
Fleet services	8.8	8.8	8.8	8.5	8.0	8.0	8.0	8.0	8.0	9.4
Parking	-	-	-	-	-	-	-	-	7.8	(3) 8.0
Street maintenance	16.0	15.8	15.8	15.6	16.7	17.5	17.5	17.5	17.4	17.3
Parks and cemetery	19.9	18.1	18.8	18.8	17.2	17.3	18.8	18.2	18.2	18.6
Administration	2.5	2.5	2.5	2.5	2.5	-	-	-	-	-
Other	11.7	16.2	11.1	10.9	10.7	9.6	9.6	9.6	9.0	9.0
Library and recreation										
Library	11.6	11.6	11.2	11.2	11.2	11.2	11.4	11.4	11.4	11.4
Golf	7.2	7.0	7.0	6.8	6.3	5.7	5.5	5.4	5.2	6.0
Recreation	25.9	26.2	27.8	28.1	28.3	27.4	27.3	29.9	29.7	28.2
Tennis	7.1	7.0	6.0	7.7	7.7	6.9	7.4	7.9	4.0	4.7
Ice	-	5.5	10.2	10.4	11.4	11.0	11.0	9.0	8.4	11.4
Water										
Water billing	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0 (4)
Water operations	14.0	15.3	15.3	16.5	17.5	17.5	17.6	21.9	21.9	23.0
<b>Total</b>	<b>294.3</b>	<b>310.5</b>	<b>320.0</b>	<b>333.5</b>	<b>336.2</b>	<b>334.4</b>	<b>339.1</b>	<b>342.7</b>	<b>345.1</b>	<b>349.4</b>

Source: Park City Budget Department

A full-time employee is scheduled to work 2,080 hours per year (including vacation). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

- (1) In 2010 the Sustainability Department was taken out of other and listed individually.
- (2) In 2011 the IT Department was taken out of other and listed individually.
- (3) In 2014 the Parking Department was added, until that time it had been outsourced.
- (4) In 2015 Water Billing was combined with Water Operations.

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

<b>Census:</b>	<b>Calendar Year</b>	<b>Park City Population</b>	<b>Percent Change from Prior Period</b>	<b>Summit County Population</b>	<b>Percent Change from Prior Period</b>
	1950	2,254	- %	6,745	- %
	1960	1,366	(39.40)	5,673	(15.89)
	1970	1,193	(12.66)	5,879	3.63
	1980	2,823	136.63	10,198	73.46
	1990	4,430	56.93	15,518	52.17
	2000	6,500	46.73	29,736	91.62
	2005	7,882	5.40	34,073	-
	2006	8,066	2.33	36,871	8.21
	2007	8,133	0.83	37,461	1.60
	2008	8,030	(1.27)	38,412	2.54
	2009	7,980	(0.62)	39,951	4.01
	2010	8,123	1.79	40,451	1.25
	2011	7,596	(6.49)	36,324	(10.20)
	2012	7,702	1.40	37,208	2.43
	2013	7,873	2.22	38,003	2.14
	<b>2014</b>	<b>8,058</b>	<b>2.35</b>	<b>39,105</b>	<b>2.90</b>

Age distribution of 2014 population:

Age	Number	Percent
Under 5 Years	525	6.52 %
5-14	808	10.03
15-24	1,012	12.56
25-34	1,210	15.02
35-44	942	11.69
45-54	1,242	15.41
55-64	1,361	16.89
65-74	634	7.87
75 and over	324	4.02
	<b>8,058</b>	<b>100.00 %</b>

Median age: 38.8

Sources: U.S. Census Bureau, 2009-2013 American Community Survey  
Utah Department of Workforce Services  
Park City Chamber & Visitors Bureau

**Schedule 24**  
**Park City Municipal Corporation, Utah**  
**Transient Room Capacity as a Percentage of Population**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Transient Room Capacity</u>	<u>Park City Population</u>	<u>Resort Percentage</u>
2006	27,779	8,066	344 %
2007	26,521	8,133	326
2008	26,595	8,030	331
2009	26,595	7,980	333
2010	26,736	8,123	329
2011	27,178	7,596	358
2012	27,178	7,547	360
2013	28,275	7,702	367
2014	28,275	7,873	359
<b>2015</b>	<b>28,275</b>	<b>8,058</b>	<b>351</b>

Sources: Park City Chamber/Visitor Bureau, May 2015

**Schedule 25**  
**Park City Municipal Corporation, Utah**  
**Historical Pledged Taxes**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Pledged Sales &amp; Use Taxes</b>	<b>% Change From Prior Year</b>	<b>Pledged Resort Tax (1)</b>	<b>% Change From Prior Year</b>	<b>Total Pledged Taxes</b>	<b>% Change From Prior Year</b>
2006	\$ 4,268,697	9.7 %	\$ 4,261,186	7.7 %	8,529,883	8.7 %
2007	4,352,388	2.0	5,155,164	21.0	9,507,552	11.5
2008	4,047,348	(7.0)	5,157,557	0.05	9,204,905	(3.2)
2009	3,881,142	(4.1)	4,709,483	8.7	8,590,625	(6.7)
2010	3,990,274	2.8	4,483,804	(4.8)	8,474,078	(1.4)
2011	3,966,554	(0.6)	5,022,250	12.0	8,988,804	6.1
2012	4,125,435	4.0	5,443,231	8.4	9,568,666	6.5
2013	4,187,472	1.5	5,561,728	2.2	9,749,200	1.9
2014	4,347,534	3.8	9,151,788 (2)	64.5	13,499,322	38.5
<b>2015</b>	<b>4,731,904</b>	<b>8.8</b>	<b>10,066,040</b>	<b>10.0</b>	<b>14,797,944</b>	<b>9.6</b>

Notes: (1) Pledged Resort Taxes reflect revenue figures equal to 75.0 percent of the total revenues collected pursuant to the City's levy of the 1.1 percent Resort Communities Tax (comprising the Pledged Resort Taxes). The City has previously earmarked 25.0 percent of the total of such revenues to transit-related projects and improvements.

(2) The 0.50 percent Additional Resort Communities Sales and Use Tax implemented in fiscal year 2013, went into effect in fiscal year 2014.

**Schedule 26**  
**Park City Municipal Corporation, Utah**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Physical arrests	618	627	521	528	577	583	468	616	623	516
Parking citations	1,207	1,358	771	568	295	102	342	326	219	282
Traffic citations	1,400	1,052	1,980	2,546	2,044	1,984	963	950	904	454
<b>Public works</b>										
Street resurfacing (tons of asphalt)	4,650	3,026	3,636	3,301	3,810	5,500	4,616	4,616	5,133	5,526
Potholes repaired	150	200	200	200	250	275	235	230	240	210
<b>Water</b>										
Number of customers	4,805	4,918	5,059	5,095	5,122	5,161	5,171	5,180	5,203	5,226
New connections	96	143	141	80	27	26	10	22	37	42
Water main breaks	18	11	21	10	10	10	23	12	12	15
Average daily consumption (Tgal)	4,381	4,713	4,312	4,390	4,119	4,152	4,915	4,822	4,660	4,430
Peak daily consumption (Tgal)	8,626	8,446	8,907	8,682	8,527	8,120	8,529	8,873	8,820	7,786
Average monthly billings (3/4" meter)	46.15	46.40	46.87	47.99	54.68	54.82	57.61	82.51	86.22	88
<b>Residential billing rates</b>										
Base rate (per 3/4" meter)	15.55	16.17	16.82	20.86	23.36	25.23	28.26	33.35	39.35	44
Base rate (per 1" meter)	21.00	21.84	22.71	28.16	31.54	34.06	45.02	45.02	53.12	59
Base rate (per 1-1/2" meter)	24.89	25.89	26.93	33.39	37.40	40.39	53.38	53.38	62.99	71
Rate per Tgal (winter months only)	1.94	2.83	2.94	3.65	4.09	4.42	5.84	5.84	6.89	8
<b>Commercial billing rates</b>										
Base rate (per 3/4" meter)	20.22	21.03	21.87	27.12	30.37	32.80	43.35	43.35	51.15	57
Base rate (per 1" meter)	34.21	35.58	37.00	45.88	51.39	55.50	73.35	73.35	86.55	97
Base rate (per 1-1/2" meter)	73.09	76.01	79.05	98.02	109.78	118.56	156.69	156.69	184.89	207
Base rate (per 2" meter)	152.40	158.50	164.84	204.40	228.93	247.24	326.75	326.75	385.57	432
Base rate (per 3" meter)	396.58	412.44	428.94	531.89	595.72	643.38	850.30	850.30	1,003.35	1,124
Base rate (per 4" meter)	720.06	748.86	778.81	965.72	1,081.61	1,168.14	1,543.82	1,543.82	1,821.71	2,040
Base rate (per 6" meter)	1,357.69	1,411.99	1,468.47	1,820.90	2,039.41	2,202.56	2,910.19	2,910.19	3,434.02	3,846
Base rate (per 8" meter)	2,337.47	2,430.96	2,528.20	3,134.97	3,511.17	3,792.06	5,011.59	5,011.59	5,913.67	6,623
Rate per 1,000 gallons	2.72	2.83	2.94	3.65	4.09	4.42	5.84	5.84	6.89	8
<b>Building activity</b>										
Building permits issued	1,186	1,197	911	895	845	903	984	1,615	1,432	1,289
Number of residential units	220	276	136	286	30	17	24	40	51	119
Residential value (in thousands)	70,340	109,477	50,672	40,621	13,724	9,429	15,673	21,260	40,646	64,102
Commercial value (in thousands)	36,950	3,151	18,414	8,369	-	8,929	198	173	14,420	17,951
<b>Parks and recreation</b>										
Racquet club passes	2,370	2,586	2,604	2,528	2,263	1,368 (1)	3,304 (2)	5,037	7,038	7,893
Golf rounds	29,575	28,130	27,450	30,202	25,912	25,852	29,282	30,151	30,887	29,269
<b>Library</b>										
Total volumes borrowed	72,155	79,814	80,970	83,545	85,655	89,174	93,626	91,955	79,709 (3)	54,262 (3)
Circulation per capita	9	10	10	10	11	12	12	12	10	7
<b>Transit</b>										
Total route miles	931,050	1,014,607	1,041,987	1,033,806	1,075,422	1,051,995	1,111,456	1,113,567	1,116,067	986,500
Passengers	1,815,558	1,941,431	2,153,102	1,956,770	1,857,947	1,965,455	1,934,382	1,882,533	1,823,459	1,701,758

Sources: Various City departments.

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

(1) Significant decrease in Racquet club passes, was due to the relocation of the Racquet Club to temporary facilities, during the construction of a new facility.

(2) New PC MARC facility opened in December 2011, resulting in a large increase in pass sales.

(3) Significant decrease in Library total volumes borrowed and circulation per capita in 2014 and 2015, was due to the relocation of the Library to temporary facilities, during the renovation of existing facility.

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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Area (sq. miles)	13	13	13	18	18	18	18	18	18	20
Police station	1	1	1	1	1	1	1	1	1	1
Transit buses	33	30	29	29	40	37	36	36	36	37
Public works										
Streets (lane miles)	111	124	127	111 (1)	111	111	111	111	126	126
Street lights	523	530	542	530 (1)	530	530	545	545	712	712
Water										
Fire hydrants	975	975	1,023	1,040	1,056	1,100	1,105	1,105	1,105	1,081
Water mains (miles)	110	110	117	119	127	130	131	132	135	137
Storage capacity (Tgal)	11,650	13,650	14,650	14,650	14,650	14,650	14,650	13,650	13,650	13,650
Recreation and culture										
Acreage	199	220	220	220	223	223	223	223	223	223
Parks	36	37	37	38	40	40	40	40	40	40
Covered picnic areas	4	4	4	4	4	4	4	4	4	4
Tennis courts	13	13	13	13	9	9	13	13	14	14
Soccer fields	4	6	6	6	6	6	6	6	6	6
Baseball diamonds	7	10	10	10	10	10	10	10	10	10
Library	1	1	1	1	1	1	1	1	1	1
Volumes in library	55,645	58,103	55,902	64,474 (2)	67,626	71,164	82,291	74,071	85,138	97,160
Golf course	1	1	1	1	1	1	1	1	1	1
Ice Rink	1	1	1	1	1	1	1	1	1	1

Sources: Various City departments.

Notes: Fire protection is provided by the Park City Fire District.

(1) The City changed the way they track streets and street lights, resulting in a more accurate number.

(2) Beginning in Fiscal Year 2009 the Library volumes includes books, audio tapes, and videos.

**Schedule 28**  
**Park City Municipal Corporation, Utah**  
**Schedule of Insurance in Force**  
**As of June 30, 2015**

<u>COMPANY &amp; COVERAGE TYPE, POLICY #</u>	<u>LIMITS</u>	<u>EXPIRATION</u>	<u>PREMIUM</u>	<u>DEDUCTIBLE</u>
<b>AFFILIATED FM</b> <b>(Property Coverage) SF266</b>	\$ 124,002,000	1/1/2016	\$ 174,198	
All other Perils				\$ 10,000
Flood				500,000
Earthquake				100,000
Boiler				10,000
Machinery				10,000
Motor Vehicles				1,000,000
<b>ST. PAUL/TRAVELERS</b> <b>(Crime Policy) 105540277</b>		1/1/2016	\$ 3,600	
Employee Theft - Per Loss Limit	\$ 525,000			\$ 10,000
Forgery or Alteration	500,000			10,000
Money & Securities (In & Outside)	25,000			10,000
Computer Fraud	500,000			10,000
Funds Transfer Fraud	500,000			10,000
<b>WORKERS COMPENSATION FUND</b> <b>(Workers Compensation) 1638608</b>	\$ 1,000,000	1/1/2016	\$ 206,462	\$ -
<b>STATES RISK RETENTION GROUP</b> <b>(Liability) SEL3015712</b>	\$ 5,000,000	1/1/2016	\$ 144,182	\$ 250,000
(General Liability, Automobile Liability, Employment Practice Liability, Law Enforcement Liability and Public Officials Errors & Omission Liability)				
<b>BEAZLEY</b> <b>(Cyber Insurance) W1476D150201</b>	\$ 5,000,000	1/1/2016	\$ 39,672	\$ 100,000
Information Security & Privacy Insurance				

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

**Fiscal Year Ended June 30**

	2015	2014 (2)	2013	2012 (2)	2011
<b>ASSETS</b>					
Cash, cash equivalents and investments held by city	\$ 74,908,660	\$ 73,540,217	\$ 64,485,816	\$ 59,281,727	\$ 62,312,830
Cash, cash equivalents and investments held by fiscal agent	10,554,094	5,104,820	7,216,764	4,793,982	8,405,935
Restricted cash, cash equivalents and investments, other	7,418,529	6,866,835	661,306	1,095,260	5,991,890
Receivables:					
Taxes	20,631,203	20,432,310	19,917,948	19,561,554	19,820,736
Accounts	2,166,238	2,785,397	3,144,039	6,482,744	1,985,972
Notes receivable	320,284	1,578,341	5,102,467	5,098,452	2,114,564
Inventories	927,978	1,036,104	991,256	987,743	482,352
Prepays	515,520	510,634	576,195	462,609	13,333
Capital assets not being depreciated:					
Land and building held for resale	-	-	-	-	5,500,610
Land and water rights	130,034,390	121,920,236	118,270,236	114,288,596	114,288,596
Construction in progress	13,018,693	8,791,078	5,014,332	1,859,326	28,632,404
Art	710,570	710,570	693,570	602,460	479,271
Capital assets (net of accumulated depreciation):					
Buildings	43,670,618	39,400,441	39,930,136	41,341,050	23,522,721
Improvements other than buildings	67,613,413	67,054,006	64,429,548	64,536,753	52,773,583
Vehicles and equipment	16,123,836	15,585,814	16,920,781	18,214,619	11,104,322
Infrastructure	25,053,552	26,782,596	26,346,422	27,786,910	23,400,034
Intangibles	5,691,867	5,506,939	5,498,064	5,532,368	5,004,772
Net pension assets	22,838	-	-	-	-
Unamortized bond issuance costs	-	-	-	(1)	(1)
<b>Total assets</b>	<b>419,382,283</b>	<b>397,606,338</b>	<b>379,198,880</b>	<b>371,926,153</b>	<b>366,955,043</b>
<b>Deferred outflows of resources</b>					
Deferred charge on refunding	15,227	22,977	30,727 (1)	38,477 (1)	-
Deferred outflows of resources related to pensions	1,597,998	1,228,149 (3)	-	-	-
<b>Total deferred outflows of resources</b>	<b>\$ 1,613,225</b>	<b>\$ 1,251,126</b>	<b>\$ 30,727</b>	<b>\$ 38,477</b>	<b>\$ -</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 4,813,660	\$ 4,806,266	\$ 2,921,491	\$ 2,839,106	\$ 4,450,413
Accrued liabilities	2,707,660	2,836,990	2,674,816	2,680,257	3,021,186
Long-term debt due within one year:					
Compensated absences	391,979	391,796	363,362	366,127	374,219
Contracts payable	93,024	2,586,533	80,496	74,880	69,656
General obligation bonds	3,215,000	3,655,000	3,520,000	3,425,000	3,325,000
Revenue bonds	4,690,000	4,040,000	3,910,000	3,752,000	3,620,981
Unearned revenues	-	-	-	-	17,546,341
Long-term debt due in more than one year:					
Compensated absences	616,886	491,221	442,171	435,239	407,809
General obligation bonds	26,083,159	29,363,370	26,181,426	29,743,627	33,210,828
Contracts payable	-	93,024	2,679,557	260,053	334,933
Revenue bonds	64,829,343	51,983,601	51,937,800	50,782,780	50,242,352
Net pension liability	6,596,256	8,196,954 (3)	-	-	-
<b>Total liabilities</b>	<b>114,036,967</b>	<b>108,444,755</b>	<b>94,711,119</b>	<b>94,359,069</b>	<b>116,603,718</b>
<b>Deferred inflows of resources</b>					
Property taxes	17,553,354	17,437,568	16,973,817 (1)	17,012,000 (1)	-
Deferred gain on refunding	529,450	-	-	-	-
Deferred inflows of resources related to pensions	1,049,810	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>19,132,614</b>	<b>17,437,568</b>	<b>16,973,817</b>	<b>17,012,000</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	220,380,226	208,942,336	200,625,551	192,939,010	185,157,637
Restricted for:					
Water development	-	-	-	449,859	2,213,200
Capital projects	12,779,745	6,882,935	3,191,412	1,262,141	8,395,404
Debt service	5,192,878	5,088,720	4,686,658	4,177,242	3,789,221
Other	47,201	46,402	47,776	36,517	31,258
Unrestricted	49,425,877	52,014,749	58,993,274	61,728,792	50,764,605
Total net position	287,825,927	272,975,142	267,544,671	260,593,561	250,351,325
<b>Total liabilities and deferred inflows of resources and net position</b>	<b>\$ 420,995,508</b>	<b>\$ 398,857,465</b>	<b>\$ 379,229,607</b>	<b>\$ 371,964,630</b>	<b>\$ 366,955,043</b>

Source: Information extracted from the City's fiscal years ended June 30, 2011 through 2015 general purpose financial statements.

Notes: (1) GASB 63 and 65 implemented FY 2013

(2) Restated

(3) FY 2015 - Implemented GASB 68, Accounting and Financial Reporting for Pensions, required restatement of FY 2014.

**SINGLE AUDIT, INTERNAL  
CONTROL AND  
COMPLIANCE REPORTS**

**Park City Municipal Corporation, Utah  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015**

<b>Federal Grantor Agency or Pass Through Entity</b>	<b>Federal CFDA Number</b>	<b>Grant Number</b>	<b>2015 Expenditures</b>
<b>U.S. Department of Transportation</b>			
Pass Through Utah Department of Transportation			
Nonurbanized Area Formula Program	20.509	UT-10-8615	\$ 918,955
Nonurbanized Area Formula Program	20.509	UT-11-9687	684,035
Nonurbanized Area Formula Program	20.515	CPG0100(006)	28,000
		Subtotal	<u>1,630,990</u>
<b>Department of Homeland Security</b>			
Pass Through Utah Department of Public Safety			
Emergency Management Performance Grant	97.042	EMPG-2014-DEM-047	6,250
Pass Through Summit County			
State Homeland Security Pass Through Grant FY13	97.042		4,571
		Subtotal	<u>10,821</u>
<b>U.S. Department of Agriculture</b>			
Conservation Reserve Program	10.069	UT- 49043-189	<u>1,044</u>
<b>U.S. Department of Justice</b>			
Pass Through Utah Office for Victims of Crime			
Victim of Crime Act (VOCA) Grant	16.017	14-VOCA-44	24,285
Bulletproof Vest Partnership Program	16.607	BJA-FY2011-RF	1,951
Justice Assistance Grant (JAG) - Block Grant	16.738	14A154	7,500
		Subtotal	<u>33,736</u>
<b>U.S. Department of Interior/National Parks Service</b>			
Pass Through Utah Department of Community and Culture			
Historic Preservation Grant	15.904	0930HSTY0010	<u>3,047</u>
<b>Environmental Protection Agency</b>			
State and Tribal Assistance Grant (STAG)	66.202	XP-98890201-5	628,826
State and Tribal Assistance Grant (STAG)	66.202	XP-98888001-5	816,403
		Subtotal	<u>1,445,229</u>
<b>Total Federal Awards</b>			<b>\$ <u>3,124,867</u></b>

**Park City Municipal Corporation, Utah**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2015**

**Note 1. Reporting Entity**

The accompanying supplementary schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Park City Municipal Corporation (the City). The reporting entity is defined in Note A to the basic financial statements. The schedule includes federal financial assistance received directly from federal agencies as well as passed through other government agencies.

**Note 2. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City. Expenditures passed through to subrecipients are presented on the cash basis of accounting and all other expenditures are presented on the accrual basis of accounting.

The information in the schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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**Park City Municipal Corporation, Utah  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2015**

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**Section I - Summary of Auditors' Results:**

**Financial Statements:**

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements?	None reported

**Federal Awards:**

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	None reported

**Identification of major programs:**

CFDA Number	20.509
Name of Federal Program or Cluster	U.S. Department of Transportation, Formula Grants for Rural Areas
Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee?	Yes

**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States**

None reported

**Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)**

None reported

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Members of the City Council  
Park City Municipal Corporation, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park City Municipal Corporation (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 10, 2015.

**Internal Control over Financial Reporting.** In planning and performing our audit of the basic financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters.** As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the City in a separate letter dated December 10, 2015.

**Purpose of this Report.** The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Pungy Bawler Taylor & Kern". The signature is written in a cursive, flowing style.

Salt Lake City, Utah  
December 10, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Members of the City Council  
Park City Municipal Corporation, Utah

We have audited the compliance of the Park City Municipal Corporation (the City) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2015. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility.** The City's management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility.** Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Major Federal Program.** In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the City's major federal program for the year ended June 30, 2015.

**Report on Internal Control Over Compliance.** The City's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.** We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 10, 2015, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Salt Lake City, Utah  
December 10, 2015

## **Independent Auditors' Report on Compliance and on Internal Control over Compliance in Accordance with the *State Compliance Audit Guide***

To the Honorable Mayor and Members of the City Council  
Park City Municipal Corporation

### **Report on Compliance with General State Compliance Requirements and for Each Major State Program**

We have audited Park City Municipal Corporation's (the City) compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Enterprise Fund Transfers
- Tax Levy Revenue Recognition
- Open and Public Meetings Act
- Conflicts of Interest
- Nepotism

The City did not have any state funding classified as a major program for the year ended June 30, 2015.

### ***Management's Responsibility***

Management is responsible for compliance with the state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

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

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City or its major state programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on General State Compliance Requirements and Each Major State Program***

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2015.

#### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in our letter to management dated December 10, 2015. Our opinion on compliance is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying City response. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **Report On Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in our letter to management dated December 10, 2015 that we consider to be significant deficiencies.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying City response. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Awards as Required by the *State Compliance Audit Guide***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 10, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads "Penny Bowler Taylor" followed by a small symbol and the word "Kern".

Salt Lake City, Utah  
December 10, 2015

**Park City Municipal Corporation, Utah  
Schedule of Expenditures of State Awards  
For the Year Ended June 30, 2015**

<u>State Agency</u>	<u>Description</u>	<u>Date Last Audited</u>	<u>2015 Expenditures</u>
<b>Utah Department of Public Safety</b>			
Alcohol and Drug Grants Committee	Police DUI Overtime		\$ 603
	Camera Reimbursement		5,000
		Subtotal	<u>5,603</u>
<b>Department of Heritage and Arts</b>			
State Library Division	USL15-0016 MOU Utah State Library Lender Support		6,547
	Community Library Enhancement Fund		5,497
		Subtotal	<u>12,044</u>
<b>Governor's Office of Economic Development</b>			
Park City Main Street Improvements - HB 377	14-2002 HB 377 Transportation Funding Modifications -	2014	2,029,980
	Main Street Improvements		
<b>Utah Department of Transportation</b>			
B & C Road Funds	Class B & C Road Funds	2015	343,215
<b>Utah Department of Alcoholic Beverage Control</b>			
State Liquor Funds	State Liquor Funds		60,615
<b>Utah Department of Health</b>			
Tobacco Prevention and Control Program	Special Revenue Tobacco Compliance		<u>1,000</u>
<b>Total State Awards</b>			<b>\$ <u><u>2,452,457</u></u></b>