

Park City Municipal Corporation, Utah



**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2021**

PARK CITY MUNICIPAL CORPORATION, UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**(Including Internal Control and Compliance Reports
and Supplementary Information)
for fiscal year ended June 30, 2021**

**Prepared by:
Finance Department**

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City Treasurer**

**Kim Atkinson
Accountant**

PARK CITY MUNICIPAL CORPORATION, UTAH
ANNUAL COMPREHENSIVE FINANCIAL REPORT
June 30, 2021

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INTRODUCTORY SECTION



Finance

January 31, 2021

To the Honorable City Council, Honorable Mayor and Citizens of Park City, 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, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BDO USA, LLP, a firm of licensed certified public accountants, issued an unmodified (“clean”) opinion on Park City Municipal Corporation’s financial statements for the year ended June 30, 2021. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Park City Municipal Corporation, Utah

Park City Municipal Corporation (City) was chartered March 15, 1884, under the provisions of the Utah Territorial Government and is located in Summit County in the northeast part of the State, which is considered to be one of the top growth areas in the state. It currently occupies 20 square miles and serves an estimated full-time resident population of 8,516. The City is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

Park City Municipal Corporation
445 Marsac Avenue • P.O. Box 1480 • Park City, UT 84060-1480
Phone (435) 615-5221 • Fax (435) 615-4917

We acknowledge that Park City Municipal Corporation is on the traditional land and seized territory of the Eastern Shoshone and Ute people, who have stewarded this land throughout the generations.

The City is governed by a mayor-council form of government. Policy-making and legislative authority are vested in the Governing Council (Council) consisting of the mayor and a five-member council, all of whom are elected at large. Council members serve four-year staggered terms. Elections are held every odd numbered year. 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 Mayor is the administrative authority by statute; however, the City's manager has been delegated the responsibility 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 City provides a full range of services, including police, parks, recreation, library, water, stormwater, public improvements, streets, planning and zoning, golf course, transportation and parking, licensing and permits, building inspections, affordable housing, 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, the Park City Housing Authority and the Park City Water Service District 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 four 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 Council is required to adopt a final budget by no later than June 30 of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Council approves all City budgets at the department level (general government, public safety, public works, 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 and Economic Trends

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. Today Park City is one of the western United States premier multi-season resort communities.

Because of its location in a State with a diverse economic base, recent unemployment rates have been historically low except for a certain period in 2020 during the recession caused by local and state mandated business closures in response to COVID-19. During the initial COVID-19 shutdown period, unemployment skyrocketed to 20.4 percent in the month of April 2020. However, due to economic recovery aid from state and federal governments and higher than expected summer economic activity, the unemployment rate at the end of fiscal year 2020 was 9.8 percent compared to 11.1 nationally. The unemployment rate in Summit County dropped from last year's high of 20.4 percent to a decade low of 2.4 percent in June 2021. An emergency FDA approved COVID-19 vaccine, high vaccine rates and relatively low virus spread, allowed local health departments to lift restrictions on businesses which brought pre-pandemic levels of tourism back to Park City sooner than expected. Additionally, Park City became a hot-spot for people looking for safe, outdoor recreation.

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, Deer Valley Resort and Park City Mountain Resort. A portion of the latter, formerly known as Canyons Resort, operates outside of municipal boundaries. Vail Resorts acquired the Canyons Resort in 2013 and the Park City Mountain Resort in September of 2014. In July 2015, Vail linked the two resorts creating the largest skiing resort in the United States with over 7,300 acres of skiable terrain. Alterra Mountain Company acquired Deer Valley Resort in 2018.

Deer Valley Resort and Park City Mountain Resort host several major international and world ski competitions such as, IHC Freestyle International Ski World Cup and FIS Freestyle International Ski World Cup. Deer Valley was voted 2nd and Park City Mountain 11th in *Ski Magazine's* Reader's Top-Ranked Ski Resorts in the West 2021.

During the 2020-2021 season, Utah resorts reported 5.3 million skier days, surpassing the previous record set in the 2018-2019 season, and exceeding last year's season, which was cut short by COVID-19, by 1 million visits. Additionally, visitors to resorts was 20.8 percent above the 10-year average. It is uncertain how the numbers will change with restrictions to international travel lifting as COVID-19 testing and vaccines become more widely available, and resorts eliminate the reservations system and return to normal protocol for resort access.

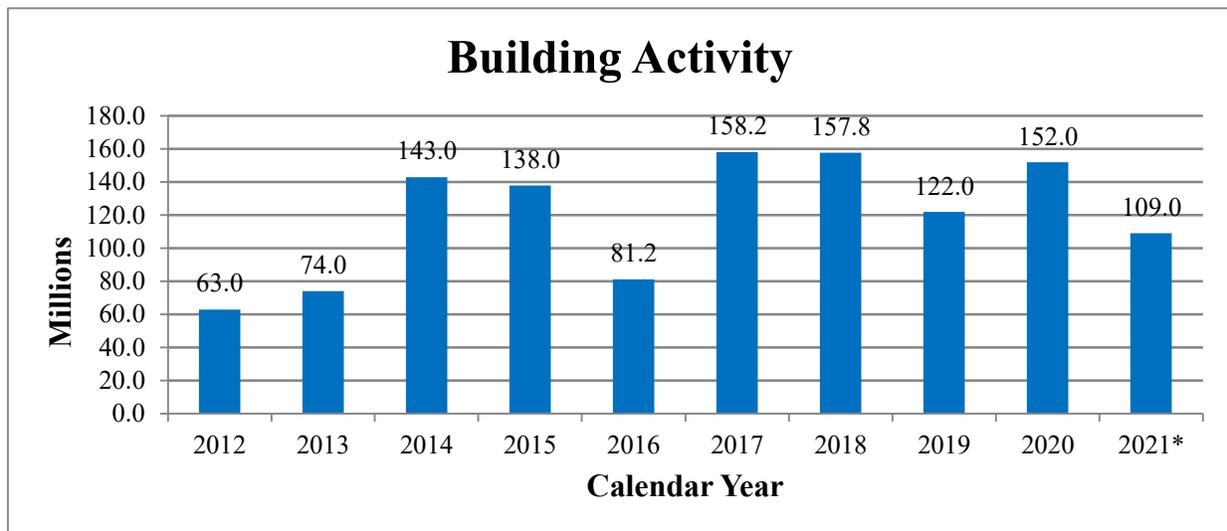
Park City's service population is significant due to the number of secondary homeowners and visitors within Park City. The City has approximately 130 restaurants, 138 shops, 27 private art centers and a community-sponsored art center. Many of Park City's restaurants are award

winning and among the finest in the intermountain west. The Chamber of Commerce estimates that the City has a nightly rental capacity for 28,670 guests (please see Schedule 24 of the Statistical Section of this report).

The Sundance Film Festival held its 39th annual festival in January 2021. The festival took place both online and in-person in 20 cities across the country. As reported by the Sundance Institute, the seven-day festival reached a total audience 2.7 times larger than at the typical eleven-day edition. Audiences participated from all 50 states and 120 countries. There were 284,598 views of feature and short films, free talks, and events through the online platform or TV apps. With an estimated average of two individuals per household for each “view” the Institute estimates over 566,000 views. Drive-ins and socially distanced indoor or outdoor seated screenings brought in an additional 20,000 attendees.

The 2022 festival is returning to Park City and will be in-person and online. Sundance and Park City Municipal Corporation have formally agreed that Park City will remain festival headquarters through the 2026 film festival.

Closely connected to the tourism 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 \$63.0 million in 2012, because of the 2008 recession, to a high of \$158.2 million in 2017. Building activity over the last decade has averaged \$113.0 million per year. In the first six months of calendar year 2021, 26.9 percent of the \$109.0 million in building activity has been in residential construction. The remaining 73.1 percent consists of commercial construction. The residential construction total valuation of approximately \$29.3 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. The current economy has continued to show emphasis of new construction of single-family homes and remodeling and expanding of commercial buildings.



* The 2021 number is from January 2021 through June 2021 only. For activity by fiscal year, please see Schedule 26 of the Statistical Section.

As reported by *Park City Realtors*, despite the economic uncertainty from the temporary shutdown of many local businesses, the real estate market in Park City saw a dramatic 30.0 percent increase from 2020 and sales price increases of 22.0 to 28.0 percent. Single family homes sales increased 30.0 percent while sales volume climbed 58.0 percent. Condominium sales increased 65.0 percent and sales volume increased 121.0 percent over the same period last year. Land sales increased 53.0 percent and sales volume increased 68.0 percent. Single-family homes range from an average sales price of \$1,546,530 in the Prospector area to \$7,614,000 in the Empire Pass area. Condominiums range in average sales price from \$404,507 in the Prospector area to \$3,249,154 in the Empire Pass area. Vacant lots range in average sales price from \$642,000 in the Prospector area to \$3,550,000 in the Upper Deer Valley area.

Median household incomes within the City are significantly higher than for the state as a whole. According to the US Census Bureau 2020 estimates, the City’s median family income was \$110,000, the County’s was \$102,958, the State’s was \$71,621 and the National median income was \$62,843.

Due to its strong and healthy local economy, the City has maintained a credit rating of at least Aa2 from Moody’s Investor Service since 2011, with a recent Aaa rating for its general obligation bonds.

Long-term Financial Planning

Insurance – The City maintains a health and dental insurance plan through Regence Blue Cross Blue Shield of Utah. Each year Regence examines the City’s use of the plan and its total costs to Regence and then determines the price for the following year. In fiscal year 2021, the City experienced no change in plan costs. The benefits committee reviews the annual increases and makes a recommendation on any premium increases or policy changes on an annual basis. The City offers a high-deductible medical plan in addition to the traditional plans. The City also offers a discount on premiums to employees if they participate in a wellness program, which requires annual physicals, regular dental visits, and other various activities to promote a healthy lifestyle.

Sales Tax – The City depends on sales tax revenue to fund City services. Sales tax also helps to fund the infrastructure to support special events and tourism. Of the 9.05 percent sales tax on general purchases in Park City, the municipality levies a 1.0 percent local sales and use tax, a 0.25 county option sales tax, a combined 1.25 percent transit tax, a 0.1 county cultural tax, and a 1.6 percent resort community tax.

Transient Room Tax – The City levies a 4.32 percent transient room tax. The City uses the transient room tax revenue to fund capital projects. Since inception, the City has collected the following revenues:

<u>Year</u>	<u>Revenue</u>
2021	2.7 million
2020	2.7 million
2019	2.7 million
2018	1.6 million

Property Tax – A property tax comparison that normalized tax rates across 50 states, including the District of Columbia, ranked states by property tax rate. Utah was consistently amongst the lower in the nation, ranking between 40 and 50. Summit County has the lowest average effective property tax rate in the state. The Property Tax Act provides that all taxable property must be assessed and taxed at a uniform and equal rate on the basis of its fair market value by January 1 of each year. Summit County levies, collects, and distributes property taxes for Park City and all other taxing jurisdictions within the County. Primary residences are taxed at 55.0 percent of the assessed value while secondary residences are taxed at 100.0 percent of the assessed value. The budget for fiscal year 2021 was adopted with no property tax increase.

Relevant Financial Policies

Fund Balance – Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 33.6 percent of total general fund revenues. This amount was slightly below the policy guidelines set by the Council for budgetary and planning purposes (i.e., maintain the general fund balance at approximately the legal maximum of 35.0 percent). For budget purposes, any balance that is greater than 5.0 percent of the total revenues of the General Fund may be used. The General Fund balance reserve is an important factor in the City’s ability to respond to emergencies and unavoidable revenue shortfalls.

Budgeting for Outcomes – The City employs a Budgeting for Outcomes (BFO) process that focuses on Council priorities and objectives as the driving factor for determining the annual budget. BFO provides a comprehensive review of the entire organization, identifying every program offered and associated cost, evaluating the relevance of every program based upon the community's priorities and, ultimately, guiding elected and appointed officials to the policy questions they can answer with the information gained from the process. The City is confident that the BFO process provides the tools needed to build a budget that reflects the City’s values and needs.

The BFO process is just part of the process the City employs in the development of the budget in Park City. The other distinctive part of the process is the utilization of cross-departmental staff teams for the development of the budget recommendations. The Results Team develops the operating budget recommendation and the Capital Improvement Plan Committee creates the capital budget recommendation. These two budgets are then presented to the City Manager. Next, the Finance Manager; Human Resources Manager; Capital Budgets, Debts & Grants Manager; Operating Budget Manager and the City Manager hold a Budget Summit to collectively take a comprehensive review of the budget and discuss any outstanding issues. The result of this collaborative process and the participation of more than 50 members of the organization is the City Manager’s Recommended Budget.

Major Initiatives

Net Zero Energy Goal by 2030 – Park City became one of the latest in a series of mountain communities to commit to 100.0 percent renewable electricity. Park City has pledged that the City’s electricity would come entirely from renewable sources by 2030. This announcement comes on the heels of a similar pledge from Salt Lake City, Utah and a recent commitment from Boulder, Colorado to transition to renewable electricity, showing that mountain communities are taking control of their energy future. Park City is a founding partner of Mountain Towns 2030, a coalition of mountain towns committed to achieving ambitious carbon reduction goals by 2030. Park City hosted the first MT2030 Net Zero Summit in October 2019. In October 2021, the City participated in the groundbreaking of an 80 megawatt facility that will offset the power used by Summit County, Park City Municipal, Park City Mountain Resort and Deer Valley Resort. This is an important step in helping the City achieve its renewal energy goals. The facility is scheduled to come online in 2022.

Electric Bike-Share Program – In partnership with Summit County, Park City launched its fifth season of the electric bike-share program. Riders logged approximately 80,000 miles in 2021 and more than 323,000 since the inception of the program in 2017. The City and surrounding areas currently have 20 docking stations and 190 bikes. The stations are located through Park City including: Deer Valley Transit Circle, North City Park, Park City Municipal Athletic and Recreation Center (PC MARC), Summit County Health Department and Upper Main Street. Additional locations in Summit County include: Synderville Basin Recreation, Willow Creek Park, Silver Springs Drive, Summit County Justice Center, Ecker Hill Park and Ride and Jeremy Ranch Park and Ride. If Park City residents and tourists continue to respond well to the all-electric bike-share program, it will be a great step for the community to mitigate traffic congestion and become more environmentally sustainable, and a great example for cities looking to accomplish these same goals.

Quinn’s Park and Ride – The Quinn’s Junction Park & Ride lot will be constructed just outside City limits adjacent to US 40 on land owned by Utah Department of Transportation. The lot will provide 465 parking stalls and provide access to bus routes for the City’s commuting workforce, skiers and other visitors during major events. New or extended current bus routes will be required to provide continued services. The project is consistent with Council’s goal to reduce congestion with City limits. Construction is expected to begin Spring of 2022 and be completed by fall of the same year.

Affordable Housing – City Council is committed to making Park City a thriving mountain community through accessible and diverse housing opportunities with the goal of adding 800 housing units to the City’s affordable/attainable housing inventory by 2026. Recently, the City constructed and sold 11 units (seven homes with four studio units attached) located on Woodside Avenue. Future projects include Woodside Avenue Phase II multi-family development and a public-private partnership to develop the Homestake lot. The Homestake project is mixed-income development with an anticipated 75 – 100 affordable rental units in sizes ranging from studio to two-bedrooms. Construction is expected to begin in 2022.

Social Equity – In 2018, the City partnered with the Park City Community Foundation (PCCF) to elevate the social equity concept and conversation through a community convening process. PCCF brought a coalition together to perform a social equity self-diagnosis, identified social equity resources and gaps, prioritized short and long-term social equity issues, and developed a multi-year strategic plan. The partnership identified three priorities: Housing, Education, and Inclusion. PCCF collaborated with the City to ensure additional funding was available to the most vulnerable populations amid the COVID-19 pandemic.

Update on Major Projects

Water Projects – Water quality and delivery continue to be a top priority for Park City. With the continuing increase of development, future water needs have been identified and the cost of these improvements are being fairly distributed between users and new development. Capital spending in the Water Fund is reflective of the City’s 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 system and to determine future water rate increases and bonding needs. Additionally, the City continues to improve the culinary water system with funds from the five-year Capital Improvement Plan, an account with an approximate value of \$109.0 million. In 2019, to comply with State regulations that allows the City to discharge water draining from the Judge and Spiro mine tunnels into Mcleod and Silver Creeks, the City began construction of the Three Kings Water Treatment Plant to replace the existing Spiro plant, which was built in the 1990’s. The new plant will also increase overall water supply resiliency, peak day capacity, water quality and reliability into the future. The City issued Water Revenue and Refunding Bonds for \$75,515,000 in June 2020 and \$66,135,000 in October 2021. The bonds, in large part, will fund the construction of the water treatment plant. The expected completion date of the plant is June 2023.

Arts & Culture District – Park City purchased a 5.25-acre parcel in Bonanza Park to bring a centrally located lot into public ownership with the hopes of developing a sustainable, walkable livable area through public-private partnerships. Funds for the purchase, development, and maintenance will be generated, in part, by overnight visitors via a 1.0 percent municipal transient room tax. No additional taxes will be assessed on Park City residents. Until the development plans for the district are finalized, the City will use the space, also known as the Bonanza Art Park for summer and fall programming.

Awards and Acknowledgements

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, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

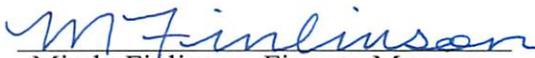
Park City Municipal Corporation also received the Distinguished Budget Presentation Award from the GFOA for the City's adopted budget for the biennium period beginning July 1, 2019. The City has won this award for fiscal years 1992 and 1993 and the biennium periods beginning 1993, 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011, 2013, 2014, 2016, 2018, and 2020. 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 BDO, LLP, 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,



Matt Dias, City Manager



Mindy Finlinson, 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, 2021

Name	Term Expires
Mayor	
Andy Beerman <i>PO Box 1570 Park City, Utah 84060</i>	January 2022
Councilors	
Max Doilney <i>2174 Sunrise Circle Park City, Utah 84060</i>	January 2024
Rebecca Gerber <i>42 Spaulding Court Park City, Utah 84060</i>	January 2024
Tim Henney <i>PO Box 3927 Park City, Utah 84060</i>	January 2022
Steven Joyce <i>1776 Park Ave, Ste. 4 Park City, Utah 84060</i>	January 2022
Nannette Worel <i>3412 Solamere Drive Park City, Utah 84060</i>	January 2024

Matt Dias, City Manager
Margaret Plane, City Attorney
Mindy Finlinson, Finance Manager

PARK CITY MUNICIPAL CORPORATION, UTAH



The above organizational structure also accurately depicts the Park City Redevelopment Agency, the Park City Municipal Building Authority, the Park City Housing Authority and the Park City Water Service District structure.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Park City Municipal Corporation
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



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Independent Auditor's Report

Members of the City Council
Park City Municipal Corporation, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Park City Municipal Corporation (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Park City Municipal Corporation, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 24, the schedule of proportionate share of net pension liability and the schedule of contributions on pages 87 through 88 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BDO USA, LLP

January 31, 2022

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2021

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, 2021. When read in conjunction with the letter of transmittal and the notes to the basic 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, 2021, was \$441,451,883. Of this amount, \$8,492,085 (unrestricted net position) is available to meet ongoing financial obligations.
- The City's government-wide net position increased by \$32,329,869. Of this amount, governmental activities increased by \$23,892,767, and business-type activities increased by \$8,437,102, a rise of 8.6 percent, and a rise of 6.4 percent, respectively, when compared to last fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$119,584,854, an increase of \$14.4 million (13.7 percent) compared to the beginning of this year's fund balance amount. While total governmental funds revenue had a slight increase of \$0.6 million compared to prior year, the City expended \$10.3 million less in capital outlay compared to prior year. Prior year expenditures included \$3.6 million related to the SR 248 Tunnel, \$3.6 million related open space acquisitions and \$1.6 million related to public works maintenance buildings. Additionally, the City had other financing resources of \$1.9 million in the sale of capital assets in the current year. Of the combined total fund balance, \$13,640,848 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, 2021, totaled \$13,640,848 and is 33.6 percent of the General Fund total revenues for the year and 11.4 percent of total governmental fund balance.
- The City's total bond debt had a net decrease of \$13,560,000 during fiscal year 2021. This represents a 5.7 percent decrease over the prior fiscal year, which is attributable to the normal reduction in principal balances from required debt service payments.

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 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 basic financial

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

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 required supplementary information, 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 one of the most important financial measurements 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: 1) governmental activities; and 2) 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, Stormwater, Transportation and Parking, and Golf Course. The Park City Municipal Building Authority, the Park City Redevelopment Agency, the Park City Housing Authority and the Park City Water Service District 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 four agencies, and these entities are financially accountable to the City. The government-wide financial statements can be found on pages 26-27 of this report.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

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. Four of these are considered major funds: General Fund, Sales Tax Revenue and Refunding Debt Service Fund, Park City General Obligation Debt Service Fund and Capital Projects Improvement Fund. The basic governmental fund financial statements can be found on pages 29-33. A summary of other funds (nonmajor funds) is combined into one “Nonmajor Governmental Funds” column. The composition of the nonmajor funds is shown in the combining statements later in the report in the supplementary information section on pages 92-102.

- 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 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.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

Proprietary Funds – These 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, storm water system, public transportation system (bus and trolley system) and 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 104-106 of this report.

Fiduciary Funds – These funds are used for assets the City receives wherein the City has temporary custody. Custodial funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds and do not involve measurement of results of operations (assets equal liabilities). The basic fiduciary fund financial statements can be found on pages 41-42 of this report.

Notes to the basic 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 basic 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, 2021

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Park City Municipal Corporation Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 151,875,537	\$ 137,339,539	\$ 51,238,900	\$ 83,635,850	\$ 203,114,437	\$ 220,975,389
Capital assets	339,137,342	343,327,382	198,880,789	190,352,135	538,018,131	533,679,517
Total assets	491,012,879	480,666,921	250,119,689	243,987,985	741,132,568	754,654,906
Total deferred outflows of resources	2,201,112	2,193,872	999,227	1,121,544	3,200,339	3,315,416
Current liabilities	17,443,700	17,630,528	13,272,975	11,266,410	30,716,675	28,896,938
Noncurrent liabilities	141,842,535	157,846,816	97,426,579	102,540,907	239,269,114	260,387,723
Total liabilities	159,286,235	175,477,344	110,699,554	113,807,317	269,985,789	289,284,661
Total deferred inflows of resources	30,875,714	28,224,174	2,019,521	1,339,473	32,895,235	29,563,647
Net position						
Net investment in capital assets	219,008,250	213,716,372	206,321,749	117,863,860	425,329,999	331,580,232
Restricted	7,629,799	9,015,764	-	-	7,629,799	9,015,764
Unrestricted	76,413,993	56,427,139	(67,921,908)	12,098,879	8,492,085	68,526,018
Total net position	\$ 303,052,042	\$ 279,159,275	\$ 138,399,841	\$ 129,962,739	\$ 441,451,883	\$ 409,122,014

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2021, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$441,451,883, an increase of \$32.3 million from prior fiscal year. This would indicate an improved financial position in comparison to last fiscal year. At June 30, 2021, approximately 96.3 percent 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 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 \$93.7 million was primarily due to ongoing construction of Three Kings water treatment plant, Quinn's Junction water treatment plant and SR-248 transmission lines and routine acquisitions of capital assets combined with repayments of the related debt and depreciation expense. The City also completed the construction of the SR-248 pedestrian tunnel and the Golf Maintenance Building.

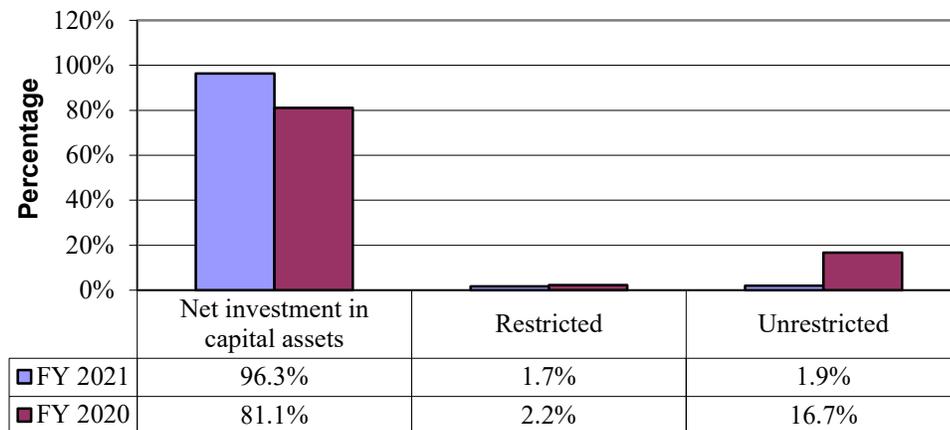
PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

Restricted net position of \$7,629,799 at June 30, 2021 represents resources that are subject to external restrictions on how they may be used. The decrease in restricted net position of \$1.4 million from prior fiscal year reflects a decrease in the amount restricted for capital projects.

The other sub-classification of net position is unrestricted. The unrestricted balance of 8,492,085 at June 30, 2021 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 \$60.0 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.

Net Position Percentage
June 30, 2021 and 2020



PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

Park City Municipal Corporation Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for services	\$ 6,794,007	\$ 8,948,665	\$ 28,961,423	\$ 29,418,875	\$ 35,755,430	\$ 38,367,540
Operating grants and contributions	3,315,938	344,543	10,654,184	5,586,097	13,970,122	5,930,640
Capital grants and contributions	2,547,350	4,636,167	5,835,341	2,286,289	8,382,691	6,922,456
General Revenues						
Property Tax	27,483,436	26,727,020	-	-	27,483,436	26,727,020
Other Taxes	28,418,997	26,011,383	8,448,444	7,560,305	36,867,441	33,571,688
Investment earnings	739,741	2,041,844	358,905	243,778	1,098,646	2,285,622
Other	3,384,084	3,007,577	203,893	572,053	3,587,977	3,579,630
Total revenues	72,683,553	71,717,199	54,462,190	45,667,397	127,145,743	117,384,596
Expenses						
General government	25,563,919	26,308,830	-	-	25,563,919	26,308,830
Public safety	7,114,475	7,438,463	-	-	7,114,475	7,438,463
Public works	6,615,287	6,794,406	-	-	6,615,287	6,794,406
Library and recreation	5,527,008	5,556,544	-	-	5,527,008	5,556,544
Interest on long-term debt	4,685,097	4,931,292	-	-	4,685,097	4,931,292
Golf course	-	-	1,641,690	1,578,559	1,641,690	1,578,559
Stormwater	-	-	1,054,170	1,276,945	1,054,170	1,276,945
Transportation and parking	-	-	18,208,111	23,485,955	18,208,111	23,485,955
Water	-	-	24,406,117	17,145,476	24,406,117	17,145,476
Total expenses	49,505,786	51,029,535	45,310,088	43,486,935	94,815,874	94,516,470
Increase in net position before transfers	23,177,767	20,687,664	9,152,102	2,180,462	32,329,869	22,868,126
Transfers	715,000	715,000	(715,000)	(715,000)	-	-
Increase in net position	23,892,767	21,402,664	8,437,102	1,465,462	32,329,869	22,868,126
Net position beginning	279,159,275	257,756,611	129,962,739	128,497,277	409,122,014	386,253,888
Net position ending	\$ 303,052,042	\$ 279,159,275	\$ 138,399,841	\$ 129,962,739	\$ 441,451,883	\$ 409,122,014

The City's overall net position increased \$32,329,869 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Net position from governmental activities increased \$23,892,767 in fiscal year 2021, an increase of \$2.5 million compared to prior year's change in net position, for an ending balance of \$303,052,042. The current year increase is due, in part, to a \$2.4 million increase in general sales and use, franchise and resort tax which is in line with the City's timely rebound in tourism. Additionally, total grants and contributions increased \$0.9 million. Expenses for governmental activities decreased \$1.5 million. The reasons for this decrease are discussed in the following section for governmental activities.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

Net position from business-type activities increased \$8,437,102 in fiscal year 2021, an increase of \$7.0 million compared to prior year's change in net position, for an ending balance of \$138,399,841. The current year increase is due, in part, to a \$0.9 million increase in general sales and use and resort tax. Due to CARES Act funding and additional intergovernmental grants in the transportation and parking fund, operating grants and contributions increased \$5.0 million. The \$3.5 million increase in capital grants and contributions is due to a capital donation to the water and stormwater fund. Additionally, revenue from services in the transportation and parking fund decreased by \$3.8 million due, in part, to the cancellation of major events due to COVID-19, a continued moratorium on parking fees and a decrease in region transit revenue. Total expenses for business-type activities were consistent from prior year. Further details of changes in revenues and expenses are discussed in the following section for business-type activities.

Revenues – For the year ended June 30, 2021, the City's government-wide total revenues are 127,145,743, an increase of \$9.8 million from prior fiscal year's revenue of \$117,384,596.

Key elements of this change were as follows:

- Of the City's total revenues, approximately 50.6 percent resulted from taxes, of which the majority was from property and resort taxes as shown in the following table:

Government-wide Tax Revenues

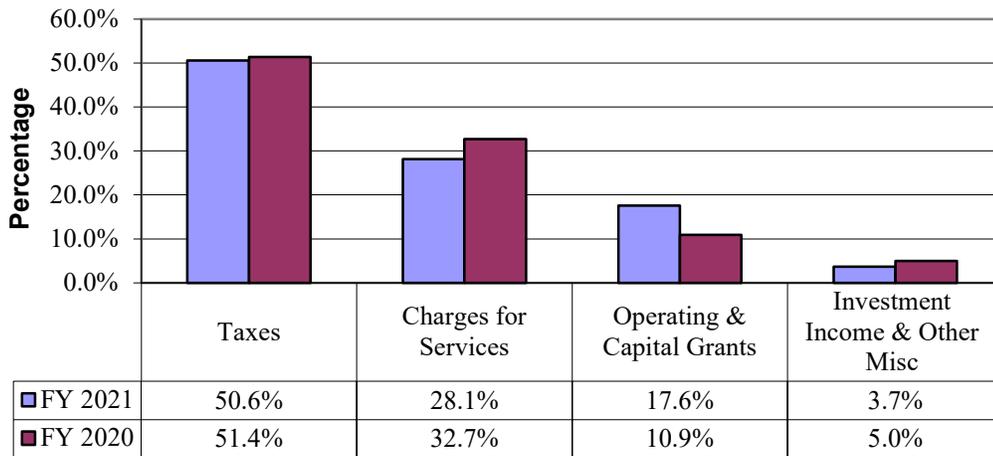
	2021	2020
Property tax, levied for general purposes	\$ 17,977,155	\$ 17,445,636
Property tax, levied for debt service	9,506,281	9,281,384
General sales and use tax	12,441,181	11,092,862
Franchise tax	3,253,431	3,161,759
Resort tax	21,172,829	19,317,067
Total	\$ 64,350,877	\$ 60,298,708

- Charges for services had a net decrease of \$2.6 million from prior fiscal year and represented 28.1 percent of total revenues. The \$2.6 million decrease was due, in part, to a \$3.8 million decrease in transit and parking revenues. Due to decreased ridership related to COVID-19 restrictions, the City received significantly less in regional transit revenue. The decrease in transportation and parking was offset by an increase in water fund revenue of \$2.5 million. The increase in water fund revenue is attributable to an increase in water service fees related to: 1) a 3.0 percent increase in water rates, 2) increased consumption in fiscal year 2021 and 3) increased regional water sales.
- Operating and capital contributions and grants increased \$9.5 million from prior fiscal year and represented 17.6 percent of total revenues. The \$9.5 million increase was due, in part, to an increase in intergovernmental contributions and CARES Act funding from the federal government.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

- 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 \$1.2 million from the prior fiscal year and represented 3.7 percent of total revenues. The decrease is primarily due to the continuing fall of interest rates. During the year, rates in Utah State's Public Treasurer's Investment Fund dropped from 0.73 percent to 0.35 percent.

Government-Wide Revenues by Source
June 30, 2021 and 2020

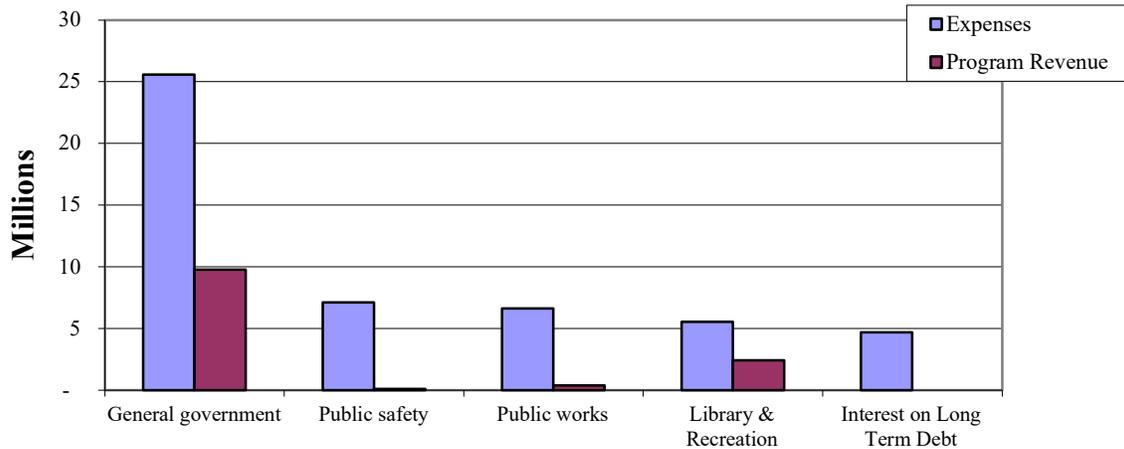


Expenses – The City's government-wide total expenses cover a range of services. For the year ended June 30, 2021, the City's total expenses were \$94,815,874 compared to the prior fiscal year of \$94,516,470. Of the \$0.3 million increase, governmental activities expenses decreased \$1.5 million, primarily due to a decrease in interest payments on long-term debt. General government, public safety, public works and library and recreation remained relatively unchanged from prior fiscal year. Business-type activities increased \$1.8 million, primarily due to a \$7.2 million increase in water fund due to an increase in non-capitalizable expenses offset by a \$5.3 million decrease in transportation and parking fund caused by decreases in salary and benefit expenses and reduced transit services. Total expenses for Golf Course Fund and Stormwater Fund remained relatively unchanged from prior fiscal year.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

Governmental Activities: As shown in the chart and table below, revenues generated by the City's programs are not sufficient to cover the costs. The City relies on property taxes, sales taxes, investment income and other general revenues to cover the costs associated with the various programs.

Governmental-Type Activities Program Revenue and Expenses



Park City Municipal Corporation Costs of Government Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General government	\$ 25,563,919	\$ 26,308,830	\$ 15,801,390	\$ 15,011,126
Public safety	7,114,475	7,438,463	7,008,101	7,351,939
Public works	6,615,287	6,794,406	6,240,568	6,144,127
Library and recreation	5,527,008	5,556,544	3,113,335	3,661,676
Interest on long term debt	4,685,097	4,931,292	4,685,097	4,931,292
Total	<u>\$ 49,505,786</u>	<u>\$ 51,029,535</u>	<u>\$ 36,848,491</u>	<u>\$ 37,100,160</u>

The City's governmental activities increased net position by \$23.9 million. Key elements of this increase were as follows:

Revenue Highlights:

- Taxes comprise the largest source of revenue for the City's governmental activities: \$55,902,433 or 76.9 percent in fiscal year 2021 of total governmental activities revenues, an increase of \$3.2 million from prior fiscal year. This increase is primarily related to an increase in general sales and use tax and resort revenues. Park City saw a dramatic increase in tourism due to people looking for outdoor recreation opportunities during the COVID-19 pandemic. Of total taxes, real property taxes are \$27,483,436 or 37.8 percent in fiscal year 2021.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

- Charges for services were \$6,794,007 and represented 9.3 percent of total governmental activities revenues in fiscal year 2021, and a decrease of \$2.2 million from prior fiscal year. In the prior fiscal year, the City had a large building permit payment related to the construction of 3 Kings Water Treatment Plant. There was no such activity in fiscal year 2021.
- Total governmental operating and capital grant and contribution revenues were \$5,863,288, representing 8.1 percent of total governmental activities revenue in fiscal year 2021, and a net increase of \$0.9 million from prior fiscal year. The net increase was the result of the receipt of CARES Act funds of \$3.2 million and a reduction in grants for government projects no longer in progress in the current year.

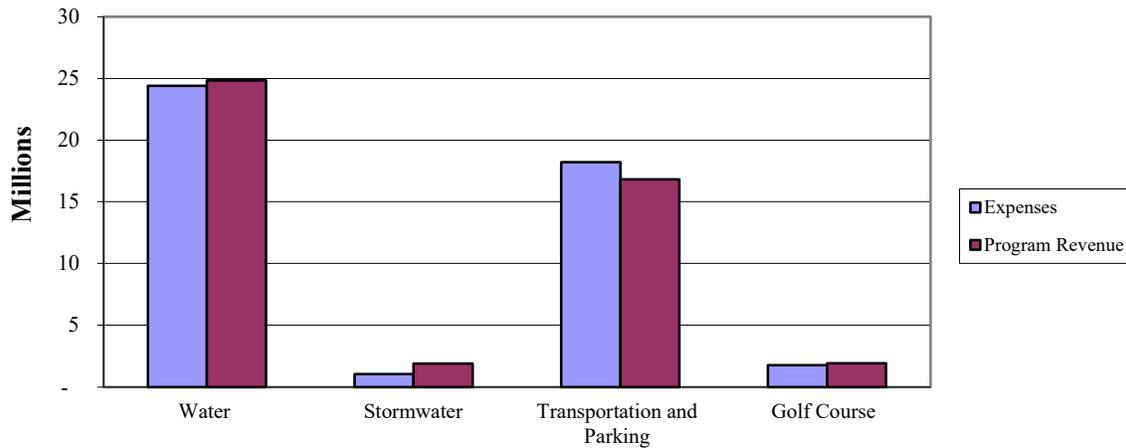
Expense Highlights:

- General government expenses were \$25,563,919 in fiscal year 2021, representing 51.6 percent of total governmental expense and a decrease of \$0.7 million from prior fiscal year. The decrease is due, in part, to recession planning budget cuts. All departments were asked to reduce budgets in the current fiscal year in response to the pandemic. 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 Safety expenses were \$7,114,475 in fiscal year 2021, representing 14.4 percent of total governmental expense. Public Safety expenses were consistent from prior fiscal year.
- Public Works expenses were \$6,615,287 in fiscal year 2021, representing 13.4 percent of total governmental expense. Public Works expenses were consistent from prior fiscal year.
- Library and Recreation expenses were \$5,527,008 in fiscal year 2021, representing 11.2 percent of total governmental expenses. Library and Recreation expenses were consistent from prior fiscal year.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

Business-type Activities: As show in the chart and table below, program revenues generated by the Water, Stormwater and Golf Course funds are sufficient to cover the costs of service. The Transportation and Parking fund relies on miscellaneous revenues and contributions and fund balances to cover the service costs.

Business-Type Funds Program Revenues and Expenses



Park City Municipal Corporation Costs of Business-Type Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Golf Course Fund	\$ 1,641,690	\$ 1,578,559	\$ 280,558	\$ (346,038)
Stormwater Fund	1,054,170	1,276,945	829,618	160,572
Transportation and Parking Fund	18,208,111	23,485,955	(1,394,791)	(9,180,300)
Water Fund	24,406,117	17,145,476	425,475	3,170,092
Total	\$ 45,310,088	\$ 43,486,935	\$ 140,860	\$ (6,195,674)

The City's business-type activities increased net position by \$8.4 million. Key elements of this increase were as follows:

Revenue Highlights:

- Charges for services for business-type activities were \$28,961,423, representing 53.2 percent of total business-type revenue, a net decrease of 0.5 million from prior fiscal year. A significant portion of the decrease is related to a continuation of the parking fee moratorium the City began in March 2020. The moratorium was lifted halfway through the current fiscal year. Many major events that traditionally brings in higher parking fees were cancelled. Additionally, the City received \$2.8 million less in regional transit revenue due to COVID restrictions and decreased ridership. Water revenue increased \$2.6 million from prior year. The increase in water fund revenue is attributable to an increase in water service fees related to: 1) a 3.0 percent increase

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

in water rates, 2) increased consumption in fiscal year 2021 and 3) increased regional water sales.

- Operating and capital grants and contributions were \$16,489,525 representing 30.3 percent of total business-type revenue, an increase of approximately \$8.6 million from prior fiscal year. Part of the increase is attributable to developer donated assets to the water and stormwater fund in the amount of \$2.4 million. The remaining increase is due to intergovernmental grants received by the transportation and parking fund.
- Combined general sales and use tax and resort tax revenue were \$8,448,444, representing 15.5 percent of total business-type revenue, an increase of approximately \$0.9 million from prior fiscal year. Despite the cancellation or reduction of perennial special events, the City saw an increase in tourism due to people looking for outdoor recreation opportunities during the COVID-19 pandemic which brought in higher than expected taxes. Park City has approximately 400 miles of hiking and biking trails which makes is a desirable location for outdoor recreation.

Expense Highlights:

- Salaries and benefits for business-type activities were \$12.5 million representing 30.5 percent of total business-type operating expenses, a decrease of approximately \$3.1 million from prior fiscal year. The most significant portion of the decrease is from the transportation and parking fund which had a decrease of \$2.7 million from prior year. Due to decrease demand in public transportation related to COVID-19 precautions, the transit department reduced staff through natural attrition without replacing vacant positions.
- Supplies, maintenance and service expense were \$19.7 million representing 48.0 percent of total business-type operating expenses, an increase of \$4.9 million from prior fiscal year. Water Fund expenses for supplies, maintenance and services increased by \$7.0 million from prior fiscal year. The increase is due to noncapitalizable expenses related to a regional water agreement. The City entered into an agreement to pay for a portion of the construction costs but does not have ownership of the assets. This increase was offset by a \$2.1 million decrease in the transportation and parking fund due to a decrease in regional transit operations.

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, 2021, the aggregate fund balance of the City's governmental funds was \$119,584,854, an increase of \$14,442,997 million in comparison with the fiscal year ended June 30, 2020. In fiscal year 2021, \$13,640,848 or 11.4 percent of this amount is in unassigned fund balance. Unassigned fund balance category is available for appropriation by the City Council at their discretion.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to remain intact. Nonspendable fund balance is \$55,487 in fiscal year 2021, consistent from prior year.

Restricted fund balance has externally enforceable limitations on use and is not available for new spending. Restricted fund balance is \$33,287,521 in fiscal year 2021, a decrease of \$1.0 million from prior fiscal year. 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 \$72,600,998 is committed. Of the total committed fund balance, \$68,180,079 is committed to capital projects, \$2,222,710 is committed to debt service and \$2,198,209 is committed to economic development.

The **General Fund** is the principal operating fund of the City. A recent change to the Utah State code establishes a 5.0 percent minimum (\$2,028,156) and a 35.0 percent maximum (\$14,197,089) limit to the amount that may be accumulated as the fund balance in the General Fund. As of June 30, 2021 the unassigned fund balance of the General Fund was \$13,640,848 and was \$556,241 below the 35.0 percent limit. The unassigned fund balance increased by \$5,828,971 in 2021.

As of June 30, 2021, the restricted fund balance in the **Capital Improvements Fund** was \$7,570,859 and the committed fund balance was \$61,152,617, a decrease of \$1.4 million and an increase of \$8.2 million, respectively. The restricted balance is the amount of unspent general obligation bond proceeds, B&C road funds and impact fees that are restricted to projects certain projects. This amount will decrease as bond funds are spent each year. The committed balance is

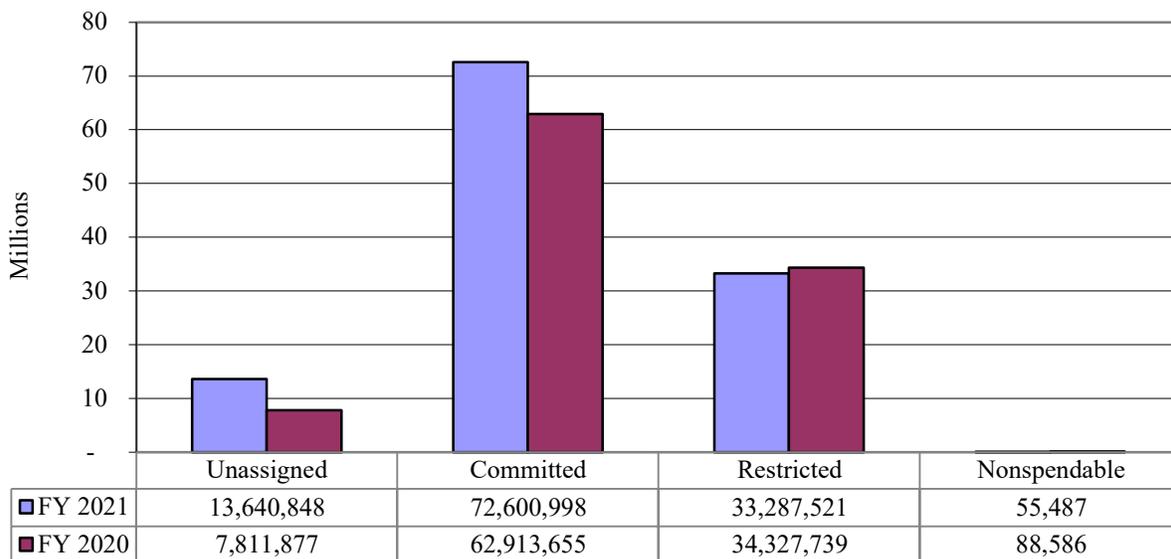
PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

the amount of funds budgeted for capital projects. This amount will change based on current projects approved by City Council.

As of June 30, 2021, the restricted fund balance in the **Sales Tax Revenue and Refunding Bonds Debt Service Fund** was \$25,657,024 and the committed fund balance was \$626,955. The fund balances remained constant from prior fiscal year. The restricted balance is the amount held in trust by a third party to either make bond payments or hold in reserve until the City requisitions the funds for expenditures made on approved projects identified in the bond agreements. The committed balance is the amount of funds budgeted for capital projects. This amount will change based on current projects approved by City Council.

As of June 30, 2021, the restricted fund balance in the **General Obligation Bonds Debt Service Fund** was \$698 and the committed fund balance was \$1,595,755. The fund balances remained constant from prior fiscal year. The restricted balance is the amount held in trust by a third party to make bond payments. The committed balance is the amount of funds budgeted for capital projects. This amount will change based on current projects approved by City Council.

Components of Governmental Fund Balances
June 30, 2021 and 2020



PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

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

Net position of the City's enterprise funds totaled \$138,407,381 at June 30, 2021, as compared to \$129,983,257 at the end of fiscal year 2020. Net position at the end of fiscal year 2021 and 2020 for each of these funds were:

Park City Municipal Corporation Proprietary Funds

	Net Position		Change
	2021	2020	
Water	\$ 71,004,877	\$ 70,959,443	\$ 45,434
Stormwater	9,729,686	8,890,568	839,118
Transportation and parking	54,481,178	47,280,460	7,200,718
Golf course	3,191,640	2,852,786	338,854
Total	\$ 138,407,381	\$ 129,983,257	\$ 8,424,124

The increase in net position from the prior fiscal year was \$8.4 million as compared to an increase of \$1.6 million in fiscal year 2020. The Water Fund operating revenues increased \$2.6 million. The increase in water fund revenue is attributable to an increase in water service fees related to: 1) a 3.0 percent increase in water rates, 2) increased consumption in fiscal year 2021 and 3) increased regional water sales. The Golf Fund operating revenues increased \$0.4 million. This increase is due to higher demand of the City's golf course as people looked for outdoor recreation activities during COVID-19. The Stormwater operating revenues remained relatively flat.

Water Fund net investment in capital assets increased by \$90.5 million, and unrestricted net position decreased by \$90.4 million resulting in a slight increase in net position from prior year. The increase in net investment in capital assets was due to the net of acquisition of capital assets related to ongoing water treatment plant construction, repayment of related debt, and depreciation expense.

Stormwater Fund net investment in capital assets increased by \$0.3 million from prior fiscal year, and unrestricted net position increased by \$0.5 million. The increase was due to a capital asset donation made to the City in the current year.

In the Golf Course Fund both net investment in capital assets and unrestricted net position remained constant from prior fiscal year.

Transportation and Parking Fund net investment in capital assets decreased by \$2.2 million and unrestricted net position increased by \$9.4 million resulting in a net increase of total net position of approximately \$7.2 million. The decrease in net investment in capital assets was due, in part, to current year depreciation expense. The increase in unrestricted net position was due, in part, to the receipt of current year intergovernmental grants of \$11.0 million.

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.

Differences between the original budget and the final amended budget for expenditures of \$4,063,320 (net increase) can be briefly summarized as follows:

- \$4.1 million increase in appropriations for general government was, in part, to reflect the receipt of CARES Act funding in the amount of \$3.2 million. The City, in turn, disbursed these funds in the amount of \$2.2 million as subrecipient grants to local businesses and nonprofit organizations. The remaining \$1.0 million in CARES Act funding was budgeted to defray the costs of the COVID-19 emergency response. The remaining is due to a budget adjustment in the vacancy factor as mentioned above. All other appropriation budget changes were minimal and related to normal fluctuations in operations and internal service charges.

Total actual expenditures came in \$3,458,781 below the final budget. All departments remained within their legal spending authority. The differences between actual and the final budget can be briefly summarized as follows:

- The final budget was \$2.8 million more than the actual expenditures in general government which can be attributed to higher than expected revenues from sales and resort taxes as mentioned above.
- The final budget was comparable to actual expenditures in public safety.
- The final budget was \$0.4 million more than actual expenditures in public works. The variance is attributable, in large part, to a decrease in salaries and benefits expenditures.
- The final budget was comparable to actual expenditures in library and recreation.

Actual revenues of \$40,563,113 were \$1.9 million more than the budgeted revenues of \$38,644,084.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City's investment in capital assets for its governmental and business-type activities totaled \$538,018,131 (net of \$241,462,859 accumulated depreciation) at June 30, 2021, as compared to \$503,679,517 (net of \$229,927,313 accumulated depreciation) at June 30, 2020. This investment in capital assets includes land and water rights, buildings, improvements other than buildings, vehicles and equipment, art, intangibles, infrastructure, right to use assets, and construction in progress.

Major capital asset additions during the year ended June 30, 2021 included:

Governmental Activities:

- \$2.2 million for old bus barn improvements
- \$2.1 million for Arts and Culture District
- \$1.4 million for Prospector Ave landscape
- \$4.0 million for SR-248 pedestrian tunnel

Business-type Activities:

- \$1.7 million for water system optimization
- \$34.0 million for 3 Kings Water Treatment Plant
- \$11.9 million for Quinn's Junction Water Treatment Plant upgrades
- \$4.0 million for SR-248 transmission lines
- \$1.9 million for Park City Heights water tank

Park City Municipal Corporation Capital Assets (net of depreciation/amortization)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and water rights	\$ 243,725,614	\$ 243,725,614	\$ 22,337,188	\$ 22,337,188	\$ 266,062,802	\$ 266,062,802
Infrastructure	118,551,560	116,996,680	-	-	118,551,560	116,996,680
Buildings	49,999,600	50,511,492	40,084,558	26,241,328	90,084,158	76,752,820
Art	808,389	808,389	117,850	109,214	926,239	917,603
Improvements other than buildings	48,067,486	41,776,647	121,590,828	114,679,866	169,658,314	156,456,513
Vehicles and equipment	16,350,552	15,724,692	39,741,642	36,779,690	56,092,194	52,504,382
Construction in progress	5,473,653	12,022,654	60,243,372	39,504,678	65,717,025	51,527,332
Intangibles	8,921,259	8,921,259	86,455	86,455	9,007,714	9,007,714
Right to use asset	-	-	3,380,984	3,380,984	3,380,984	3,380,984
Accumulated depreciation	(152,760,771)	(147,160,045)	(88,702,088)	(82,767,268)	(241,462,859)	(229,927,313)
Total Assets	\$ 339,137,342	\$ 343,327,382	\$ 198,880,789	\$ 160,352,135	\$ 538,018,131	\$ 503,679,517

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

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

Long-term Debt: At June 30, 2021, the City had \$250,958,188 in long-term debt, an decrease of 5.8 percent from fiscal year 2020. Of this amount, \$82,962,508 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 \$164,956,006. Additionally, as discussed in Note E-Long-term Obligations on page 67, the City has a contract payable for \$3,039,674.

The City's general obligation bonds, including the recent 2020 Series Bond, were assigned a rating by Moody's of Aaa, and confirmed at 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, 2017 and 2019 Sales Tax Revenue Bonds. The City's 2013, 2014 and 2020 Water Revenue Bonds are rated Aa2 by Moody's and AA by Standard and Poor's. The City's long-term debt for the fiscal years 2021 and 2020 were as follows:

Park City Municipal Corporation Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 82,962,508	\$ 89,738,177		\$ -	\$ 82,962,508	\$ 89,738,177
Revenue bonds	67,946,810	73,389,583	97,009,196	100,237,316	164,956,006	173,626,899
Contract payable		-	3,039,674	3,180,985	3,039,674	3,180,985
Total debt	\$ 150,909,318	\$ 163,127,760	\$ 100,048,870	\$ 103,418,301	\$ 250,958,188	\$ 266,546,061

The State of Utah mandates a general obligation debt limit of 4.0 percent of total assessed value of \$10,540,026,000. The current limitation for the City is \$421,601,040 which is significantly in excess of the City's outstanding general obligation debt. The City's net debt subject to this limitation was \$82,962,508 or 19.68 percent of total assessed value, leaving the amount available for future indebtedness at \$338,638,532. See Schedule 17 on page 125 of this report.

More detailed information about the City's long-term liabilities is presented in Note E-Long-term Obligations on pages 59-68 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- As of June 2021, the unemployment rate for Summit County (of which Park City is the largest city) was 2.4 percent compared with the State unemployment rate of 2.7 percent, and a national rate of 5.9 percent. This compares with a rate of 9.8 percent for Summit County in June 2020. (Sources: Utah Dept. of Workforce Services and Bureau of Labor Statistics)
- The fiscal year 2021 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 fiscal 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 significant changes in the local economy due to ongoing COVID-19 impacts. The City's approach to budgeting includes preparation of a five-year

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2021

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 2022 compared with the prior fiscal year. The most significant changes in rates were in the Water and Stormwater Funds. In the Water Fund the water base rate was increased 3.0 percent, a 10.0 percent increase to the irrigation base rate. The energy surcharge remained flat at \$0.55 per 1,000 gallons from prior fiscal year. In the Stormwater Fund the Equivalent Surface Unit (ESU) charge increased 3.0 percent. The City anticipates rate increases each year over the next several years in order to provide adequate working capital necessary to maintain the water and storm water systems.

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
Statement of Net Position
June 30, 2021

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current assets:			
Cash, cash equivalents and investments	\$ 85,233,832	\$ 25,249,955	\$ 110,483,787
Restricted cash and cash equivalents, fiscal agent	25,758,252	11,923,499	37,681,751
Restricted cash, cash equivalents and investments, other	9,470,859	-	9,470,859
Taxes receivable	29,769,592	1,101,022	30,870,614
Accounts receivable	532,019	10,383,566	10,915,585
Notes receivable	250,493	-	250,493
Inventories	247,998	816,129	1,064,127
Prepays	27,801	1,186,898	1,214,699
Internal balances	7,540	(7,540)	-
Total current assets	151,298,386	50,653,529	201,951,915
Noncurrent assets:			
Notes receivable	7,668	-	7,668
Prepays	-	573,314	573,314
Land and water rights	243,725,614	22,337,188	266,062,802
Construction in progress	5,473,653	60,243,372	65,717,025
Art	808,389	117,850	926,239
Right to use asset	-	3,254,198	3,254,198
Buildings	31,210,083	30,791,929	62,002,012
Improvements other than buildings	22,914,332	63,856,516	86,770,848
Vehicles and equipment	5,285,415	18,268,175	23,553,590
Infrastructure	21,176,661	-	21,176,661
Intangibles	8,543,195	11,561	8,554,756
Net pension asset	569,483	12,057	581,540
Total noncurrent assets	339,714,493	199,466,160	539,180,653
Total assets	491,012,879	250,119,689	741,132,568
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	2,201,112	999,227	3,200,339
Total assets and deferred outflows of resources	493,213,991	251,118,916	744,332,907
LIABILITIES			
Current liabilities:			
Accounts payable	1,407,674	7,352,897	8,760,571
Accrued liabilities	4,541,290	2,709,994	7,251,284
Contract payable	-	143,918	143,918
Compensated absences	674,736	271,166	945,902
General obligation bonds	6,300,000	-	6,300,000
Revenue bonds	4,520,000	2,795,000	7,315,000
Total current liabilities	17,443,700	13,272,975	30,716,675
Noncurrent liabilities:			
Contract payable	-	2,895,756	2,895,756
Compensated absences	201,543	80,998	282,541
General obligation bonds	76,662,508	-	76,662,508
Revenue bonds	63,426,810	94,214,196	157,641,006
Net pension liability	1,551,674	235,629	1,787,303
Total noncurrent liabilities	141,842,535	97,426,579	239,269,114
Total liabilities	159,286,235	110,699,554	269,985,789
DEFERRED INFLOWS OF RESOURCES			
Property taxes	25,035,612	-	25,035,612
Deferred gain on refunding	281,492	207,255	488,747
Deferred inflows of resources related to pensions	5,558,610	1,812,266	7,370,876
Total deferred inflows of resources	30,875,714	2,019,521	32,895,235
Total liabilities and deferred inflows of resources	190,161,949	112,719,075	302,881,024
NET POSITION			
Net investment in capital assets	219,008,250	206,321,749	425,329,999
Restricted for:			
Capital projects	7,570,859	-	7,570,859
Other	58,940	-	58,940
Unrestricted	76,413,993	(67,921,908)	8,492,085
Total net position	\$ 303,052,042	\$ 138,399,841	\$ 441,451,883

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

Park City Municipal Corporation
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 25,563,919	\$ 4,442,102	\$ 3,215,100	\$ 2,105,327	\$ (15,801,390)	\$ -	\$ (15,801,390)
Public safety	7,114,475	6,062	94,745	5,567	(7,008,101)	-	(7,008,101)
Public works	6,615,287	-	-	374,719	(6,240,568)	-	(6,240,568)
Library and recreation	5,527,008	2,345,843	6,093	61,737	(3,113,335)	-	(3,113,335)
Interest on long-term debt	4,685,097	-	-	-	(4,685,097)	-	(4,685,097)
Total governmental activities	49,505,786	6,794,007	3,315,938	2,547,350	(36,848,491)	-	(36,848,491)
Business-type activities:							
Golf Course Fund	1,641,690	1,922,248	-	-	-	280,558	280,558
Stormwater Fund	1,054,170	1,480,432	-	403,356	-	829,618	829,618
Transportation and Parking Fund	18,208,111	4,441,511	10,654,184	1,717,625	-	(1,394,791)	(1,394,791)
Water Fund	24,406,117	21,117,232	-	3,714,360	-	425,475	425,475
Total business-type activities	45,310,088	28,961,423	10,654,184	5,835,341	-	140,860	140,860
Total primary government	\$ 94,815,874	\$ 35,755,430	\$ 13,970,122	\$ 8,382,691	(36,848,491)	140,860	(36,707,631)
General revenues:							
Property tax, levied for general purposes					17,977,155	-	17,977,155
Property tax, levied for debt service					9,506,281	-	9,506,281
General sales and use tax					7,161,106	5,280,075	12,441,181
Franchise tax					3,253,431	-	3,253,431
Resort tax					18,004,460	3,168,369	21,172,829
Investment earnings					739,741	358,905	1,098,646
Miscellaneous					4,170,268	171,514	4,341,782
Gain/(loss) on sale of capital assets					(786,184)	32,379	(753,805)
Transfers					715,000	(715,000)	-
Total general revenues and transfers					60,741,258	8,296,242	69,037,500
Change in net position					23,892,767	8,437,102	32,329,869
Net position - beginning					279,159,275	129,962,739	409,122,014
Net position - ending					\$ 303,052,042	\$ 138,399,841	\$ 441,451,883

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

GOVERNMENTAL FUNDS

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.*, public safety, 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 2014A and B, 2015, 2017 and 2019 Sales Tax Revenue and Refunding Bonds.

Debt Service - Park City General Obligation Bonds Fund - Accounts for the accumulation of money for the repayment of 2013A, 2017, 2019 and 2020 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.

**Park City Municipal Corporation
Balance Sheet
Governmental Funds
June 30, 2021**

	General Fund	Capital Improvements Fund	Sales Tax Revenue and Refunding Bonds Debt Service Fund	Park City General Obligation Bonds Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash, cash equivalents and investments	\$ 12,273,405	\$ 58,403,602	\$ 626,955	\$ 1,596,755	\$ 9,233,749	\$ 82,134,466
Restricted cash, cash equivalents and investments, fiscal agent	-	100,530	25,657,024	698	-	25,758,252
Restricted cash, cash equivalents and investments, other	-	9,470,859	-	-	-	9,470,859
Taxes receivable	13,190,687	1,042,760	-	9,497,688	5,027,635	28,758,770
Accounts receivable	79,463	359,655	-	-	21,646	460,764
Notes receivable	-	258,161	-	-	-	258,161
Inventory	27,686	-	-	-	-	27,686
Prepays	27,801	-	-	-	-	27,801
Total assets	<u>\$ 25,599,042</u>	<u>\$ 69,635,567</u>	<u>\$ 26,283,979</u>	<u>\$ 11,095,141</u>	<u>\$ 14,283,030</u>	<u>\$ 146,896,759</u>
LIABILITIES						
Accounts payable	\$ 598,051	\$ 653,930	\$ -	\$ 1,000	\$ 35,876	\$ 1,288,857
Accrued liabilities	714,275	-	-	-	15,000	729,275
Total liabilities	<u>1,312,326</u>	<u>653,930</u>	<u>-</u>	<u>1,000</u>	<u>50,876</u>	<u>2,018,132</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property tax	10,531,441	-	-	9,497,688	5,006,483	25,035,612
Unavailable revenue-notes	-	258,161	-	-	-	258,161
Total deferred inflow of resources	<u>10,531,441</u>	<u>258,161</u>	<u>-</u>	<u>9,497,688</u>	<u>5,006,483</u>	<u>25,293,773</u>
Total liabilities and deferred inflows of resources	<u>11,843,767</u>	<u>912,091</u>	<u>-</u>	<u>9,498,688</u>	<u>5,057,359</u>	<u>27,311,905</u>
FUND BALANCES						
Nonspendable						
Prepays	27,801	-	-	-	-	27,801
Inventory	27,686	-	-	-	-	27,686
Restricted						
Capital projects	-	7,570,859	24,955,455	-	-	32,526,314
Debt service	-	-	701,569	698	-	702,267
Drug and tobacco enforcement	58,940	-	-	-	-	58,940
Committed						
Capital projects funds	-	61,152,617	-	-	7,027,462	68,180,079
Debt service funds	-	-	626,955	1,595,755	-	2,222,710
Economic development	-	-	-	-	2,198,209	2,198,209
Unassigned	13,640,848	-	-	-	-	13,640,848
Total fund balances	<u>13,755,275</u>	<u>68,723,476</u>	<u>26,283,979</u>	<u>1,596,453</u>	<u>9,225,671</u>	<u>119,584,854</u>
Total liabilities and fund balances	<u>\$ 25,599,042</u>	<u>\$ 69,635,567</u>	<u>\$ 26,283,979</u>	<u>\$ 11,095,141</u>	<u>\$ 14,283,030</u>	<u>\$ 146,896,759</u>

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

Park City Municipal Corporation
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2021

Fund balances of governmental funds		\$119,584,854
Amounts reported for governmental activities 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.		339,137,342
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:		
Taxes receivable	\$1,010,822	
Interest receivable	14,311	
Net pension asset	519,408	1,544,541
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets, deferred outflows of resources, and liabilities and deferred inflows of resources of certain internal service funds are included in governmental activities in the statement of net position.		2,027,539
Certain items not accounted for as unavailable under accrual accounting.		258,161
Pollution remediation liability not reported in the funds.		(1,272,000)
Noncurrent 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. Noncurrent liabilities at year-end consist of:		
Compensated absences	(\$821,965)	
Revenue bonds	(62,070,000)	
General obligation bonds	(73,885,000)	
Deferred bond premiums	(14,954,318)	
Accrued interest on the bonds	(1,523,387)	
Net pension liability	(1,527,592)	(154,782,262)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds:		
Deferred gain on debt refunding	(\$281,492)	
Deferred outflows of resources related to pensions	2,117,161	
Deferred inflows of resources related to pensions	(5,281,802)	(3,446,133)
Net position of governmental activities		\$303,052,042

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

Park City Municipal Corporation
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Capital Improvements Fund	Sales Tax Revenue and Refunding Bonds Debt Service Fund	Park City General Obligation Bonds Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes and special assessments	\$ 30,378,417	\$ 11,049,559	\$ -	\$ 9,506,281	\$ 1,166,151	\$ 52,100,408
Licenses and permits	3,350,157	-	-	-	-	3,350,157
Intergovernmental	3,313,667	1,536,533	-	-	3,904,072	8,754,272
Charges for services	3,031,107	-	-	-	-	3,031,107
Fines and forfeitures	25,900	-	-	-	-	25,900
Investment income	139,308	413,032	148,093	1,209	38,099	739,741
Impact fees	-	386,843	-	-	-	386,843
Rental and other	196,277	800,441	-	-	-	996,718
Miscellaneous	128,280	1,069,020	-	-	-	1,197,300
Total revenues	<u>40,563,113</u>	<u>15,255,428</u>	<u>148,093</u>	<u>9,507,490</u>	<u>5,108,322</u>	<u>70,582,446</u>
EXPENDITURES						
Current:						
General government	19,264,758	-	-	-	-	19,264,758
Public safety	6,698,058	-	-	-	-	6,698,058
Public works	5,694,072	-	-	-	-	5,694,072
Library and recreation	4,327,567	-	-	-	-	4,327,567
Economic development	-	-	-	-	916,602	916,602
Debt service:						
Interest	-	-	2,587,172	3,483,316	-	6,070,488
Principal retirement	-	-	4,855,000	6,030,000	-	10,885,000
Capital outlay	-	6,445,352	-	-	456,074	6,901,426
Total expenditures	<u>35,984,455</u>	<u>6,445,352</u>	<u>7,442,172</u>	<u>9,513,316</u>	<u>1,372,676</u>	<u>60,757,971</u>
Excess (deficiency) of revenues over expenditures	<u>4,578,658</u>	<u>8,810,076</u>	<u>(7,294,079)</u>	<u>(5,826)</u>	<u>3,735,646</u>	<u>9,824,475</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of capital assets	-	1,618,874	-	-	299,801	1,918,675
Transfers in	2,724,847	-	7,438,866	-	5,752,670	15,916,383
Transfers out	(1,507,633)	(3,589,254)	-	-	(8,119,649)	(13,216,536)
Total other financing sources (uses)	<u>1,217,214</u>	<u>(1,970,380)</u>	<u>7,438,866</u>	<u>-</u>	<u>(2,067,178)</u>	<u>4,618,522</u>
Net change in fund balances	5,795,872	6,839,696	144,787	(5,826)	1,668,468	14,442,997
Fund balances - beginning	7,959,403	61,883,780	26,139,192	1,602,279	7,557,203	105,141,857
Fund balances - ending	<u>\$ 13,755,275</u>	<u>\$ 68,723,476</u>	<u>\$ 26,283,979</u>	<u>\$ 1,596,453</u>	<u>\$ 9,225,671</u>	<u>\$ 119,584,854</u>

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

Park City Municipal Corporation
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances - Government Funds to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds		\$14,442,997
Amounts reported for governmental activities in the statement of net position are different because:		
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:		
Capital outlay	\$3,303,208	
Depreciation expense	<u>(5,801,477)</u>	(2,498,269)
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.		
		(2,704,859)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Donated capital assets	\$1,013,088	
Taxes receivable	(92,915)	
Interest receivable	(13,398)	
Unavailable revenue	<u>(29,332)</u>	877,443
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:		
Principal repayments of long-term debt	\$10,885,000	
Amortization of bond premiums	<u>1,489,649</u>	12,374,649
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.		
		(37,045)
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:		
Pension contributions	(\$589,256)	
Actuarial calculated pension expense	<u>2,261,762</u>	1,672,506
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 \$221,677 reduced by the amount allocated to business-type activities of \$7,540 and reversal of prior year allocation of (\$20,518).		
		(234,655)
Change in net position of governmental activities		<u><u>\$23,892,767</u></u>

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

**Park City Municipal Corporation
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 22,990,190	\$ 28,790,190	\$ 30,378,417	\$ 1,588,227
Licenses and permits	2,556,909	3,456,909	3,350,157	(106,752)
Intergovernmental	162,840	3,373,140	3,313,667	(59,473)
Charges for services	2,280,837	2,280,837	3,031,107	750,270
Fines and forfeitures	20,719	20,719	25,900	5,181
Investment income	123,222	123,222	139,308	16,086
Rental and other	527,747	527,747	196,277	(331,470)
Miscellaneous	71,320	71,320	128,280	56,960
Total revenues	<u>28,733,784</u>	<u>38,644,084</u>	<u>40,563,113</u>	<u>1,919,029</u>
EXPENDITURES				
General government	17,723,166	22,075,627	19,264,758	2,810,869
Public safety	6,948,957	6,902,256	6,698,058	204,198
Public works	6,337,372	6,101,456	5,694,072	407,384
Library and recreation	4,370,421	4,363,897	4,327,567	36,330
Total expenditures	<u>35,379,916</u>	<u>39,443,236</u>	<u>35,984,455</u>	<u>3,458,781</u>
Excess (deficiency) of revenues over expenditures	<u>(6,646,132)</u>	<u>(799,152)</u>	<u>4,578,658</u>	<u>5,377,810</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,724,847	2,724,847	2,724,847	-
Transfers out	(1,363,095)	(1,507,633)	(1,507,633)	-
Total other financing sources (uses)	<u>1,361,752</u>	<u>1,217,214</u>	<u>1,217,214</u>	<u>-</u>
Net change in fund balances	(5,284,380)	418,062	5,795,872	5,377,810
Fund balances - beginning	7,959,403	7,959,403	7,959,403	-
Fund balances - ending	<u>\$ 2,675,023</u>	<u>\$ 8,377,465</u>	<u>\$ 13,755,275</u>	<u>\$ 5,377,810</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.

Stormwater Fund - Accounts for the operations of the City's storm water utility.

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

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

Park City Municipal Corporation
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities				Governmental Activities	
	Water Fund	Stormwater Fund	Golf Course Fund	Transportation and Parking Fund	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash, cash equivalents and investments	\$ 11,318,548	\$ 1,407,668	\$ 1,270,473	\$ 11,253,266	\$ 25,249,955	\$ 3,099,366
Restricted cash, cash equivalents and investments, fiscal agent	11,923,499	-	-	-	11,923,499	-
Accounts receivable	2,058,533	157,797	1,361	8,165,875	10,383,566	56,944
Taxes receivable	-	-	-	1,101,022	1,101,022	-
Inventories	577,732	-	126,646	111,751	816,129	220,312
Prepays	471,564	-	-	715,334	1,186,898	-
Total current assets	<u>26,349,876</u>	<u>1,565,465</u>	<u>1,398,480</u>	<u>21,347,248</u>	<u>50,661,069</u>	<u>3,376,622</u>
Noncurrent assets:						
Prepays	-	-	-	573,314	573,314	-
Land and water rights	17,785,588	-	828,451	3,723,149	22,337,188	-
Construction in progress	59,661,552	75,000	-	506,820	60,243,372	-
Art	8,636	-	-	109,214	117,850	-
Right to use asset	3,380,984	-	-	-	3,380,984	-
Buildings	17,104,672	320,962	1,671,486	20,987,438	40,084,558	-
Improvements other than buildings	94,817,188	15,813,651	1,728,630	9,231,359	121,590,828	-
Vehicles and equipment	13,508,160	441,113	1,689,319	24,103,050	39,741,642	47,450
Intangible	27,810	-	-	58,645	86,455	-
Accumulated depreciation and amortization	(51,905,448)	(8,329,587)	(3,878,761)	(24,588,292)	(88,702,088)	(47,450)
Net pension asset	12,057	-	-	-	12,057	50,075
Total noncurrent assets	<u>154,401,199</u>	<u>8,321,139</u>	<u>2,039,125</u>	<u>34,704,697</u>	<u>199,466,160</u>	<u>50,075</u>
Total assets	<u>180,751,075</u>	<u>9,886,604</u>	<u>3,437,605</u>	<u>56,051,945</u>	<u>250,127,229</u>	<u>3,426,697</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources related to pensions	287,441	68,715	42,116	600,955	999,227	83,951
Total deferred outflows of resources	<u>287,441</u>	<u>68,715</u>	<u>42,116</u>	<u>600,955</u>	<u>999,227</u>	<u>83,951</u>
Total assets and deferred outflows of resources	<u>181,038,516</u>	<u>9,955,319</u>	<u>3,479,721</u>	<u>56,652,900</u>	<u>251,126,456</u>	<u>3,510,648</u>
LIABILITIES						
Current liabilities:						
Accounts payable	6,333,783	18,296	133,048	867,770	7,352,897	118,817
Accrued liabilities	2,557,333	12,754	34,062	105,845	2,709,994	1,016,628
Revenue bonds	2,795,000	-	-	-	2,795,000	-
Compensated absences	83,456	17,879	19,472	150,359	271,166	28,363
Contract payable	143,918	-	-	-	143,918	-
Total current liabilities	<u>11,913,490</u>	<u>48,929</u>	<u>186,582</u>	<u>1,123,974</u>	<u>13,272,975</u>	<u>1,163,808</u>
Noncurrent liabilities:						
Revenue bonds	94,214,196	-	-	-	94,214,196	-
Net pension liability	84,402	19,251	10,908	121,068	235,629	24,082
Compensated absences	24,928	5,342	5,816	44,912	80,998	25,951
Contract payable	2,895,756	-	-	-	2,895,756	-
Total noncurrent liabilities	<u>97,219,282</u>	<u>24,593</u>	<u>16,724</u>	<u>165,980</u>	<u>97,426,579</u>	<u>50,033</u>
Total liabilities	<u>109,132,772</u>	<u>73,522</u>	<u>203,306</u>	<u>1,289,954</u>	<u>110,699,554</u>	<u>1,213,841</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources related to pensions	693,612	152,111	84,775	881,768	1,812,266	276,808
Deferred inflows of resources related to debt	207,255	-	-	-	207,255	-
Total deferred inflows of resources	<u>900,867</u>	<u>152,111</u>	<u>84,775</u>	<u>881,768</u>	<u>2,019,521</u>	<u>276,808</u>
Total liabilities and deferred inflows of resources	<u>110,033,639</u>	<u>225,633</u>	<u>288,081</u>	<u>2,171,722</u>	<u>112,719,075</u>	<u>1,490,649</u>
NET POSITION						
Net investment in capital assets	161,954,736	8,161,890	2,047,341	34,157,782	206,321,749	-
Unrestricted	(90,949,859)	1,567,796	1,144,299	20,323,396	(67,914,368)	2,019,999
Total net position	<u>\$ 71,004,877</u>	<u>\$ 9,729,686</u>	<u>\$ 3,191,640</u>	<u>\$ 54,481,178</u>	<u>\$ 138,407,381</u>	<u>\$ 2,019,999</u>

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

Park City Municipal Corporation
Reconciliation of the Statement of Net Position - Proprietary Funds
To the Statement of Net Position
June 30, 2021

Net Position of enterprise funds	\$138,407,381
Amounts reported for enterprise funds in the statement of net position are different because:	
Certain internal service fund assets and liabilities included with business-type activities.	<u>(7,540)</u>
Net position of business-type activities	<u><u>\$138,399,841</u></u>

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

Park City Municipal Corporation
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities				Governmental Activities	
	Water Fund	Stormwater Fund	Golf Course Fund	Transportation and Parking Fund	Total Enterprise Funds	Internal
						Service Funds
OPERATING REVENUES						
Charges for services	\$ 21,117,232	\$ 1,480,432	\$ 1,922,248	\$ 4,441,511	\$ 28,961,423	\$ 4,022,743
Miscellaneous	-	-	47,201	124,313	171,514	-
Total operating revenues	<u>21,117,232</u>	<u>1,480,432</u>	<u>1,969,449</u>	<u>4,565,824</u>	<u>29,132,937</u>	<u>4,022,743</u>
OPERATING EXPENSES						
Salaries and benefits	2,837,432	584,096	830,831	8,265,111	12,517,470	707,950
Supplies, maintenance and services	14,085,610	154,981	449,434	5,045,306	19,735,331	2,868,890
Energy and utilities	994,183	47,957	63,554	874,078	1,979,772	667,580
Depreciation and amortization	3,281,430	164,920	214,432	3,111,665	6,772,447	-
Total operating expenses	<u>21,198,655</u>	<u>951,954</u>	<u>1,558,251</u>	<u>17,296,160</u>	<u>41,005,020</u>	<u>4,244,420</u>
Operating income (loss)	<u>(81,423)</u>	<u>528,478</u>	<u>411,198</u>	<u>(12,730,336)</u>	<u>(11,872,083)</u>	<u>(221,677)</u>
NONOPERATING REVENUES (EXPENSES)						
Taxes and special assessments	-	-	-	8,448,444	8,448,444	-
Operating grants and contributions	-	-	-	10,654,184	10,654,184	-
Investment income	280,275	7,284	7,547	63,799	358,905	-
Gain on sale of capital assets	6,650	-	1,330	24,399	32,379	-
Interest expense	<u>(2,333,023)</u>	<u>-</u>	<u>(176)</u>	<u>-</u>	<u>(2,333,199)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(2,046,098)</u>	<u>7,284</u>	<u>8,701</u>	<u>19,190,826</u>	<u>17,160,713</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>(2,127,521)</u>	<u>535,762</u>	<u>419,899</u>	<u>6,460,490</u>	<u>5,288,630</u>	<u>(221,677)</u>
Capital contributions	3,714,360	403,356	-	1,717,625	5,835,341	-
Transfers in	-	-	25,000	-	25,000	-
Transfers out	<u>(1,541,405)</u>	<u>(100,000)</u>	<u>(106,045)</u>	<u>(977,397)</u>	<u>(2,724,847)</u>	<u>-</u>
Change in net position	45,434	839,118	338,854	7,200,718	8,424,124	(221,677)
Total net position - beginning	<u>70,959,443</u>	<u>8,890,568</u>	<u>2,852,786</u>	<u>47,280,460</u>	<u>129,983,257</u>	<u>2,241,676</u>
Total net position - ending	<u>\$ 71,004,877</u>	<u>\$ 9,729,686</u>	<u>\$ 3,191,640</u>	<u>\$ 54,481,178</u>	<u>\$ 138,407,381</u>	<u>\$ 2,019,999</u>

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

Park City Municipal Corporation
Reconciliation of the Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds to the Statement of Activities
For the Year Ended June 30, 2021

Net changes in net position - total enterprise funds \$8,424,124

Amounts reported for enterprise fund 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 \$221,677 less amount allocated to governmental activities of (\$214,137) and reversal of prior year allocation of \$20,518. 12,978

Change in net position of business-type activities \$8,437,102

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

Park City Municipal Corporation
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities	
	Water Fund	Stormwater Fund	Golf Course Fund	Transportation and Parking Fund	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash receipts from customers	\$ 26,889,574	\$ 1,408,852	\$ 1,968,119	\$ 4,392,364	\$ 34,658,909	\$ 4,013,105
Payments to employees	(3,077,394)	(659,289)	(829,757)	(8,735,326)	(13,301,766)	(956,835)
Payments to suppliers	(13,129,884)	(356,943)	(488,342)	(7,352,100)	(21,327,269)	(2,847,646)
Net cash provided (used) by operating activities	<u>10,682,296</u>	<u>392,620</u>	<u>650,020</u>	<u>(11,695,062)</u>	<u>29,874</u>	<u>208,624</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	-	25,000	-	25,000	-
Transfers to other funds	(826,405)	(100,000)	(106,045)	(977,397)	(2,009,847)	-
Transit and resort sales tax	-	-	-	7,908,333	7,908,333	-
Operating grants	-	-	-	10,654,184	10,654,184	-
Net cash provided (used) by noncapital financing activities	<u>(826,405)</u>	<u>(100,000)</u>	<u>(81,045)</u>	<u>17,585,120</u>	<u>16,577,670</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Impact fees, contributions and grants	1,569,883	-	-	(837,700)	732,183	-
Acquisition and construction of capital assets	(39,991,057)	(250,529)	(37,732)	(918,221)	(41,197,539)	-
Principal paid on capital debt and interfund loan	(2,816,311)	-	(24,107)	-	(2,840,418)	-
Interest paid on capital debt and interfund loan	(2,769,822)	-	(176)	-	(2,769,998)	-
Proceeds from sales of capital assets	6,650	-	1,330	24,399	32,379	-
Net proceeds and premiums from capital debt	(59,705)	-	-	-	(59,705)	-
Net cash used by capital and related financing activities	<u>(44,060,362)</u>	<u>(250,529)</u>	<u>(60,685)</u>	<u>(1,731,522)</u>	<u>(46,103,098)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received by investing activities	279,885	7,393	7,590	64,248	359,116	-
Net cash provided by investing activities	<u>279,885</u>	<u>7,393</u>	<u>7,590</u>	<u>64,248</u>	<u>359,116</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(33,924,586)	49,484	515,880	4,222,784	(29,136,438)	208,624
Balances - beginning of year	57,166,633	1,358,184	754,593	7,030,482	66,309,892	2,890,742
Balances - end of the year	<u>\$ 23,242,047</u>	<u>\$ 1,407,668</u>	<u>\$ 1,270,473</u>	<u>\$ 11,253,266</u>	<u>\$ 37,173,454</u>	<u>\$ 3,099,366</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating Income (Loss)	\$ (81,423)	\$ 528,478	\$ 411,198	\$ (12,730,336)	\$ (11,872,083)	\$ (221,677)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	3,281,430	164,920	214,432	3,111,665	6,772,447	-
Non-cash water interfund transfer to general fund	(715,000)	-	-	-	(715,000)	-
Pension related	(233,124)	(62,597)	(8,600)	(423,362)	(727,683)	(237,620)
Changes in assets and liabilities:						
Accounts receivable	6,631,174	(71,581)	(1,330)	(35,406)	6,522,857	(9,638)
Inventory	(57,746)	-	(11,023)	(49,214)	(117,983)	(23,243)
Accounts and other payables	1,863,823	(154,005)	35,669	(1,521,556)	223,931	(287,933)
Accrued liabilities	3,853	3	8,843	(8,515)	4,184	993,445
Compensated absences	(10,691)	(12,598)	831	(38,338)	(60,796)	(4,710)
Net cash provided (used) by operating activities	<u>\$ 10,682,296</u>	<u>\$ 392,620</u>	<u>\$ 650,020</u>	<u>\$ (11,695,062)</u>	<u>\$ 29,874</u>	<u>\$ 208,624</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Included in investment income is an increase of \$80,251 in fair value for the year ended June 30, 2021.
Capital assets of \$2,144,477 and \$403,356 were donated to the Water and Stormwater funds, respectively, for the year ended June 30, 2021.

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

FIDUCIARY FUND

Custodial Fund - Used to hold deposits and performance bonds from individuals, organizations and other governments.

Park City Municipal Corporation
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2021

	Custodial Fund
ASSETS	
Cash, cash equivalents and investments	\$ 3,762,206
Total assets	3,762,206
LIABILITIES	
Accounts payable and other liabilities	-
Total liabilities	-
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	3,762,206
Total net position	\$ 3,762,206

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

Park City Municipal Corporation
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2021

	Custodial Fund
ADDITIONS	
Contributions from individuals, organizations, and other governments	\$ 2,801,685
Total additions	2,801,685
DEDUCTIONS	
Refunds to individuals, organizations, and other governments	2,068,754
Total deductions	2,068,754
Net decrease in fiduciary net position	732,931
Net Position -- beginning of the year	3,029,275
Net Position -- end of the year	\$ 3,762,206

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

**NOTES TO THE
BASIC FINANCIAL
STATEMENTS**

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. General Information

The Park City Municipal Corporation (the City) is a municipal corporation governed by an elected mayor and five-member Council elected at large with staggered terms. The City was chartered March 15, 1884, under the provisions of the Utah Territorial Government. The Mayor is the administrative authority by statute; however, that responsibility has been delegated to the City Manager by City Ordinance. Therefore, 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, public utilities (water and stormwater), 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) governing board 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) governing board is comprised of the same individuals as the City Council and was created to accumulate funds for construction of affordable housing within the City. The City has accountability for all fiscal and operating activities of the HA.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The Park City Water Service District (WSD) governing board is comprised of the same individuals as the City Council and was created to furnish municipal water service within the boundaries of the District. The City has accountability for all fiscal and operating activities of the WSD.

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.

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.

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.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 Park City General Obligation Bonds 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 City reports the following major enterprise funds:

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

The Stormwater Fund operates the storm drain system for residents of the City.

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

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

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.

Capital Project Funds are used to account for the acquisition or construction of capital projects. The City currently has the Lower Park Avenue Redevelopment Agency, the Main Street Redevelopment Agency, the Municipal Building Authority, and the Equipment Replacement capital project funds.

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 J – Risk Management.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Custodial Funds are used to account for the assets held by the City as a fiduciary activity. Custodial funds do not involve measurement of results of operations. The City currently has one custodial fund. The Park City Custodial 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 – Cash, Cash Equivalents and Investments). The City complies with GASB 72, *Fair Value Measurement and Application*. The statement requires certain investments to be reported at fair value and the change in fair value to be recognized as an increase or decrease to investment assets and investment income. 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.

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, donated works of art and similar items are recorded at acquisition value at the date of donation.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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:

Assets	Years
Buildings and improvements	20-75
Public domain infrastructure	20-30
System infrastructure	20-30
Vehicles, equipment and intangibles	3-25

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 Course 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.

Noncurrent Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, noncurrent 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, 2021 for governmental activities were \$14,954,318 and \$9,564,196 for business-type activities and proprietary funds, respectively. 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.

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

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 will not be recognized as an outflow of resources (expense/expenditure) until then. 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 statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and 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. Property taxes are deferred and recognized as an inflow of resources in the following fiscal year to correspond with the period in 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.

Fund Balance - Fund balances presented in the governmental fund financial statements represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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, 2021, 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.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 City'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 their use is limited by applicable bond covenants.

Proceeds of the City's 2013A and 2020 Series General Obligation Bonds in the amount of \$5,866,359 are classified as restricted assets as well as impact fees of \$1,138,789 and B and C road funds of \$565,711. 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, 2021 of \$698 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, 2017 and 2019 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, 2021 of \$24,955,455 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, 2021 of \$701,569 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 BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 30, the City Council reviews and adjusts the City Manager's proposed budget. On or before June 30, 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 20.0 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 5.0 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.

When the unassigned fund balance is greater than 35.0 percent of actual 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 \$4,063,320 under the guidelines described above. The supplemental appropriation was due to personnel expense increases.

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 custodial 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 \$61,152,617 and non-major capital project fund budgets included \$7,027,462 for a total of \$68,180,079 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.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

7. Implementation of New GASB Pronouncements

In June 2017 the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. The City is currently evaluating the impact of this Statement on the financial statements when implemented.

In January 2020, the GASB issued Statement No. 92 *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for periods beginning after June 15, 2021. The City is currently evaluating the impact of this Statement on the financial statements when implemented.

In March 2020, the GASB issued Statement No. 93 *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The requirements of this Statement are effective for periods ending after December 31, 2021. The City adopted GASB No. 93 for the fiscal year ended July 30, 2021. Implementation of this Statement had no effect on the City's financial statements.

In March 2020, the GASB issued Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs) and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The requirements of this Statement are effective for periods beginning after June 15, 2022. The City is currently evaluating the impact of this Statement on the financial statements when implemented.

In May 2020, the GASB issued Statement No. 96 *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for subscription-based information technology arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The requirements of this Statement are effective for periods beginning after June 15, 2022. The City is currently evaluating the impact of this Statement on the financial statements when implemented.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

In June 2020, the GASB issued Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (a) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (b) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (c) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for periods beginning after June 15, 2021. The City is currently evaluating the impact of this Statement on the financial statements when implemented.

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 and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date. Investments with original maturities of three months or less 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, 2021:

	Government-Wide Statement of Net Position			Fiduciary Fund Financials	
	Governmental Activities	Business-Type Activities	Total	Statement of Net Position	Total
Held by city-unrestricted	\$ 85,233,832	\$ 25,249,955	\$ 110,483,787	\$ 3,762,206	\$ 114,245,993
Held by city-restricted	9,470,859	-	9,470,859	-	9,470,859
Total held by city	<u>\$ 94,704,691</u>	<u>\$ 25,249,955</u>	<u>\$ 119,954,646</u>	<u>\$ 3,762,206</u>	<u>\$ 123,716,852</u>
Held by fiscal agent	<u>\$ 25,758,252</u>	<u>\$ 11,923,499</u>	<u>\$ 37,681,751</u>	<u>\$ -</u>	<u>\$ 37,681,751</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

As of June 30, 2021, the City had the following deposits and investments, including \$3,762,206 held in a custodial capacity for others:

Held by city:		Investments maturities	
Investment Type	Fair Value	1 year or less	1-5 years
Debt securities			
Negotiable Certificates of Deposits	\$ 240,120	\$ -	\$ 240,120
Corporate Bonds	2,809,689	1,054,302	1,755,387
	3,049,809	<u>\$ 1,054,302</u>	<u>\$ 1,995,507</u>
Other investments			
State treasurer's investment pool	119,365,837	<u>\$ 119,365,837</u>	
Total investments	122,415,646		
<u>Deposits</u>			
Cash deposits checking-net of outstanding checks	564,135		
Cash deposits money market/savings	729,951		
Cash on hand	7,120		
Total deposits	1,301,206		
Total cash, cash equivalents and investments held by city	123,716,852		
Held by fiscal agent:			
State treasurer's investment pool	37,681,751		
Total cash, cash equivalents and investments	<u>\$ 161,398,603</u>		

Deposits – The City follows the requirements of the Utah Money Management Act (the Act) in handling its depository and investment transactions. The Act requires the depositing of the City's funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government, and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2021, the City's bank balance was \$1,662,523 of which \$1,412,523 was uninsured and uncollateralized.

Investments – The State of Utah Money Management Council has the responsibility to advise the Utah State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act (Utah Code, Title 51, Chapter 7) that relate to the deposit and investment of public funds.

The Act defines the types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified or permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah Public Treasurers’ Investment Fund (PTIF).

The Utah State Treasurer’s Office operates the PTIF. The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the Securities and Exchange Commission as an investment company. The PTIF is authorized and regulated by the Act. The Act established the Money Management Council which oversees the activities of the Utah State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

Fair Value of Investments: The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2021 the City had the following recurring fair value measurements:

	June 30, 2021	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<u>Investments by fair value level</u>				
Debt securities				
Certificate of Deposits	\$ 240,120	\$ 240,120	\$ -	\$ -
Corporate Bonds	2,809,689	2,809,689	-	-
Utah Public Treasurers' Investment Fund	119,365,837	-	119,365,837	-
Total debt securities	<u>\$ 122,415,646</u>	<u>\$ 3,049,809</u>	<u>\$ 119,365,837</u>	<u>\$ -</u>

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities. The Utah Public Treasurers’ Investment Fund classified in Level 2 is valued by application of the June 30, 2021 fair value factor, as calculated by the Utah State Treasurer, to the City’s average daily balance in the Fund.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days – 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. Government-sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s policy for reducing its exposure to credit risk is to comply with the Act, as previously discussed.

At June 30, 2021, the City’s investments had the following quality ratings:

	Fair Value	Quality Ratings		
		AA	A	BBB
<u>Primary government:</u>				
Debt securities				
Corporate Bonds	\$ 2,809,689	\$ 753,579	\$ 1,554,353	\$ 501,757

At the time of purchase, all debt securities were rated the equivalent of “A” or higher by two nationally recognized statistical rating organizations. At yearend, all debt securities were in compliance with the UMMA.

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 policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5.0 - 10.0 percent depending upon the total dollar amount held in the portfolio at the time of purchase. None of the City’s investments exceed this limit.

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. The City does not have a formal policy for custodial credit risk. As of June 30, 2021, the City had \$3,049,809 in U.S. negotiable certificate of deposits and corporate bonds which were held by the counterparty’s trust department or agent but not in the government’s name of which \$2,809,689 was uninsured and uncollateralized.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE C – NOTES RECEIVABLE

Notes receivable of the governmental fund types at June 30, 2021 include various affordable housing and employee mortgage assistance loans with interest rates ranging from 0.0 - 5.0 percent. The following is a schedule of future principal and interest payments required under the terms of the notes receivable as of June 30, 2021:

<u>Fiscal year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 250,493	\$ 604	\$ 251,097
2023	3,192	368	3,560
2024	3,059	216	3,275
2025	<u>1,417</u>	<u>60</u>	<u>1,477</u>
Total	<u>\$ 258,161</u>	<u>\$ 1,248</u>	<u>\$ 259,409</u>

NOTE D – CAPITAL ASSETS

Depreciation expense was charged to functions for the year ended June 30, 2021 as follows:

Governmental activities:

General government	\$ 3,174,103
Public safety	460,643
Public works	966,359
Library and recreation	<u>1,200,372</u>
Total governmental activities depreciation expense	<u>\$ 5,801,477</u>

Business-type activities:

Water	\$ 3,281,430
Stormwater	164,920
Golf course	214,432
Transportation and parking	<u>3,111,665</u>
Total business-type activities depreciation expense	<u>\$ 6,772,447</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE D – CAPITAL ASSETS, Continued

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental activities:				
Capital assets, not being depreciated:				
Land and water rights	\$ 243,725,614	\$ -	\$ -	\$ 243,725,614
Construction in progress	12,022,654	2,644,519	(9,193,520)	5,473,653
Art	808,389	-	-	808,389
Total capital assets, not being depreciated	<u>256,556,657</u>	<u>2,644,519</u>	<u>(9,193,520)</u>	<u>250,007,656</u>
Capital assets, being depreciated:				
Buildings	50,511,492	2,204,978	(2,716,870)	49,999,600
Improvements other than building	41,776,647	6,290,839	-	48,067,486
Vehicles and equipment	15,724,692	814,600	(188,740)	16,350,552
Infrastructure	116,996,680	1,554,880	-	118,551,560
Intangibles	8,921,259	-	-	8,921,259
Total capital assets, being depreciated	<u>233,930,770</u>	<u>10,865,297</u>	<u>(2,905,610)</u>	<u>241,890,457</u>
Less accumulated depreciation for:				
Buildings	(17,560,518)	(1,244,260)	15,261	(18,789,517)
Improvements other than building	(24,035,992)	(1,117,162)	-	(25,153,154)
Vehicles and equipment	(9,768,376)	(1,482,251)	185,490	(11,065,137)
Infrastructure	(95,429,741)	(1,945,158)	-	(97,374,899)
Intangibles	(365,418)	(12,646)	-	(378,064)
Total accumulated depreciation	<u>(147,160,045)</u>	<u>(5,801,477)</u>	<u>200,751</u>	<u>(152,760,771)</u>
Total capital assets, being depreciated, net	<u>86,770,725</u>	<u>5,063,820</u>	<u>(2,704,859)</u>	<u>89,129,686</u>
Governmental activities capital assets, net	<u>\$ 343,327,382</u>	<u>\$ 7,708,339</u>	<u>\$ (11,898,379)</u>	<u>\$ 339,137,342</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land and water rights	\$ 22,337,188	\$ -	\$ -	\$ 22,337,188
Construction in progress	39,504,678	38,981,979	(18,243,285)	60,243,372
Art	109,214	8,636	-	117,850
Total capital assets, not being depreciated	<u>61,951,080</u>	<u>38,990,615</u>	<u>(18,243,285)</u>	<u>82,698,410</u>
Capital assets, being depreciated:				
Right to use asset	3,380,984	-	-	3,380,984
Buildings	26,241,328	13,843,230	-	40,084,558
Improvements other than building	114,679,866	6,910,962	-	121,590,828
Vehicles and equipment	36,779,690	3,819,352	(857,400)	39,741,642
Intangibles	86,455	-	-	86,455
Total capital assets, being depreciated	<u>181,168,323</u>	<u>24,573,544</u>	<u>(857,400)</u>	<u>204,884,467</u>
Less accumulated depreciation for:				
Right to use asset	(42,262)	(84,525)	-	(126,787)
Buildings	(8,594,058)	(698,573)	-	(9,292,631)
Improvements other than building	(54,829,998)	(2,904,316)	-	(57,734,314)
Vehicles and equipment	(19,230,423)	(3,080,666)	837,627	(21,473,462)
Intangibles	(70,527)	(4,367)	-	(74,894)
Total accumulated depreciation	<u>(82,767,268)</u>	<u>(6,772,447)</u>	<u>837,627</u>	<u>(88,702,088)</u>
Total capital assets, being depreciated, net	<u>98,401,055</u>	<u>17,801,097</u>	<u>(19,773)</u>	<u>116,182,379</u>
Business-type activities capital assets, net	<u>\$ 160,352,135</u>	<u>\$ 56,791,712</u>	<u>\$ (18,263,058)</u>	<u>\$ 198,880,789</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE E – LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2021:

	Beginning Balance July 1, 2020	Additions	Reductions	Amortization	Ending Balance June 30, 2021	Due Within One Year
Governmental activities:						
General obligation bonds:						
2013A series-principal	\$ 4,195,000	\$ -	\$ (465,000)	\$ -	\$ 3,730,000	\$ 480,000
2013A series-premium	49,569	-	-	(6,318)	43,251	-
2017 series-principal	20,820,000	-	(1,385,000)	-	19,435,000	1,440,000
2017 series-premium	2,265,067	-	-	(195,264)	2,069,803	-
2019 series-principal	45,430,000	-	(2,795,000)	-	42,635,000	2,945,000
2019 series-premium	6,223,125	-	-	(457,491)	5,765,634	-
2020 series-principal	9,470,000	-	(1,385,000)	-	8,085,000	1,435,000
2020 series-premium	1,285,416	-	-	(86,596)	1,198,820	-
Total general obligation bonds	<u>89,738,177</u>	<u>-</u>	<u>(6,030,000)</u>	<u>(745,669)</u>	<u>82,962,508</u>	<u>6,300,000</u>
Revenue bonds (Sales tax revenue):						
2014A refunding-principal	1,065,000	-	(1,065,000)	-	-	-
2014A refunding-premium	73,991	-	-	(73,991)	-	-
2014B series-principal	5,375,000	-	-	-	5,375,000	605,000
2014B series-premium	100,824	-	-	(11,241)	89,583	-
2015 refunding-principal	8,355,000	-	(710,000)	-	7,645,000	735,000
2015 refunding-premium	401,014	-	-	(40,222)	360,792	-
2017 refunding-principal	26,605,000	-	(1,755,000)	-	24,850,000	1,780,000
2017 refunding-premium	2,704,708	-	-	(225,960)	2,478,748	-
2019 refunding-principal	25,525,000	-	(1,325,000)	-	24,200,000	1,400,000
2019 refunding-premium	3,184,046	-	-	(236,359)	2,947,687	-
Total revenue bonds	<u>73,389,583</u>	<u>-</u>	<u>(4,855,000)</u>	<u>(587,773)</u>	<u>67,946,810</u>	<u>4,520,000</u>
Compensated absences	948,201	748,440	(820,362)	-	876,279	674,736
Total governmental activities	<u>\$ 164,075,961</u>	<u>\$ 748,440</u>	<u>\$ (11,705,362)</u>	<u>\$ (1,333,442)</u>	<u>\$ 151,785,597</u>	<u>\$ 11,494,736</u>
Business-type activities:						
Revenue bonds:						
2009A wtr revenue	\$ 1,250,000	\$ -	\$ (125,000)	\$ -	\$ 1,125,000	\$ 125,000
2012 wtr revenue	2,215,000	-	(290,000)	-	1,925,000	300,000
2012 wtr revenue-premium	145,004	-	-	(20,812)	124,192	-
2012B wtr revenue refunding	5,525,000	-	-	-	5,525,000	-
2012B wtr revenue-premium	61,578	-	-	(8,245)	53,333	-
2013A wtr revenue refunding	1,500,000	-	(240,000)	-	1,260,000	245,000
2013A wtr revenue-prem/disc.	16,003	-	-	(2,926)	13,077	-
2014 wtr revenue	4,115,000	-	-	-	4,115,000	-
2014 wtr revenue-premium	111,560	-	-	(18,695)	92,865	-
2020 wtr revenue refunding	75,515,000	-	(2,020,000)	-	73,495,000	2,125,000
2020 wtr revenue-premium	9,783,171	-	-	(502,442)	9,280,729	-
Total revenue bonds	<u>100,237,316</u>	<u>-</u>	<u>(2,675,000)</u>	<u>(553,120)</u>	<u>97,009,196</u>	<u>2,795,000</u>
Compensated absences	412,962	298,470	(359,268)	-	352,164	271,166
Contract payable	3,180,985	-	(141,311)	-	3,039,674	143,918
Total business-type activities	<u>\$ 103,831,263</u>	<u>\$ 298,470</u>	<u>\$ (3,175,579)</u>	<u>\$ (553,120)</u>	<u>\$ 100,401,034</u>	<u>\$ 3,210,084</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 \$54,314 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 BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE E – LONG-TERM OBLIGATIONS, Continued

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, 2021, the tax increment collected by the Main Street Redevelopment Agency was \$302,750 and the tax contributions from other governments were \$1,013,554. The tax increment collected by the Lower Park Avenue Redevelopment Agency was \$863,401 and the tax contributions from other governments were \$2,890,518. The tax increment paid to another taxing agency by the Main Street Redevelopment Agency and by the Lower Park Avenue Redevelopment Agency was \$239,580 and \$574,884, respectively. During the fiscal year, the Lower Park Avenue Redevelopment Agency expended \$199,554 for site improvements and \$76,235 for economic development. The Main Street Redevelopment Agency expended \$0 for site improvements, \$25,903 for economic development.

General Obligation Bonds

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 June 6, 2017, the City issued General Obligation Bonds Series 2017 in the amount of \$25,000,000 plus a premium of \$2,863,698 and bond issuance costs of \$155,239 pursuant to a bond election held on November 8, 2016. The proceeds of the bonds were used to acquire, improve and forever preserve open space, park and recreational land located in Bonanza Flats. 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, 2021 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 2017 Dated June 6, 2017 \$25,000,000 @ 3.00% to 5.00% per annum paid semi- annually (Feb. & Aug.)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2022	\$ 480,000	\$ 109,850	\$ 1,440,000	\$ 774,350
2023	500,000	97,850	1,500,000	702,350
2024	515,000	84,100	1,560,000	627,350
2025	530,000	69,938	1,625,000	549,350
2026	550,000	54,036	1,685,000	468,100
2027	565,000	37,538	1,755,000	383,850
2028	590,000	19,175	1,825,000	296,100
2029	-	-	1,900,000	241,350
2030	-	-	1,975,000	184,350
2031	-	-	2,055,000	125,100
2032	-	-	2,115,000	63,450
Total	3,730,000	472,487	19,435,000	4,415,700
Plus unamortized premium	43,251	-	2,069,803	-
Total	<u>\$ 3,773,251</u>	<u>\$ 472,487</u>	<u>\$ 21,504,803</u>	<u>\$ 4,415,700</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE E – LONG-TERM OBLIGATIONS, Continued

General Obligation Bonds, Continued

On March 5, 2019, the City issued General Obligation Bonds Series 2019 in the par amount of \$48,290,000, a premium of \$6,827,264 and issuance costs of \$215,508. Pursuant to a special bond election held on November 6, 2018, the proceeds of the bonds were used to acquire, improve and forever preserve open space, park and recreational land located in Treasure Hill and Armstrong/Snow Ranch Pasture. Additionally, the bonds currently refunded \$4,290,000 principal of the City’s General Obligation Bonds Series 2008, plus \$67,993 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 and recorded in the Park City General Obligation Debt Service Fund.

On May 6, 2020, the City issued General Obligation Bonds Series 2020 in the par amount of \$9,470,000, a premium of \$1,298,465 and issuance costs of \$83,373. Pursuant to a special bond election held on November 6, 2018, the proceeds of the bonds were used to acquire, improve and forever preserve open space, park and recreational land located in Treasure Hill and Armstrong/Snow Ranch Pasture. The 2020 Bonds were the last block of bonds to be issued from the 2018 bond election. Additionally, the bonds currently refunded \$3,730,000 and \$2,255,000 principal of the City’s General Obligation Bonds Series 2009 and Series 2010B, respectively, plus \$1,991 and 1,562 interest, respectively. 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 and recorded in the Park City General Obligation Debt Service Fund.

The debt service requirements for the bonds at June 30, 2021 were as follows:

Fiscal Year Ending June 30,	Series 2019 Dated March 5, 2019 \$48,290,000 @ 3.00% to 5.00% per annum paid semiannually (February and August)		Series 2020 Dated May 6, 2020 \$9,470,000 @ 2.125% to 5.00% per annum paid semiannually (May and November)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2022	\$ 2,945,000	\$ 1,942,150	\$ 1,435,000
2023	3,090,000	1,794,900	1,500,000	299,588
2024	3,245,000	1,640,400	1,570,000	224,587
2025	3,405,000	1,478,150	615,000	146,088
2026	2,730,000	1,307,900	240,000	115,337
2027	2,870,000	1,171,400	250,000	103,338
2028	3,015,000	1,027,900	265,000	90,837
2029	3,165,000	877,150	275,000	77,588
2030	3,320,000	718,900	290,000	63,837
2031	3,490,000	552,900	305,000	49,338
2032	3,625,000	413,300	320,000	37,137
2033	3,810,000	232,050	330,000	27,538
2034	3,925,000	117,750	340,000	17,637
2035	-	-	350,000	7,445
Total	42,635,000	13,274,850	8,085,000	1,631,632
Plus unamortized premium	5,765,634	-	1,198,820	-
Total	<u>\$ 48,400,634</u>	<u>\$ 13,274,850</u>	<u>\$ 9,283,820</u>	<u>\$ 1,631,632</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE E – LONG-TERM OBLIGATIONS, Continued

Sales Tax Revenue and Refunding Bonds

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.

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, 2021 were as follows:

Fiscal Year Ending June 30,	Series 2014B Dated September 11, 2014 \$5,375,000 @ 3.00% to 3.25% per annum paid semiannually (June and December)		Series 2015 Dated May 12, 2015 \$11,600,000 @ 2.00% to 4.00% per annum paid semiannually (June and December)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2022	\$ 605,000	\$ 164,912	\$ 735,000
2023	625,000	146,763	765,000	235,125
2024	640,000	128,013	795,000	204,525
2025	660,000	108,813	820,000	180,675
2026	680,000	89,013	845,000	156,075
2027	700,000	68,613	880,000	122,275
2028	720,000	47,612	905,000	95,875
2029	745,000	24,212	930,000	68,725
2030	-	-	970,000	31,525
Total	5,375,000	777,951	7,645,000	1,359,325
Plus unamortized premium	89,583	-	360,792	-
Total	<u>\$ 5,464,583</u>	<u>\$ 777,951</u>	<u>\$ 8,005,792</u>	<u>\$ 1,359,325</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE E – LONG-TERM OBLIGATIONS, Continued

Sales Tax Revenue and Refunding Bonds, Continued

On November 11, 2017, the City issued Sales Tax Revenue Bonds, Series 2017 in the amount of \$31,940,000 plus a premium of \$3,287,871. The proceeds from the sale of the bonds were used for the purpose of financing the acquisition and construction of affordable housing units; land acquisition; parking, plaza and walkway improvements; road improvements; open space acquisition; and parks and community center improvements.

On February 21, 2019 the City issued Sales Tax Revenue Bonds, Series 2019 in the amount of \$26,775,000 plus a premium of \$3,495,522. The proceeds from the sale of the bonds were used for the purpose of financing a portion of the cost of a revolving program of acquiring and constructing affordable housing units, parking and plaza improvements, road improvements, open space acquisition, and park, recreation and community center improvements.

The debt service requirements for the bonds at June 30, 2021 were as follows:

Fiscal Year Ending June 30,	Series 2017 Dated November 11, 2017 \$31,940,000 @ 2.85% to 5.00% per annum paid semiannually (June and December)		Series 2019 Dated February 21, 2019 \$26,775,000 @ 3.00% to 5.00% per annum paid semiannually (June and December)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2022	\$ 1,780,000	\$ 989,527	\$ 1,400,000
2023	1,870,000	900,527	1,475,000	941,375
2024	1,965,000	807,028	1,550,000	865,750
2025	2,060,000	708,778	1,600,000	811,000
2026	2,165,000	605,777	1,650,000	753,750
2027	2,275,000	497,528	1,750,000	668,750
2028	2,385,000	383,777	1,825,000	579,375
2029	2,480,000	288,378	1,925,000	485,625
2030	2,555,000	213,977	2,025,000	386,875
2031	2,620,000	147,548	2,125,000	293,750
2032	2,695,000	76,807	2,200,000	207,250
2033	-	-	2,300,000	117,250
2034	-	-	2,375,000	35,625
Total	24,850,000	5,619,652	24,200,000	7,159,625
Plus unamortized premium	2,478,748	-	2,947,687	-
Total	<u>\$ 27,328,748</u>	<u>\$ 5,619,652</u>	<u>\$ 27,147,687</u>	<u>\$ 7,159,625</u>

The Series 2014B, 2015, 2017 and 2019 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.

The Series 2017 and 2019 Bonds are additionally payable solely from and secured solely by a pledge of revenues from 100 percent of the revenues received by the City from the municipal transient room tax levied by the City pursuant to Title 59, Chapter 12, Part 3A, Utah Code.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

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, 2021 is \$1,125,000.

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 method. 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 method. 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, 2021 were as follows:

Fiscal Year Ending June 30,	Series 2012 Dated May 31, 2012 \$4,160,000 @ 2.00% to 4.00% per annum paid semiannually (June and December)		Series 2014 Dated June 25, 2014 \$4,115,000 @ 3.25% per annum paid semiannually (June and December)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
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	57,362
2027	340,000	13,600	-	-
Total	1,925,000	226,800	4,115,000	592,314
Plus unamortized premium	124,192	-	92,865	-
Total	<u>\$ 2,049,192</u>	<u>\$ 226,800</u>	<u>\$ 4,207,865</u>	<u>\$ 592,314</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE E – LONG-TERM OBLIGATIONS, Continued

Water Revenue Refunding Bonds

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 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 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, 2021 were as follows:

Fiscal Year Ending June 30,	Series 2012B Dated December 14, 2012 \$5,525,000 @ 2.25% per annum paid semiannually (June and December)		Series 2013A Dated February 21, 2013 \$3,045,000 @ 2.00% per annum paid semiannually (June and December)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2022	\$ -	\$ 124,313	\$ 245,000
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	751,219	1,260,000	64,000
Plus unamortized premium/discount	53,333	-	13,077	-
Total	<u>\$ 5,578,333</u>	<u>\$ 751,219</u>	<u>\$ 1,273,077</u>	<u>\$ 64,000</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE E – LONG-TERM OBLIGATIONS, Continued

Water Revenue Refunding Bonds, Continued

On June 16, 2020, the City issued the par amount of \$75,515,000 in Water Revenue Bonds Series 2020 plus a premium of \$9,802,442. The premium was deferred and amortized over the life of the bond using the effective interest method. The bond proceeds were used to refund \$8,235,000 and \$4,945,000 of outstanding Water Revenue Bonds Series 2009C and 2010, respectively plus interest of \$225,484 and \$99,449, respectively. New money in the amount of \$66,620,000 was received to finance construction of water system infrastructure. The bonds incurred bond issue costs of \$333,785, 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, 2021 were as follows:

Fiscal Year Ending June 30,	Series 2020 Dated June 16, 2020 \$75,515,000 @ 2.125% to 5.00% per annum paid semiannually (June and December)	
	PRINCIPAL	INTEREST
	2022	\$ 2,125,000
2023	2,250,000	2,316,094
2024	2,325,000	2,201,719
2025	175,000	2,139,219
2026	-	2,134,844
2027	1,945,000	2,086,219
2028	2,000,000	1,987,594
2029	4,250,000	1,831,344
2030	4,475,000	1,613,219
2031	4,700,000	1,383,844
2032	4,875,000	1,193,219
2033	5,025,000	1,044,719
2034	5,175,000	891,719
2035	5,350,000	733,844
2036	5,500,000	571,094
2037	5,650,000	432,094
2038	5,775,000	314,234
2039	5,875,000	190,453
2040	6,025,000	64,016
Total	73,495,000	25,554,954
Plus unamortized premium	9,280,729	-
Total	\$ 82,775,729	\$ 25,554,954

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE E – LONG-TERM OBLIGATIONS, Continued

Other Debt

The City entered into an agreement with Weber Basin Water Conservancy District for the right to share in the existing capacity in the East Canyon Water Treatment Plan and Highway 40 System. In return, the City agreed to make an annual payment of \$200,000 per year beginning January 1, 2020 through January 1, 2039. The contract payable has an effective interest rate of 1.8 percent per annum.

The debt service requirements for the contracts payable at June 30, 2021 were as follows:

Fiscal Year Ending June 30,	PRINCIPAL	INTEREST
2022	\$ 143,918	\$ 56,082
2023	146,573	53,427
2024	149,278	50,722
2025	152,032	47,968
2026	154,837	45,163
2027	157,693	42,307
2028	160,603	39,397
2029	163,566	36,434
2030	166,584	33,416
2031	169,657	30,343
2032	172,788	27,212
2033	175,975	24,024
2034	179,222	20,778
2035	182,529	17,471
2036	185,897	14,104
2037	189,326	10,674
2038	192,819	7,181
2039	196,377	3,623
Total	<u>\$ 3,039,674</u>	<u>\$ 560,326</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE E – LONG-TERM OBLIGATIONS, Continued

Annual Debt Service

The annual debt service requirements for all long-term debt outstanding as of June 30, 2021 by activity are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities	
	General Obligation Bonds	Revenue Bonds	Revenue Bonds	Contract Payable
Principal				
2022	\$ 6,300,000	\$ 4,520,000	\$ 2,795,000	\$ 143,918
2023	6,590,000	4,735,000	2,930,000	146,573
2024	6,890,000	4,950,000	3,015,000	149,278
2025	6,175,000	5,140,000	3,230,000	152,032
2026-2030	27,265,000	28,410,000	21,525,000	803,283
2031-2035	20,665,000	14,315,000	25,125,000	880,171
2036-2040	-	-	28,825,000	764,419
Total	73,885,000	62,070,000	87,445,000	3,039,674
Plus unamortized premium/discount	9,077,508	5,876,810	9,564,196	-
Total	<u>\$ 82,962,508</u>	<u>\$ 67,946,810</u>	<u>\$ 97,009,196</u>	<u>\$ 3,039,674</u>
Interest				
2022	\$ 3,197,688	\$ 2,432,215	\$ 2,767,420	\$ 56,082
2023	2,894,688	2,223,791	2,644,144	53,427
2024	2,576,438	2,005,316	2,515,520	50,722
2025	2,243,526	1,809,266	2,438,519	47,968
2026-2030	7,238,686	5,567,738	10,004,450	196,717
2031-2035	1,643,643	878,227	5,247,343	119,828
2036-2040	-	-	1,571,891	35,582
Total	<u>\$ 19,794,669</u>	<u>\$ 14,916,553</u>	<u>\$ 27,189,287</u>	<u>\$ 560,326</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE F – RETIREMENT PLANS

General Information about the Pension Plan

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:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple-employer, cost-sharing, public employee retirement system;
- Public Employees Contributory Retirement System (Contributory System) is a multiple-employer, cost-sharing, public employee retirement system;
- Public Safety Retirement System (Public Safety System) is a multiple-employer, cost-sharing, public employee retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer, cost-sharing, public employee retirement system;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple-employer, cost-sharing, public employee retirement system.

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 Utah State Retirement Board (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.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

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	2.00% per year all years	Up to 4.00%
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; 2.00% per year July 1975 to present	Up to 4.00%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.50% per year up to 20 years; 2.00% per year over 20 years	Up to 2.50% or 4.00% depending upon 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	1.50% per year all years	Up to 2.50%
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	1.50% per year to June 2020; 2.00% per year July 2020 to present	Up to 2.50%

* Actuarial reductions are applied.

**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.

Contribution Rate Summary

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.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE F – RETIREMENT PLANS, Continued

Contribution rates as of June 30, 2021 are as follows:

	Employee	Employer	Employer 401(k)
Contributory System			
11 Local Government Div - Tier 1	6.00	14.46	N/A
111 Local Government Div - Tier 2*	N/A	15.80	0.89
Noncontributory System			
15 Local Government Div - Tier 1	N/A	18.47	N/A
Public Safety System			
Contributory			
122 Tier 2 DB Hybrid Public Safety*	2.27	25.83	N/A
Noncontributory			
43 Other Div A with 2.50% COLA	N/A	34.04	N/A
Tier 2 Defined Contribution Only*			
211 Local Government	N/A	6.69	10.00
222 Public Safety	N/A	11.83	12.00

*Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For the fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,154,993	\$ N/A
Contributory System	50,519	20,962
Public Safety System	738,239	-
Tier 2 Public Employees Systems	1,570,537	-
Tier 2 Public Safety and Firefighter	57,846	5,084
Tier 2 DC Only System	134,577	N/A
Tier 2 DC Public Safety and Firefighter System	7,531	N/A
Total Contributions	\$ 3,714,242	\$ 26,046

Contributions reported are the Systems' Board approved required contributions by the System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE F – RETIREMENT PLANS, Continued

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

At June 30, 2021, the City reported a net pension asset of \$581,540 and a net pension liability of \$1,787,303.

	(Measurement Date): December 31, 2020				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2019	Change (Decrease)
Noncontributory System	\$ -	\$ 543,211	1.0590082 %	1.1954718 %	(0.1364636) %
Contributory System	581,540	-	3.2448058	4.3953469	(1.1505411)
Public Safety System	-	1,145,309	1.3794893	1.3778642	0.0016251
Tier 2 Public Employees System	-	88,218	0.6133599	0.6951133	(0.0817534)
Tier 2 Public Safety and Firefighter	-	10,565	0.1177901	0.1264583	(0.0086682)
	\$ 581,540	\$ 1,787,303			

The net pension asset and liability were measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the fiscal year ended June 30, 2021, the City recognized pension expense of \$1,073,568. 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	\$ 1,026,230	\$ 41,506
Changes in assumptions	114,040	107,970
Net difference between projected and actual earnings on pension plan investments	-	6,697,714
Changes in proportion and differences between contributions and proportionate share of contributions	164,999	523,686
Contributions subsequent to the measurement date	1,895,070	-
	\$ 3,200,339	\$ 7,370,876

\$1,895,070 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal yearend, but subsequent to the measurement date of December 31, 2020.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE F – RETIREMENT PLANS, Continued

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>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (1,800,622)
2022	(981,614)
2023	(2,380,666)
2024	(1,081,948)
2025	30,611
Thereafter	148,633

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the fiscal year ended June 30, 2021, the City recognized pension expense of \$384,623. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 728,755	\$ -
Changes in assumptions	-	71,055
Net difference between projected and actual earnings on pension plan investments	-	3,966,555
Changes in proportion and differences between contributions and proportionate share of contributions	26,164	520,060
Contributions subsequent to the measurement date	584,532	-
	<u>\$ 1,339,451</u>	<u>\$ 4,557,670</u>

\$584,532 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal yearend, but subsequent to the measurement date of December 31, 2020.

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>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (1,097,398)
2022	(620,355)
2023	(1,427,396)
2024	(657,601)
2025	-
Thereafter	-

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE F – RETIREMENT PLANS, Continued

Contributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the fiscal year ended June 30, 2021, the City recognized pension expense of \$(524,709). 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	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	986,559
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	17,899	-
	\$ 17,899	\$ 986,559

\$17,899 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal yearend, but subsequent to the measurement date of December 31, 2020.

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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (315,539)
2022	(151,176)
2023	(358,944)
2024	(160,900)
2025	-
Thereafter	-

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE F – RETIREMENT PLANS, Continued

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the fiscal year ended June 30, 2021, the City recognized pension expense of \$317,860. 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	\$ 210,805	\$ 1,108
Changes in assumptions	-	32,574
Net difference between projected and actual earnings on pension plan investments	-	1,479,985
Changes in proportion and differences between contributions and proportionate share of contributions	2,754	3,504
Contributions subsequent to the measurement date	370,522	-
	\$ 584,081	\$ 1,517,171

\$370,522 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal yearend, but subsequent to the measurement date of December 31, 2020.

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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (342,328)
2022	(183,263)
2023	(532,701)
2024	(245,321)
2025	-
Thereafter	-

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE F – RETIREMENT PLANS, Continued

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the fiscal year ended June 30, 2021, the City recognized pension expense of \$862,939. 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	\$ 81,207	\$ 40,395
Changes in assumptions	111,585	3,209
Net difference between projected and actual earnings on pension plan investments	-	257,863
Changes in proportion and differences between contributions and proportionate share of contributions	124,502	-
Contributions subsequent to the measurement date	890,216	-
	\$ 1,207,510	\$ 301,467

\$890,216 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal yearend, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming 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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (44,771)
2022	(26,653)
2023	(60,640)
2024	(18,214)
2025	29,335
Thereafter	136,771

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE F – RETIREMENT PLANS, Continued

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the fiscal year ended June 30, 2021, the City recognized pension expense of \$32,855. 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	\$ 5,463	\$ 3
Changes in assumptions	2,455	1,132
Net difference between projected and actual earnings on pension plan investments	-	6,752
Changes in proportion and differences between contributions and proportionate share of contributions	11,579	122
Contributions subsequent to the measurement date	31,901	-
	\$ 51,398	\$ 8,009

\$31,901 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal yearend, but subsequent to the measurement date of December 31, 2020.

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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (586)
2022	(167)
2023	(985)
2024	88
2025	1,276
Thereafter	11,862

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE F – RETIREMENT PLANS, Continued

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80.0% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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 and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Expected Return Arithmetic Basis	
		Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	37.000 %	6.30 %	2.33 %
Debt securities	20.000	0.00	0.00
Real assets	15.000	6.19	0.93
Private equity	12.000	9.50	1.14
Absolute return	16.000	2.75	0.44
Cash and cash equivalents	-	-	-
Totals	100.00 %		4.84 %
	Inflation		2.50 %
	Expected arithmetic nominal return		7.34 %

The 6.95 percent assumed investment rate of return is comprised of an inflation rate of 2.50 percent, a real return of 4.45 percent that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.95 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. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

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 6.95 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 (5.95 percent) or 1 percentage point higher (7.95 percent) than the current rate:

System	1% Decrease or 5.95%	Discount Rate of 6.95%	1% Increase or 7.95%
Noncontributory System	\$ 9,417,660	\$ 543,211	\$ (6,854,978)
Contributory System	864,937	(581,540)	(1,802,847)
Public Safety System	4,835,322	1,145,309	(1,850,975)
Tier 2 Public Employees System	1,484,449	88,218	(979,861)
Tier 2 Public Safety and Firefighter System	49,811	10,565	(20,736)
Total	\$ 16,652,179	\$ 1,205,763	\$ (11,509,397)

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

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Systems’ Board and are generally supplemental plans to the basic retirement benefits of the Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued Systems’ financial report.

The City participates in the following Defined Contribution Savings Plans with the Systems:

- 401(k) Plan
- Roth IRA Plan
- Traditional IRA Plan

Employee and employer contributions to the Systems Defined Contribution Savings Plans for fiscal year ended June 30, 2021 were as follows:

	2021	2020	2019
401(k) Plan			
Employer Contributions	\$ 362,410	\$ 338,323	\$ 298,209
Employee Contributions	-	-	-
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	12,285	13,595	15,920

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

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.

MissionSquare Retirement (MissionSquare) administers this plan. The City's total payroll in the fiscal year ended June 30, 2021 was \$25,970,924. Of that amount, \$4,698,573 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, 2021 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, 2021 contributions totaling \$47,432 or 1.01 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, 2021 was \$25,970,924 and the City's covered payroll eligible for this plan totaled \$19,177,885. The City participates in employer benefits of \$46.15 per pay period 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 \$334,960 or 1.75 percent of covered payroll were made by the City and voluntary contributions totaling \$794,500 or 4.14 percent of covered payroll were made by employees. All contributions were made by the due dates.

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 MissionSquare for the exclusive benefit of the participants or their beneficiaries rather than as assets of the employer. As MissionSquare 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.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

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, 2021 are as follows:

Capital Projects Funds	\$ 1,809,937
Enterprise Funds	\$ 67,747,250

NOTE I – INTERGOVERNMENTAL REVENUES

Intergovernmental revenues were received by governmental fund types for the year ended June 30, 2021. They consist of the following:

State of Utah Class "C" road allotments	\$ 374,719
State contributions	152,649
County contributions	1,887,408
Federal contributions	14,254,405
Fire District	416,200
School District	2,771,849
Total	<u>\$ 19,857,230</u>

NOTE J – 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, 2019	\$ 65,357
Incurred claims	347,522
Claim payments	<u>(91,404)</u>
Unpaid claims as of June 30, 2020	321,475
Incurred claims	113,152
Claim payments	<u>(124,396)</u>
Unpaid claims as of June 30, 2021	<u>\$ 310,231</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE K – INTERFUND TRANSFERS

Fund Financial Statements

Transfers were made to and from several funds during the course of the year ended June 30, 2021. 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 \$1,460,138 to the Equipment Replacement Capital Projects Fund for future replacement of rolling stock and computer equipment. The Redevelopment Agency funds for Main Street and Lower Park transferred \$4,292,532 to the Special Revenue funds for capital expenditures. Several funds transferred a total of \$7,438,866 to the Sales Tax Revenue Bond Debt Service Fund to support principal and interest payments on debt. The General Fund transferred \$25,000 to the Golf Course Fund for administrative costs. Transfers to the General Fund were comprised of: \$1,541,405 from the Water Fund, \$100,000 from the Stormwater Fund, \$977,397 from the Transportation and Parking Fund and \$106,045 from the Golf Course Fund for administrative expenses for the year ended June 30, 2021.

	Transfers into:				Total
	Governmental Activities			Business-Type Activities	
	Major Funds				
	General Fund	Sales Tax Revenue & Refunding - DSF	Nonmajor Funds	Golf Course Fund	
<u>Transfers out from:</u>					
Governmental activities					
Major funds:					
General fund	\$ -	\$ 22,495	\$ 1,460,138	\$ 25,000	\$ 1,507,633
Capital improvement fund	-	3,589,254	-	-	3,589,254
Sales tax rev & refund - DSF	-	-	-	-	-
General obligation - DSF	-	-	-	-	-
Nonmajor funds:					
Other funds	-	3,827,117	4,292,532	-	8,119,649
Business-type activities					
Water fund	1,541,405	-	-	-	1,541,405
Stormwater fund	100,000	-	-	-	100,000
Transportation and parking fund	977,397	-	-	-	977,397
Golf course fund	106,045	-	-	-	106,045
Total	\$ 2,724,847	\$ 7,438,866	\$ 5,752,670	\$ 25,000	\$ 15,941,383

Government-Wide Financial Statements

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

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE L - 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.

NOTE M – UNAVAILABLE REVENUE

Fund Financial Statements

At June 30, 2021, 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	\$ -	\$ -	\$ 258,161	\$ -	\$ 258,161
Property tax levied- not yet collected	10,531,441	9,497,688	-	5,006,483	25,035,612
	<u>\$ 10,531,441</u>	<u>\$ 9,497,688</u>	<u>\$ 258,161</u>	<u>\$ 5,006,483</u>	<u>\$ 25,293,773</u>

NOTE N – CONDUIT DEBT

On May 13, 2021, the City issued \$15,670,000 of 2021 Tax-Exempt Industrial Revenue Refunding Bonds on behalf of the United States Ski and Snowboard Association (USSA), a nonprofit corporation. The bonds refunded \$15,455,766 of the 2015 Industrial Revenue Refunding Bonds issued on May 29, 2015, on behalf of USSA. The bonds bear interest at a 2.75 percent rate and mature May 1, 2036. 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 \$15,628,830 at June 31, 2021.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE O – 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.

The United States Environmental Protection Agency (USEPA) and Utah Department of Environmental Quality 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 topsoil 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 recorded as 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.

NOTE P – SUBSEQUENT EVENTS

Bond Issuance

On October 13, 2021, the City issued Water Revenue Refunding Bonds, Series 2021 for \$66,135,000. The proceeds will be used to (1) fund certain improvements to the City's public works facilities for water; (2) refund prior bonds issued by the City; and (3) for the payment of costs associated with the issuance of the 2021 bonds.

Transit Separation

The City has operated a fare-free public transit system for more than 40 years. For approximately 20 years, the City partnered with Summit County (County) to provide services to the surrounding area outside City limits. As demand for regional transit services continued to grow, both the City and the County recognized the need for additional infrastructure to meet the complex challenges of regional transit without degrading existing services. In response to the increased demand, the City and the County agreed on a separation plan which allowed for the County to focus on regional transit services and the City to focus on municipal transit services. On July 1, 2021, the City and the County began to operate their respective transit systems independently.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO BASIC FINANCIAL STATEMENTS, continued
JUNE 30, 2021

NOTE Q – OTHER INFORMATION

Covid-19 and CARES Act

In March 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic, and states of emergency were declared by the City, the State of Nevada, and the United States. The spread of the novel strain of coronavirus referred to as the COVID-19 pandemic (“the Pandemic”) has had a significant impact throughout the world, including the United States.

The full impact of the Pandemic continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the Pandemic will have on the City's financial condition, liquidity, and future results of operations. The City’s management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Providing support, the Federal Government has issued fiscal stimulus over the last year. The City has received funding from various portions of these stimulus, including the Coronavirus Aid, Relief, and Economic Security Act (CARES).

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**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
Last 10 Calendar Years ¹

	As of calendar year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of its covered payroll
Noncontributory System	2014	1.1057757 %	\$ 4,801,538	\$ 8,969,083	53.50 %	90.20 %
	2015	1.1629907	6,580,767	8,900,339	73.94	87.80
	2016	1.1028763	7,081,816	8,404,365	84.26	87.30
	2017	1.1793561	5,167,113	8,457,558	61.09	91.90
	2018	1.2132077	8,933,726	8,284,921	107.83	87.00
	2019	1.1954718	4,505,576	7,721,132	58.35	93.70
	2020	1.0590082	543,211	6,406,630	8.48	99.20
Contributory System	2014	1.7202131	496,184	921,380	53.90	94.00
	2015	2.1367876	1,501,851	910,458	164.96	85.70
	2016	3.5528544	1,165,731	852,469	136.75	92.90
	2017	4.2822288	348,463	868,933	40.10	98.20
	2018	4.4140715	1,791,243	826,181	216.81	91.20
	2019	4.3953469	288,055	787,616	36.57	98.60
	2020	3.2448058	(581,540)	535,246	(108.65)	(103.90)
Public Safety System	2014	1.0325635	1,298,534	1,628,847	79.70	90.50
	2015	1.1316373	2,027,047	1,850,090	109.56	87.10
	2016	1.3348476	2,708,774	2,154,360	125.73	86.50
	2017	1.4076471	2,208,117	2,326,902	94.90	90.20
	2018	1.3792220	3,548,166	2,335,379	151.93	84.70
	2019	1.3778642	2,212,323	2,376,678	93.08	90.90
	2020	1.3794893	1,145,309	2,435,306	47.03	95.50
Tier 2 Public Employees System	2014	0.4811751	(14,582)	2,361,287	(0.60)	103.50
	2015	0.6083725	(1,328)	3,930,779	(0.03)	100.20
	2016	0.5779839	64,474	4,739,934	1.36	95.10
	2017	0.6412973	56,541	6,278,394	0.90	97.40
	2018	0.6795699	291,045	7,931,286	3.67	90.80
	2019	0.6951133	156,336	9,661,859	1.62	96.50
	2020	0.6133599	88,218	9,810,802	0.90	98.30
Tier 2 Public Safety and Firefighter System	2014	0.5580685	(8,256)	230,513	(3.60)	120.50
	2015	0.4334431	(6,333)	258,047	(2.45)	110.70
	2016	0.4276917	(3,713)	353,369	(1.05)	103.60
	2017	0.2907906	(3,365)	307,120	(1.10)	103.00
	2018	0.1535009	3,846	205,685	1.87	95.60
	2019	0.1264583	11,895	208,446	5.71	89.60
	2020	0.1177901	10,565	236,532	4.47	93.10

¹ Table represents data available since implementation of GASB Statement 68 and will increase to ten years over time.

Schedule of Required Supplementary Information
Schedule of Contributions
Park City Municipal Corporation, Utah
Utah Retirement Systems
Last 10 Fiscal Years ¹

	As of fiscal year ended June 30,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll ²
Noncontributory System	2014	\$ 1,463,515	\$ 1,463,515	\$ -	\$ 8,593,869	17.03 %
	2015	1,593,052	1,593,052	-	8,676,643	18.36
	2016	1,583,281	1,583,281	-	8,630,571	18.35
	2017	1,559,571	1,559,571	-	8,480,620	18.39
	2018	1,553,648	1,553,648	-	8,429,027	18.43
	2019	1,486,998	1,486,998	-	8,084,781	18.39
	2020	1,279,250	1,279,250	-	6,988,178	18.31
	2021	1,154,993	1,154,993	-	6,259,429	18.45
Contributory System	2014	118,386	118,386	-	891,460	13.28
	2015	124,015	124,015	-	857,642	14.46
	2016	126,506	126,506	-	874,871	14.46
	2017	128,811	128,811	-	890,811	14.46
	2018	121,856	121,856	-	842,711	14.46
	2019	118,253	118,253	-	817,793	14.46
	2020	98,228	98,228	-	679,310	14.46
	2021	50,519	50,519	-	349,369	14.46
Public Safety System	2014	444,956	444,956	-	1,579,083	28.18
	2015	487,710	487,710	-	1,613,195	30.23
	2016	602,057	602,057	-	2,018,519	29.83
	2017	703,564	703,564	-	2,326,004	30.25
	2018	696,730	696,730	-	2,306,955	30.20
	2019	703,630	703,630	-	2,321,728	30.31
	2020	741,934	741,934	-	2,438,344	30.43
	2021	738,239	738,239	-	2,427,488	30.41
Tier 2 Public Employees System ³	2014	274,597	274,597	-	1,962,810	13.99
	2015	447,904	447,904	-	2,998,019	14.94
	2016	652,227	652,227	-	4,374,424	14.91
	2017	830,304	830,304	-	5,568,772	14.91
	2018	1,051,865	1,051,865	-	6,961,378	15.11
	2019	1,391,549	1,391,549	-	8,954,624	15.54
	2020	1,568,428	1,568,428	-	10,015,507	15.66
	2021	1,570,537	1,570,537	-	9,940,099	15.80
Tier 2 Public Safety and Firefighter System ³	2014	43,142	43,142	-	206,915	20.85
	2015	46,309	46,309	-	205,361	22.55
	2016	75,876	75,876	-	337,225	22.50
	2017	79,353	79,353	-	352,678	22.50
	2018	54,182	54,182	-	240,064	22.57
	2019	47,136	47,136	-	204,142	23.09
	2020	53,529	53,529	-	231,425	23.13
	2021	57,846	57,846	-	223,947	25.83
Tier 2 Public Employees DC Only System ³	2014	2,308	2,308	-	41,356	5.58
	2015	14,096	14,096	-	209,757	6.72
	2016	23,903	23,903	-	357,294	6.69
	2017	36,006	36,006	-	538,211	6.69
	2018	63,003	63,003	-	941,754	6.69
	2019	85,220	85,220	-	1,273,841	6.69
	2020	108,323	108,323	-	1,619,186	6.69
	2021	134,577	134,577	-	2,011,611	6.69
Tier 2 Public Safety and Firefighter DC Only System ³	2014	-	-	-	-	-
	2015	3,007	3,007	-	25,417	11.83
	2016	6,153	6,153	-	52,009	11.83
	2017	6,895	6,895	-	58,283	11.83
	2018	7,618	7,618	-	64,392	11.83
	2019	8,158	8,158	-	68,956	11.83
	2020	9,069	9,069	-	76,665	11.83
	2021	7,531	7,531	-	63,660	11.83

¹ Table represents data available since implementation of GASB Statement 68 and will increase to ten years over time.

² Contributions as a percentage of covered payroll may be different than the Board certified rate due to rounding or other administrative issues.

³ Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Park City Municipal Corporation, Utah
Notes to Required Supplementary Information
For the year ended June 30, 2021

Note 1. Changes in Assumptions

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability as of December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the “Retirement Office” column using the “Reports and Stats” tab.

**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.

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

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

Municipal Building Authority Capital Projects Fund - 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 Improvements 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
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021**

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>					Total Nonmajor Governmental Funds
	Lower Park Avenue Redevelopment Special Revenue Fund	Main Street Redevelopment Special Revenue Fund	Total Nonmajor Special Revenue Funds	Lower Park Avenue Redevelopment Capital Projects Fund	Main Street Redevelopment Capital Projects Fund	Municipal Building Authority Capital Projects Fund	Equipment Replacement Capital Improvements Fund	Total Nonmajor Capital Projects Funds	
ASSETS									
Cash, cash equivalents and investments	\$ 1,091,907	\$ 1,135,950	\$ 2,227,857	\$ 3,014,074	\$ 894,090	\$ 452,705	\$ 2,645,023	\$ 7,005,892	\$ 9,233,749
Taxes receivable	3,714,950	1,312,685	5,027,635	-	-	-	-	-	5,027,635
Accounts receivable	37	39	76	74	16	11	21,469	21,570	21,646
Total assets	<u>\$ 4,806,894</u>	<u>\$ 2,448,674</u>	<u>\$ 7,255,568</u>	<u>\$ 3,014,148</u>	<u>\$ 894,106</u>	<u>\$ 452,716</u>	<u>\$ 2,666,492</u>	<u>\$ 7,027,462</u>	<u>\$ 14,283,030</u>
LIABILITIES									
Accounts payable	\$ 35,876	-	\$ 35,876	-	-	-	-	-	\$ 35,876
Accrued liabilities	-	15,000	15,000	-	-	-	-	-	15,000
Total liabilities	<u>35,876</u>	<u>15,000</u>	<u>50,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,876</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue-property tax	3,706,483	1,300,000	5,006,483	-	-	-	-	-	5,006,483
Total deferred inflow of resources	<u>3,706,483</u>	<u>1,300,000</u>	<u>5,006,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,006,483</u>
Total liabilities and deferred inflows of resources	<u>3,742,359</u>	<u>1,315,000</u>	<u>5,057,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,057,359</u>
FUND BALANCES									
Committed:									
Capital projects funds	-	-	-	3,014,148	894,106	452,716	2,666,492	7,027,462	7,027,462
Economic development	1,064,535	1,133,674	2,198,209	-	-	-	-	-	2,198,209
Total fund balances	<u>1,064,535</u>	<u>1,133,674</u>	<u>2,198,209</u>	<u>3,014,148</u>	<u>894,106</u>	<u>452,716</u>	<u>2,666,492</u>	<u>7,027,462</u>	<u>9,225,671</u>
Total liabilities and fund balances	<u>\$ 4,806,894</u>	<u>\$ 2,448,674</u>	<u>\$ 7,255,568</u>	<u>\$ 3,014,148</u>	<u>\$ 894,106</u>	<u>\$ 452,716</u>	<u>\$ 2,666,492</u>	<u>\$ 7,027,462</u>	<u>\$ 14,283,030</u>

Park City Municipal Corporation
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds			Capital Projects Funds					Total Nonmajor Governmental Funds
	Lower Park Avenue Redevelopment Special Revenue Fund	Main Street Redevelopment Special Revenue Fund	Total Nonmajor Special Revenue Funds	Lower Park Avenue Redevelopment Capital Projects Fund	Main Street Redevelopment Capital Projects Fund	Municipal Building Authority Capital Projects Fund	Equipment Replacement Capital Improvements Fund	Total Nonmajor Capital Projects Funds	
REVENUES									
Taxes and special assessments	\$ 863,401	\$ 302,750	\$ 1,166,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,166,151
Intergovernmental	2,890,518	1,013,554	3,904,072	-	-	-	-	-	3,904,072
Investment income	7,145	7,882	15,027	16,611	3,932	2,529	-	23,072	38,099
Total revenues	<u>3,761,064</u>	<u>1,324,186</u>	<u>5,085,250</u>	<u>16,611</u>	<u>3,932</u>	<u>2,529</u>	<u>-</u>	<u>23,072</u>	<u>5,108,322</u>
EXPENDITURES									
Capital outlay	-	-	-	199,554	-	-	256,520	456,074	456,074
Economic development	651,119	265,483	916,602	-	-	-	-	-	916,602
Total expenditures	<u>651,119</u>	<u>265,483</u>	<u>916,602</u>	<u>199,554</u>	<u>-</u>	<u>-</u>	<u>256,520</u>	<u>456,074</u>	<u>1,372,676</u>
Excess (deficiency) of revenues over expenditures	<u>3,109,945</u>	<u>1,058,703</u>	<u>4,168,648</u>	<u>(182,943)</u>	<u>3,932</u>	<u>2,529</u>	<u>(256,520)</u>	<u>(433,002)</u>	<u>3,735,646</u>
OTHER FINANCING SOURCES (USES)									
Sale of capital assets	-	-	-	268,166	-	-	31,635	299,801	299,801
Transfers in	-	-	-	3,092,532	1,200,000	-	1,460,138	5,752,670	5,752,670
Transfers out	(3,092,532)	(1,200,000)	(4,292,532)	(2,780,340)	(1,046,777)	-	-	(3,827,117)	(8,119,649)
Total other financing sources (uses)	<u>(3,092,532)</u>	<u>(1,200,000)</u>	<u>(4,292,532)</u>	<u>580,358</u>	<u>153,223</u>	<u>-</u>	<u>1,491,773</u>	<u>2,225,354</u>	<u>(2,067,178)</u>
Net change in fund balances	17,413	(141,297)	(123,884)	397,415	157,155	2,529	1,235,253	1,792,352	1,668,468
Fund balances - beginning	1,047,122	1,274,971	2,322,093	2,616,733	736,951	450,187	1,431,239	5,235,110	7,557,203
Fund balances - ending	<u>\$ 1,064,535</u>	<u>\$ 1,133,674</u>	<u>\$ 2,198,209</u>	<u>\$ 3,014,148</u>	<u>\$ 894,106</u>	<u>\$ 452,716</u>	<u>\$ 2,666,492</u>	<u>\$ 7,027,462</u>	<u>\$ 9,225,671</u>

Park City Municipal Corporation
Capital Improvements Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 8,699,216	\$ 8,699,216	\$ 11,049,559	\$ 2,350,343
Intergovernmental	5,951,005	5,951,005	1,536,533	(4,414,472)
Investment income	325,365	325,365	413,032	87,667
Impact fees	355,000	355,000	386,843	31,843
Rental and other	86,500	86,500	800,441	713,941
Miscellaneous	239,762	239,762	1,069,020	829,258
Total revenues	<u>15,656,848</u>	<u>15,656,848</u>	<u>15,255,428</u>	<u>(401,420)</u>
EXPENDITURES				
Capital outlay:				
Land and building acquisition	676,045	22,511,635	2,677,628	19,834,007
Street and storm drain improvements	6,412,900	5,366,185	1,019,255	4,346,930
Building renovation and construction	26,800,000	37,830,314	984,453	36,845,861
Improvements other than building	3,276,243	18,911,119	1,618,654	17,292,465
City parks and cemetery improvements	150,000	301,153	8,091	293,062
Equipment	219,387	1,820,713	137,271	1,683,442
Total expenditures	<u>37,534,575</u>	<u>86,741,119</u>	<u>6,445,352</u>	<u>80,295,767</u>
Excess (deficiency) of revenues over expenditures	<u>(21,877,727)</u>	<u>(71,084,271)</u>	<u>8,810,076</u>	<u>(80,697,187)</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance	9,000,000	9,000,000	-	(9,000,000)
Sale of capital assets	14,000,000	14,000,000	1,618,874	(12,381,126)
Transfers out	(3,580,329)	(3,589,254)	(3,589,254)	-
Total other financing sources (uses)	<u>19,419,671</u>	<u>19,410,746</u>	<u>(1,970,380)</u>	<u>(21,381,126)</u>
Net change in fund balances	(2,458,056)	(51,673,525)	6,839,696	(102,078,313)
Fund balances - beginning	61,883,780	61,883,780	61,883,780	-
Fund balances - ending	<u>\$ 59,425,724</u>	<u>\$ 10,210,255</u>	<u>\$ 68,723,476</u>	<u>\$ (102,078,313)</u>

Park City Municipal Corporation
Sales Tax Revenue and Refunding Bonds Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 148,093	\$ 148,093
Total revenues	-	-	148,093	148,093
EXPENDITURES				
Debt service:				
Interest	1,510,066	2,599,365	2,587,172	12,193
Principal retirement	3,530,000	4,855,000	4,855,000	-
Total expenditures	5,040,066	7,454,365	7,442,172	12,193
Excess (deficiency) of revenues over expenditures	(5,040,066)	(7,454,365)	(7,294,079)	135,900
OTHER FINANCING SOURCES				
Transfers in	7,432,441	7,438,866	7,438,866	-
Net change in fund balances	2,392,375	(15,499)	144,787	135,900
Fund balances - beginning	26,139,192	26,139,192	26,139,192	-
Fund balances - ending	<u>\$ 28,531,567</u>	<u>\$ 26,123,693</u>	<u>\$ 26,283,979</u>	<u>\$ 135,900</u>

Park City Municipal Corporation
General Obligation Bonds Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 9,518,281	\$ 9,522,281	\$ 9,506,281	\$ (16,000)
Investment income	-	-	1,209	1,209
Total revenues	<u>9,518,281</u>	<u>9,522,281</u>	<u>9,507,490</u>	<u>(14,791)</u>
EXPENDITURES				
Debt service:				
Interest	3,054,000	3,492,281	3,483,316	8,965
Principal retirement	4,645,000	6,030,000	6,030,000	-
Total expenditures	<u>7,699,000</u>	<u>9,522,281</u>	<u>9,513,316</u>	<u>8,965</u>
Excess (deficiency) of revenues over expenditures	<u>1,819,281</u>	<u>-</u>	<u>(5,826)</u>	<u>(23,756)</u>
Net change in fund balances	1,819,281	-	(5,826)	(23,756)
Fund balances - beginning	1,602,279	1,602,279	1,602,279	-
Fund balances - ending	<u>\$ 3,421,560</u>	<u>\$ 1,602,279</u>	<u>\$ 1,596,453</u>	<u>\$ (23,756)</u>

Park City Municipal Corporation
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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 1,052,000	\$ 1,052,000	\$ 863,401	\$ (188,599)
Intergovernmental	3,200,000	3,200,000	2,890,518	(309,482)
Investment income	-	-	7,145	7,145
Total revenues	<u>4,252,000</u>	<u>4,252,000</u>	<u>3,761,064</u>	<u>(490,936)</u>
EXPENDITURES				
Economic development	724,259	724,258	651,119	73,139
Excess (deficiency) of revenues over expenditures	<u>3,527,741</u>	<u>3,527,742</u>	<u>3,109,945</u>	<u>(564,075)</u>
OTHER FINANCING USES				
Transfers out	(3,092,532)	(3,092,532)	(3,092,532)	-
Net change in fund balances	435,209	435,210	17,413	(564,075)
Fund balances - beginning	1,047,122	1,047,122	1,047,122	-
Fund balances - ending	<u>\$ 1,482,331</u>	<u>\$ 1,482,332</u>	<u>\$ 1,064,535</u>	<u>\$ (564,075)</u>

Park City Municipal Corporation
Main Street Redevelopment Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 315,000	\$ 315,000	\$ 302,750	\$ (12,250)
Intergovernmental	880,000	880,000	1,013,554	133,554
Investment income	-	-	7,882	7,882
Total revenues	<u>1,195,000</u>	<u>1,195,000</u>	<u>1,324,186</u>	<u>129,186</u>
EXPENDITURES				
Economic development	455,000	455,000	265,483	189,517
Excess (deficiency) of revenues over expenditures	<u>740,000</u>	<u>740,000</u>	<u>1,058,703</u>	<u>(60,331)</u>
OTHER FINANCING USES				
Transfers out	(700,000)	(1,200,000)	(1,200,000)	-
Net change in fund balances	40,000	(460,000)	(141,297)	(60,331)
Fund balances - beginning	1,274,971	1,274,971	1,274,971	-
Fund balances - ending	<u>\$ 1,314,971</u>	<u>\$ 814,971</u>	<u>\$ 1,133,674</u>	<u>\$ (60,331)</u>

Park City Municipal Corporation
Lower Park Avenue Redevelopment Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 16,611	\$ 16,611
EXPENDITURES				
Capital outlay:				
Land and building acquisition	-	25,886	2,427	23,459
Street and storm drain improvements	-	39,845	-	39,845
Building renovation and construction	-	1,236,475	3,270	1,233,205
Improvements other than building	155,000	561,169	193,857	367,312
City parks and cemetery improvements	100,000	642,248	-	642,248
Total expenditures	<u>255,000</u>	<u>2,505,623</u>	<u>199,554</u>	<u>2,306,069</u>
Deficiency of revenues over expenditures	<u>(255,000)</u>	<u>(2,505,623)</u>	<u>(182,943)</u>	<u>(2,289,458)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	268,166	268,166
Transfers in	3,092,532	3,092,532	3,092,532	-
Transfers out	<u>(2,782,840)</u>	<u>(2,780,340)</u>	<u>(2,780,340)</u>	<u>-</u>
Total other financing sources (uses)	<u>309,692</u>	<u>312,192</u>	<u>580,358</u>	<u>268,166</u>
Net change in fund balances	54,692	(2,193,431)	397,415	(2,021,292)
Fund balances - beginning	<u>2,616,733</u>	<u>2,616,733</u>	<u>2,616,733</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,671,425</u>	<u>\$ 423,302</u>	<u>\$ 3,014,148</u>	<u>\$ (2,021,292)</u>

Park City Municipal Corporation
Main Street Redevelopment Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 3,932	\$ 3,932
OTHER FINANCING SOURCES (USES)				
Transfers in	700,000	1,200,000	1,200,000	-
Transfers out	(1,046,777)	(1,046,777)	(1,046,777)	-
Total other financing sources (uses)	(346,777)	153,223	153,223	-
Net change in fund balances	(346,777)	153,223	157,155	3,932
Fund balances - beginning	736,951	736,951	736,951	-
Fund balances - ending	\$ 390,174	\$ 890,174	\$ 894,106	\$ 3,932

Park City Municipal Corporation
Municipal Building Authority Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 2,529	\$ 2,529
Net change in fund balances	-	-	2,529	2,529
Fund balances - beginning	450,187	450,187	450,187	-
Fund balances - ending	<u>\$ 450,187</u>	<u>\$ 450,187</u>	<u>\$ 452,716</u>	<u>\$ 2,529</u>

Park City Municipal Corporation
Equipment Replacement Capital Improvements Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Capital outlay:				
Equipment	\$ 1,460,138	\$ 2,577,863	\$ 256,520	\$ 2,321,343
Deficiency of revenues over expenditures	(1,460,138)	(2,577,863)	(256,520)	(2,321,343)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	31,635	31,635
Transfers in	1,315,600	1,460,138	1,460,138	-
Total other financing sources (uses)	1,315,600	1,460,138	1,491,773	31,635
Net change in fund balances	(144,538)	(1,117,725)	1,235,253	(2,289,708)
Fund balances - beginning	1,431,239	1,431,239	1,431,239	-
Fund balances - ending	<u>\$ 1,286,701</u>	<u>\$ 313,514</u>	<u>\$ 2,666,492</u>	<u>\$ (2,289,708)</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
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Fleet Services Fund	Self- Insurance Fund	Total Internal Service Funds
ASSETS			
Current assets:			
Cash, cash equivalents and investments	\$ 1,080,681	\$ 2,018,685	\$ 3,099,366
Accounts receivable	50,555	6,389	56,944
Inventories	220,312	-	220,312
Total current assets	<u>1,351,548</u>	<u>2,025,074</u>	<u>3,376,622</u>
Noncurrent assets:			
Vehicles and equipment	47,450	-	47,450
Accumulated depreciation and amortization	(47,450)	-	(47,450)
Net pension asset	50,075	-	50,075
Total noncurrent assets	<u>50,075</u>	<u>-</u>	<u>50,075</u>
Total assets	<u>1,401,623</u>	<u>2,025,074</u>	<u>3,426,697</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	83,951	-	83,951
Total deferred outflows of resources	<u>83,951</u>	<u>-</u>	<u>83,951</u>
Total assets and deferred outflows of resources	<u>1,485,574</u>	<u>2,025,074</u>	<u>3,510,648</u>
LIABILITIES			
Current liabilities:			
Accounts payable	65,754	53,063	118,817
Accrued liabilities	16,628	1,000,000	1,016,628
Compensated absences	28,363	-	28,363
Total current liabilities	<u>110,745</u>	<u>1,053,063</u>	<u>1,163,808</u>
Noncurrent liabilities:			
Net pension liability	24,082	-	24,082
Compensated absences	25,951	-	25,951
Total noncurrent liabilities	<u>50,033</u>	<u>-</u>	<u>50,033</u>
Total liabilities	<u>160,778</u>	<u>1,053,063</u>	<u>1,213,841</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	276,808	-	276,808
Total deferred inflows of resources	<u>276,808</u>	<u>-</u>	<u>276,808</u>
Total liabilities and deferred inflows of resources	<u>437,586</u>	<u>1,053,063</u>	<u>1,490,649</u>
NET POSITION			
Unrestricted	1,047,988	972,011	2,019,999
Total net position	<u>\$ 1,047,988</u>	<u>\$ 972,011</u>	<u>\$ 2,019,999</u>

Park City Municipal Corporation
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2021

	Fleet Services Fund	Self- Insurance Fund	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 2,348,700	\$ 1,674,043	\$ 4,022,743
Total operating revenues	<u>2,348,700</u>	<u>1,674,043</u>	<u>4,022,743</u>
OPERATING EXPENSES			
Salaries and benefits	707,950	-	707,950
Supplies, maintenance and services	735,031	2,133,859	2,868,890
Energy and utilities	667,580	-	667,580
Total operating expenses	<u>2,110,561</u>	<u>2,133,859</u>	<u>4,244,420</u>
Operating income (loss)	<u>238,139</u>	<u>(459,816)</u>	<u>(221,677)</u>
Change in net position	238,139	(459,816)	(221,677)
Total net position - beginning	809,849	1,431,827	2,241,676
Total net position - ending	<u>\$ 1,047,988</u>	<u>\$ 972,011</u>	<u>\$ 2,019,999</u>

**Park City Municipal Corporation
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021**

	Fleet Services Fund	Self- Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 2,344,792	\$ 1,668,314	\$ 4,013,106
Payments to employees	(956,836)	-	(956,836)
Payments to suppliers	(1,465,827)	(1,381,819)	(2,847,646)
Net cash provided (used) by operating activities	(77,871)	286,495	208,624
Net increase (decrease) in cash and cash equivalents	(77,871)	286,495	208,624
Balances - beginning of year	1,158,552	1,732,190	2,890,742
Balances - end of the year	\$ 1,080,681	\$ 2,018,685	\$ 3,099,366
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income	\$ 238,139	\$ (459,816)	\$ (221,677)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Pension related	(237,620)	-	(237,620)
Changes in assets and liabilities:			
Accounts receivable	(3,910)	(5,729)	(9,639)
Inventory	(23,243)	-	(23,243)
Accounts and other payables	(39,972)	(247,960)	(287,932)
Accrued liabilities	(6,555)	1,000,000	993,445
Compensated absences	(4,710)	-	(4,710)
Net cash provided (used) by operating activities	\$ (77,871)	\$ 286,495	\$ 208,624

STATISTICAL SECTION
(Unaudited)

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.

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Financial Trends - 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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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									
	2012 (1)	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019 (1)	2020	2021
Governmental activities										
Net investment in capital assets	\$ 136,071,293	\$ 142,887,371	\$ 150,053,024	\$ 159,315,342	\$ 169,437,708	\$ 182,684,418	\$ 190,028,413	\$ 198,327,763	\$ 213,716,372	\$ 219,008,250
Restricted	(2) 681,918	(2) 709,082	(2) 6,913,237	(2) 7,465,730	(2) 6,361,175	(2) 6,378,214	(2) 6,661,816	(2) 7,253,575	9,015,764	7,629,799
Unrestricted	(2) 44,244,057	(2) 42,172,072	(2) 31,428,170	(2) 30,764,855	(2) 36,189,936	(2) 32,920,698	(2) 45,040,731	(2) 52,175,273	56,427,139	76,413,993
Total governmental activities net position	\$ 180,997,268	\$ 185,768,525	\$ 188,394,431	\$ 197,545,927	\$ 211,988,819	\$ 221,983,330	\$ 241,730,960	\$ 257,756,611	\$ 279,159,275	\$ 303,052,042
Business-type activities										
Net investment in capital assets	\$ 56,867,717	\$ 57,738,180	\$ 58,889,312	\$ 61,064,884	\$ 64,172,905	\$ 91,043,049	\$ 104,256,756	\$ 113,503,024	\$ 117,863,860	\$ 206,321,749
Restricted	(2) 449,859	(2) -	(2) -	(2) -	(2) -	(2) -	(2) -	(2) -	-	-
Unrestricted	(2) 22,278,717	(2) 24,037,966	(2) 25,691,399	(2) 29,215,116	(2) 27,577,761	(2) 26,506,386	(2) 18,602,068	(2) 14,994,253	12,098,879	(67,921,908)
Total business-type activities net position	\$ 79,596,293	\$ 81,776,146	\$ 84,580,711	\$ 90,280,000	\$ 91,750,666	\$ 117,549,435	\$ 122,858,824	\$ 128,497,277	\$ 129,962,739	\$ 138,399,841
Primary government										
Net investment in capital assets	\$ 192,939,010	\$ 200,625,551	\$ 208,942,336	\$ 220,380,226	\$ 233,610,613	\$ 273,727,467	\$ 294,285,169	\$ 311,830,787	\$ 331,580,232	\$ 425,329,999
Restricted	1,131,777	709,082	6,913,237	7,465,730	6,361,175	6,378,214	6,661,816	7,253,575	9,015,764	7,629,799
Unrestricted	66,522,774	66,210,038	57,119,569	59,979,971	63,767,697	59,427,084	63,642,799	67,169,526	68,526,018	8,492,085
Total primary government net position	\$ 260,593,561	\$ 267,544,671	\$ 272,975,142	\$ 287,825,927	\$ 303,739,485	\$ 339,532,765	\$ 364,589,784	\$ 386,253,888	\$ 409,122,014	\$ 441,451,883

Notes:
(1) Restated.
(2) Reclassified long-term debt related to net assets restricted for debt service and capital projects out of unrestricted net assets.

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

	Fiscal Year									
	2012 (1)	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019 (1)	2020	2021
Expenses										
Governmental activities:										
General government	\$ 16,418,511	\$ 15,410,428	\$ 17,971,342	\$ 19,233,343	\$ 19,676,565	\$ 21,909,746	\$ 21,793,758	\$ 23,755,044	\$ 22,198,830	\$ 25,563,919
Public safety	4,749,019	5,005,854	5,023,548	5,270,197	5,705,960	6,254,164	6,736,639	6,747,797	7,438,463	7,114,475
Public works	7,120,275	7,225,061	7,053,923	6,967,243	7,088,647	7,263,125	7,209,164	6,929,871	6,794,406	6,615,287
Library and recreation	3,707,452	4,194,025	4,408,912	4,618,338	5,671,823	5,843,178	5,726,489	5,729,844	5,556,544	5,527,008
Interest on long-term debt	1,812,222	1,588,388	1,552,101	1,285,952	1,456,433	1,366,939	2,537,159	3,558,591	9,041,292	4,685,097
Total governmental activities expenses	<u>33,807,479</u>	<u>33,423,756</u>	<u>36,009,826</u>	<u>37,375,073</u>	<u>39,599,428</u>	<u>42,637,152</u>	<u>44,003,209</u>	<u>46,721,147</u>	<u>51,029,535</u>	<u>49,505,786</u>
Business-type activities:										
Water	9,828,676	10,980,949	11,678,822	11,870,125	12,934,161	13,086,302	13,314,440	13,578,235	17,145,476	24,406,117 (16)
Stormwater	-	-	-	-	-	1,162,202 (8)	921,138	1,470,837	1,276,945	1,054,170
Transportation and parking	9,243,798	9,608,636	10,378,982	10,804,211	11,801,545	13,848,109	19,435,515	22,521,490	23,485,955	18,208,111 (17)
Golf course	1,394,404	1,415,478	1,441,498	1,512,330	1,541,601	1,546,036	1,711,826	1,488,121	1,578,559	1,641,690
Total business-type activities expenses	<u>20,466,878</u>	<u>22,005,063</u>	<u>23,499,302</u>	<u>24,186,666</u>	<u>26,277,307</u>	<u>29,642,649</u>	<u>35,382,919</u>	<u>39,058,683</u>	<u>43,486,935</u>	<u>45,310,088</u>
Total primary government expenses	<u>\$ 54,274,357</u>	<u>\$ 55,428,819</u>	<u>\$ 59,509,128</u>	<u>\$ 61,561,739</u>	<u>\$ 65,876,735</u>	<u>\$ 72,279,801</u>	<u>\$ 79,386,128</u>	<u>\$ 85,779,830</u>	<u>\$ 94,516,470</u>	<u>\$ 94,815,874</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 2,072,172	\$ 2,388,214	\$ 3,907,142	\$ 4,718,626	\$ 3,734,852	\$ 3,668,799	\$ 4,724,514	\$ 5,647,186	\$ 7,004,032	\$ 4,442,102
Public safety	6,593	12,313	100	-	3,996	9,685	2,880	10	-	6,062
Public works	222,708	246,390	190,022	224,820	200,761	174,917	189,117	129,171	113,087	-
Library and recreation	1,142,700	1,287,791	1,309,934	1,210,362	1,295,132	1,253,491	1,356,186	1,203,836	1,831,546	2,345,843
Operating grants and contributions	151,111	350,352	165,147	121,866	145,704	187,166	161,075	195,542	344,543	3,315,938
Capital grants and contributions	1,476,472	1,073,924	1,879,881	2,479,239	324,650	2,652,254	9,028,885	1,608,966	4,636,167	2,547,350
Total governmental activities program revenues	<u>5,071,756</u>	<u>5,358,984</u>	<u>7,452,226</u>	<u>8,754,913</u>	<u>5,705,095</u>	<u>7,946,312</u>	<u>15,462,657</u>	<u>8,784,711</u>	<u>13,929,375</u>	<u>12,657,295</u>
Business-type activities:										
Charges for services										
Water	9,915,490	12,242,653	13,171,473	14,176,728	15,205,729	17,237,175	17,924,616	18,606,759	18,538,414	21,117,232
Stormwater	-	-	-	-	-	979,419 (8)	1,277,767	1,572,044	1,437,517	1,480,432
Transportation and parking	3,487,939	3,977,883	3,895,008	4,255,752	4,497,989	5,227,316	9,789,087	11,113,961	8,210,423	4,441,511 (17)
Golf course	1,033,286	1,102,133	1,056,248	1,105,882	1,139,839	1,153,794	1,203,560	1,131,283	1,232,521	1,922,248
Operating grants and contributions	3,681,732	-	1,649,174	1,602,990	-	2,813,864	2,307,083	-	5,586,097	10,654,184
Capital grants and contributions	4,856,335	2,373,881	3,353,572	4,186,198	1,956,426	14,612,633	2,439,682	6,524,981	2,286,289	5,835,341
Total business-type activities program revenues	<u>22,974,782</u>	<u>19,696,550</u>	<u>23,125,475</u>	<u>25,327,550</u>	<u>22,799,983</u>	<u>42,024,201</u>	<u>34,941,795</u>	<u>38,949,028</u>	<u>37,291,261</u>	<u>45,450,948</u>
Total primary government program revenues	<u>\$ 28,046,538</u>	<u>\$ 25,055,534</u>	<u>\$ 30,577,701</u>	<u>\$ 34,082,463</u>	<u>\$ 28,505,078</u>	<u>\$ 49,970,513</u>	<u>\$ 50,404,452</u>	<u>\$ 47,733,739</u>	<u>\$ 51,220,636</u>	<u>\$ 58,108,243</u>
Net (expense)/revenue										
Governmental activities	\$ (28,735,723)	\$ (28,064,772)	\$ (28,557,600)	\$ (28,620,160)	\$ (33,894,333)	\$ (34,690,840)	\$ (28,540,552)	\$ (37,936,436)	\$ (37,100,160)	\$ (36,848,491)
Business-type activities	2,507,904	(2,308,513)	(373,827)	1,140,884	(3,477,324)	12,381,552	(441,124)	(109,655)	(6,195,674)	140,860
Total primary government net expense	<u>\$ (26,227,819)</u>	<u>\$ (30,373,285)</u>	<u>\$ (28,931,427)</u>	<u>\$ (27,479,276)</u>	<u>\$ (37,371,657)</u>	<u>\$ (22,309,288)</u>	<u>\$ (28,981,676)</u>	<u>\$ (38,046,091)</u>	<u>\$ (43,295,834)</u>	<u>\$ (36,707,631)</u>

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

	Fiscal Year									
	2012 (1)	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019 (1)	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property tax, levied for general purposes	\$ 13,797,851	\$ 13,587,385	\$ 12,772,297	\$ 12,809,892	\$ 14,755,299	\$ 14,350,265	\$ 14,686,693	\$ 15,499,965	\$ 17,445,636	\$ 17,977,155
Property tax, levied for debt service	4,580,904	4,577,873	5,082,714	5,321,592	3,723,453	4,220,158	6,432,184	6,036,374	9,281,384	9,506,281
General sales and use tax	4,125,435	4,187,472	4,347,534	4,731,904	5,180,094	5,620,687	5,915,331	6,403,710	6,389,540	7,161,106
Franchise tax	2,816,070	3,037,407	3,158,716	3,061,207	3,185,820	3,194,392	3,147,847	3,230,881	3,161,759	3,253,431
Resort tax	5,443,231	5,983,636	9,151,788	10,066,040	11,154,870	12,253,267	14,491,767	16,741,000	16,460,084	18,004,460
Investment earnings	283,191	258,657	348,090	261,735	434,588	582,208	1,122,856	2,297,088	2,041,844	739,741
Miscellaneous	944,093	1,203,599	1,594,150	804,286	492,730	4,856,960	1,776,504	2,963,178	2,938,083	4,170,268
Gain/Loss on sale of capital assets	-	-	-	-	1,328,784	-	-	74,891	69,494	(786,184)
Transfers	-	-	-	715,000	715,000	(7,534,613)	715,000	715,000	715,000	715,000
Total governmental activities	<u>31,990,775</u>	<u>32,836,029</u>	<u>36,455,289</u>	<u>37,771,656</u>	<u>40,970,638</u>	<u>37,543,324</u>	<u>48,288,182</u>	<u>53,962,087</u>	<u>58,502,824</u>	<u>60,741,258</u>
Business-type activities:										
General sales and use tax	3,798,125	3,868,264	4,019,133	4,398,879	4,877,098	5,233,194	5,617,865	6,128,331	7,560,305	8,448,444
Investments earnings	247,058	196,237	358,535	367,709	327,289	402,924	372,627	581,900	243,778	358,905
Miscellaneous	434,097	423,865	497,745	506,817	458,603	456,419	475,021	468,998	562,355	171,514
Gain/Loss on sale of capital assets	-	-	-	-	-	-	-	(716,121)	9,698	32,379
Transfers	-	-	-	(715,000)	(715,000)	7,534,613	(715,000)	(715,000)	(715,000)	(715,000)
Total business-type activities	<u>4,479,280</u>	<u>4,488,366</u>	<u>4,875,413</u>	<u>4,558,405</u>	<u>4,947,990</u>	<u>13,627,150</u>	<u>5,750,513</u>	<u>5,748,108</u>	<u>7,661,136</u>	<u>8,296,242</u>
Total primary government	<u>\$ 36,470,055</u>	<u>\$ 37,324,395</u>	<u>\$ 41,330,702</u>	<u>\$ 42,330,061</u>	<u>\$ 45,918,628</u>	<u>\$ 51,170,474</u>	<u>\$ 54,038,695</u>	<u>\$ 59,710,195</u>	<u>\$ 66,163,960</u>	<u>\$ 69,037,500</u>
Change in Net Position										
Governmental activities	\$ 3,255,052	\$ 4,771,257	\$ 7,897,689 (2)	\$ 9,151,496	\$ 7,076,305 (5)	\$ 2,852,484 (9)	\$ 19,747,630 (12)	\$ 16,025,651	\$ 21,402,664 (14)	\$ 23,892,767
Adjustment to governmental activities net position	-	-	(5,271,783) (3)	-	7,366,587 (7)	7,142,027 (11)	-	-	-	-
Business-type activities	6,987,184	2,179,853	4,501,586	5,699,289	1,470,666 (6)	26,008,702 (10)	5,309,389 (13)	5,638,453	1,465,462 (15)	8,437,102 (18)
Adjustment to business-type activities net position	-	-	(1,697,021) (3)	-	-	(209,933) (11)	-	-	-	-
Total primary government	<u>\$ 10,242,236</u>	<u>\$ 6,951,110</u>	<u>\$ 5,430,471</u>	<u>\$ 14,850,785 (4)</u>	<u>\$ 15,913,558</u>	<u>\$ 35,793,280</u>	<u>\$ 25,057,019</u>	<u>\$ 21,664,104</u>	<u>\$ 22,868,126</u>	<u>\$ 32,329,869</u>

Notes:

- (1) Restated.
- (2) Increase in governmental activities net position is due to increases in resort tax collected.
- (3) Fiscal year 2015 - Implemented GASB 68, Accounting and Financial Reporting for Pensions, required restatement of fiscal year 2014.
- (4) Increase in total primary government net position is due to restatement of fiscal year 2014 for the implementation of GASB 68.
- (5) Decrease in governmental activities net position is due to increased expenses in general government and decreases in capital grants and contributions.
- (6) Decrease in business-type activities net position is due to increased expenses in water and transportation and decreases in operating and capital grants and contributions.
- (7) Fiscal year 2017 - Capital asset adjustment, required restatement of fiscal year 2016.
- (8) Stormwater fund was added in fiscal year 2017.
- (9) Decrease in governmental activities net position is due to increased capital outlay.
- (10) Increase in business-type activities net position is due to increases in capitalizable grants and contributions.
- (11) Fiscal year 2018 - Capital asset adjustment, required restatement of fiscal year 2017.
- (12) Increase in governmental activities net position is due to increases in capitalizable grants and contributions and increases in tax revenues.
- (13) Decrease in business-type activities net position is due to decreases in capitalizable grants and contributions.
- (14) Increase in governmental activities net position due to increases in capitalizable grants and contributions.
- (15) Decrease in business-type activities net position is due to decreases in charges for services and increases in expenses.
- (16) Increase in Water expenses due to non-capitalizable expenses related to current construction projects.
- (17) Decrease in Transportation and parking revenue and expenses due to a reduction in major events due to COVID-19 and a moratorium on parking fees.
- (18) Increase in business-type activities net position due to increases in capitalizable grants and contributions.

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

	Fiscal Year									
	2012	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019 (1)	2020	2021
General fund										
Nonspendable										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 494,360	\$ 24,011	\$ 27,801
Interfund loan	-	-	-	-	-	-	86,867	55,761	24,107	-
Inventory	-	-	-	-	-	-	50,719	30,226	40,468	27,686
Unassigned	4,011,625	5,515,127	6,670,716	6,836,193	6,779,674	7,497,277	7,730,233	8,705,419	7,811,877	13,640,848
Restricted - Drug and tobacco enforcement	36,517	47,776	46,402	47,201	48,640	59,674	57,571	58,940	58,940	58,940
Total general fund	<u>\$ 4,048,142</u>	<u>\$ 5,562,903</u>	<u>\$ 6,717,118</u>	<u>\$ 6,883,394</u>	<u>\$ 6,828,314</u>	<u>\$ 7,556,951</u>	<u>\$ 7,925,390</u>	<u>\$ 9,344,706</u>	<u>\$ 7,959,403</u>	<u>\$ 13,755,275</u> (3)
Restricted for:										
Capital projects	\$ 1,261,260	\$ 708,350	\$ 6,866,835	\$ 12,779,745	\$ 7,872,086	\$ 7,545,300	\$ 12,804,288	\$ 31,699,288	\$ 33,778,218	\$ 32,526,314
Debt service	2,410	817	952	88,037	2,496	3,816	11,900	652,977	490,581	702,267
Assigned:										
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Committed:										
Capital projects funds	31,635,190	31,470,751	32,340,968	29,882,740	34,849,188	28,665,290	38,875,896	47,456,335	58,162,066 (2)	68,180,079
Debt service funds	1,713,903	1,480,633	1,557,901	2,236,514	1,816,767	1,778,077	1,856,470	2,129,030	2,429,496	2,222,710
Economic development	-	-	-	-	516,758	785,600	1,591,335	2,517,207	2,322,093	2,198,209
Total all other governmental funds	<u>\$ 34,612,763</u>	<u>\$ 33,660,551</u>	<u>\$ 40,766,656</u>	<u>\$ 44,987,036</u>	<u>\$ 45,057,295</u>	<u>\$ 38,778,083</u>	<u>\$ 55,139,889</u>	<u>\$ 84,454,837</u>	<u>\$ 97,182,454</u>	<u>\$ 105,829,579</u>

Notes:

- (1) Restated
- (2) Fiscal year 2020 - Capital asset adjustment, required restatement of fiscal year 2019.
- (3) Utah Code 10-6-116 increased maximum general fund balance allowed.

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes and special assessments	\$ 30,705,261	\$ 31,399,695	\$ 34,486,284	\$ 33,269,379	\$ 35,194,462	\$ 36,830,205	\$ 41,592,343	\$ 44,639,055	\$ 49,004,820	\$ 52,100,408
Licenses and permits	1,166,721	1,446,142	2,611,576	3,025,886	2,462,374	2,464,561	3,390,668	3,899,003	5,776,248	3,350,157
Intergovernmental	627,433	1,404,276	1,818,822	5,346,423	3,288,064	4,044,959	6,214,905	4,345,873	8,693,506	8,754,272
Charges for services	1,910,119	2,017,593	2,194,197	2,071,230	2,119,339	2,115,794	2,225,204	2,837,729	2,687,766	3,031,107
Fines and forfeitures	29,404	35,342	21,648	14,206	26,902	42,834	35,327	23,108	22,313	25,900
Investment income	283,191	258,657	348,090	261,735	434,588	582,208	1,122,856	2,297,089	2,041,844	739,741
Impact fees	133,421	201,235	397,737	817,666	425,365	388,786	432,381	620,441	456,053	386,843
Rental and other miscellaneous	2,366,777	1,476,317	1,912,540	2,873,179	1,546,004	5,041,320	2,496,363	1,500,515	1,305,612	2,194,018
Total revenues	<u>37,222,327</u>	<u>38,239,257</u>	<u>43,790,894</u>	<u>47,679,704</u>	<u>45,497,098</u>	<u>51,430,667</u>	<u>57,510,047</u>	<u>60,162,813</u>	<u>69,988,162</u>	<u>70,582,446</u>
Expenditures										
General government	11,260,367	11,381,542	12,086,576	13,653,938	14,604,316	15,005,872	16,235,727	16,175,897	18,616,889	19,264,758
Public safety	4,498,776	4,687,516	4,684,672	4,953,544	5,349,433	5,970,451	6,392,525	6,360,284	6,998,527	6,698,058
Public works	4,718,003	4,835,958	4,643,828	4,718,959	4,878,647	5,194,880	5,648,653	5,935,423	5,782,998	5,694,072
Library and recreation	2,839,500	3,164,535	3,361,464	3,495,302	3,824,435	4,080,211	4,237,835	4,367,960	4,273,728	4,327,567
Economic development	-	-	-	405,435	951,268	864,697	870,588	878,578	861,560	916,602
Debt Service										
Principal retirement	5,424,637	4,664,880	5,220,496	18,086,533	5,118,024	4,850,000	8,625,000	6,905,000	9,275,000	10,885,000
Interest	1,835,199	1,661,003	1,616,778	1,528,829	1,788,808	1,615,725	2,827,016	3,745,578	6,169,326	6,070,488
Bond issuance costs	-	-	123,931	503,979	-	155,239	223,553	529,457	118,027	-
Capital outlay	17,073,402	8,517,860	13,923,767	26,614,261	11,953,996	51,844,299	39,052,752	70,133,504	17,207,904	6,901,426
Total expenditures	<u>47,649,884</u>	<u>38,913,294</u>	<u>45,661,512</u>	<u>73,960,780</u>	<u>48,468,927</u>	<u>89,581,374</u>	<u>84,113,649</u>	<u>115,031,681</u>	<u>69,303,959</u>	<u>60,757,971</u>
Revenues (under) expenditures	(10,427,557)	(674,037)	(1,870,618)	(26,281,076)	(2,971,829)	(38,150,707)	(26,603,602)	(54,868,868)	684,203	9,824,475
Other financing sources (uses)										
Debt issuance	-	-	7,170,000	16,975,000	-	25,000,000	31,940,000	70,775,000	4,000,000	-
Refunding bonds issued	-	-	1,930,000	10,110,000	-	-	-	4,290,000	5,470,000	-
Payment to refunded bondholders	-	-	(1,930,000)	-	-	-	-	(4,675,000)	(7,245,000)	-
Premium on debt issuance	-	-	92,774	773,546	-	2,863,698	3,287,871	9,840,127	1,206,669	-
Premium on refunding bonds	-	-	50,769	673,841	-	-	-	482,659	91,796	-
Payment received on note	-	-	1,375,000	-	-	-	-	-	-	-
Sale of capital assets	2,290,798	17,586	146,554	23,811	755,648	2,363,887	5,553,794	241,682	4,434,799	1,918,675
Transfers in	6,424,043	4,731,710	10,978,139	19,728,745	11,965,394	36,237,414	44,274,635	75,835,185	20,581,027	15,916,383
Transfers out	(4,432,413)	(3,512,710)	(9,682,298)	(17,617,211)	(9,734,034)	(33,864,867)	(41,722,453)	(73,186,521)	(17,881,180)	(13,216,536)
Total other financing sources	<u>4,282,428</u>	<u>1,236,586</u>	<u>10,130,938</u>	<u>30,667,732</u>	<u>2,987,008</u>	<u>32,600,132</u>	<u>43,333,847</u>	<u>83,603,132</u>	<u>10,658,111</u>	<u>4,618,522</u>
Net change in fund balances	\$ <u>(6,145,129)</u>	\$ <u>562,549</u>	\$ <u>8,260,320</u>	\$ <u>4,386,656</u>	\$ <u>15,179</u>	\$ <u>(5,550,575)</u>	\$ <u>16,730,245</u>	\$ <u>28,734,264</u>	\$ <u>11,342,314</u>	\$ <u>14,442,997</u>
Debt Service as a percentage of noncapital expenditures	(1)	20.5% (1)	18.9% (1)	19.0% (1)	38.3% (1)	16.9% (1)	15.9% (1)	24.4% (1)	22.5%	27.9%
Notes:										
(1) Restated.										

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

Fiscal Year	Property Tax	Sales and Use Tax	Franchise Tax	Resort Tax	Total
2012	\$ 14,545,369	\$ 4,125,435	\$ 2,816,070	\$ 5,443,231	\$ 26,930,105
2013	14,601,807	4,187,472	3,037,407	5,561,728	27,388,414
2014	14,361,738	4,347,534	3,158,716	5,756,046	27,624,034
2015	14,590,197	4,731,904	3,061,207	6,278,858	28,662,166
2016	14,832,024	5,180,094	3,185,820	6,952,171	30,150,109
2017	14,953,711	5,620,687	3,194,392	7,327,065	31,095,855
2018	17,107,856	5,915,331	3,147,847	8,032,584	34,203,618
2019	17,336,112	6,403,710	3,230,881	8,723,912	35,694,615
2020	21,869,486	6,389,540	3,161,759	8,570,948	39,991,733
2021	22,515,259	7,161,106	3,253,431	9,505,108	42,434,904

Change:

2012-2021	54.8%	73.6%	15.5%	74.6%	57.6%
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Note:

(1) Includes general fund, capital improvement fund and debt service funds.

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>Market Value of Taxable Property</u>	<u>Total Direct Tax Rate</u>
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
2014	6,274,164	679,149	389,160	7,342,473	8,215,313	0.002067
2015	6,740,782	689,374	390,248	7,820,404	8,748,413	0.001972
2016	7,112,582	739,074	376,177	8,227,833	9,195,067	0.001884
2017	7,491,154	780,964	375,229	8,647,347	9,658,862	0.002059
2018	8,380,192	857,857	89,161	9,327,210	10,436,645	0.001934
2019	9,197,865	814,250	91,437	10,103,552	11,331,385	0.002125
2020	9,584,752	857,017	98,257	10,540,026	11,942,032	0.002076

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 (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>Fee-In-Lieu Value</u>	<u>Total Assessed Value</u>
2011	\$ 5,858,428	\$ 781,086	\$ 457,203	\$ 12,755	\$ 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
2014	6,274,164	679,149	389,160	14,560	7,357,033
2015	6,740,782	689,374	390,248	14,252	7,834,656
2016	7,112,582	739,074	376,177	14,809	8,242,642
2017	7,491,154	780,964	375,229	14,814	8,662,161
2018	8,380,192	857,857	89,161	17,484	9,344,694
2019	9,197,865	814,250	91,437	15,657	10,119,209
2020	9,584,752	857,017	98,257	16,308	10,556,334

Source: Utah State Tax Commission, Property Tax Division

Notes:

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

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Apparel stores	\$ 25,919	\$ 24,069	\$ 22,927	\$ 25,777	\$ 35,245	\$ 34,510	\$ 65,299	\$ 67,912	\$ 72,213	\$ 60,445
Food stores	64,592	67,066	56,238	57,809	60,862	64,630	67,490	65,618	70,454	79,901
Sporting goods, hobby, book and music	40,163	38,638	40,609	40,524	43,363	45,380	47,282	48,461	51,007	44,294
Home furnishings and appliances	21,745	20,849	12,394	12,730	12,735	14,806	12,250	17,707	14,500	11,750
Building materials and farm tools	2,704	2,819	3,654	3,652	5,695	6,199	4,750	5,000	6,000	5,000
Miscellaneous retail stores	26,894	27,985	25,884	29,162	30,691	31,403	13,044	16,331	29,821	28,848
All other outlets	<u>3,484</u>	<u>3,674</u>	<u>4,452</u>	<u>4,329</u>	<u>4,283</u>	<u>5,240</u>	<u>1,989</u>	<u>3,314</u>	<u>3,875</u>	<u>4,250</u>
Total	\$ <u>185,501</u>	\$ <u>185,100</u>	\$ <u>166,158</u>	\$ <u>173,983</u>	\$ <u>192,874</u>	\$ <u>202,168</u>	\$ <u>212,104</u>	\$ <u>224,343</u>	\$ <u>247,870</u>	\$ <u>234,489</u>
City direct sales tax rate	2.40 %	2.40 %	2.90 %	2.90 %	2.90 %	2.90 %	3.15 %	3.15 %	3.15 %	3.15 %

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

**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	Debt Service	Total Direct	Summit County Levy	State Assessment/Collecting	Weber Basin Water	Park City Fire	Park City School	Summit Co. Mosquito Abatement	
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
2014	0.001248	0.000819	0.002067	0.000826	0.000222	0.000199	0.000907	0.004770	0.000038	0.009029
2015	0.001362	0.000610	0.001972	0.000767	0.000205	0.000199	0.000841	0.004461	0.000035	0.008480
2016	0.001304	0.000580	0.001884	0.000726	0.000191	0.000187	0.000793	0.004220	0.000033	0.008034
2017	0.001237	0.000822	0.002059	0.000680	0.000183	0.000174	0.000742	0.003951	0.000031	0.007820
2018	0.001202	0.000732	0.001934	0.000831	0.000169	0.000164	0.000726	0.004408	0.000030	0.008262
2019	0.001107	0.001018	0.002125	0.000756	0.000155	0.000153	0.000667	0.004411	0.000027	0.008294
2020	0.001079	0.000997	0.002076	0.000730	0.000150	0.000146	0.000641	0.004308	0.000026	0.008077

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 Rates
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>
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
2015	2.90	0.35	4.70	7.95
2016	2.90	0.35	4.70	7.95
2017	3.15 (2)	0.60 (3)	4.70	8.45
2018	3.15	0.85 (4)	4.70	8.70
2019	3.15	1.05 (5)	4.85	9.05
2020	3.15	1.05	4.85	9.05
2021	3.15	1.05	4.85	9.05

Source: Utah State Tax Commission

Notes:

- (1) Includes 0.50 percent Additional Resort Communities Sales and Use Tax implemented in calendar year 2013.
- (2) Includes 0.25 percent Additional Mass Transit Tax implemented in calendar year 2017.
- (3) Includes 0.25 percent County Option Transportation Tax implemented in calendar year 2017.
- (4) Includes 0.25 percent County Transportation Infrastructure Tax implemented in calendar year 2018.
- (5) Includes 0.20 percent County Option for Public Transit Tax implemented in calendar year 2019.

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

<u>Taxpayer</u>	<u>2021</u>			<u>2012</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Talisker Empire Pass Hotel LLC (Montage)	\$ 158,714,000	1	1.33 %	\$ 470,074,773	1	7 %
Marriott Ownership Resorts	115,931,590	2	0.97	114,504,078	2	1.72
DVP LLC	44,426,230	3	0.37	-	-	-
VR CPC Holdings Inc. (Vail Resorts)	33,703,430	4	0.28	-	-	-
Deer Valley Resort	22,865,890	5	0.19	47,973,246	3	0.72
Chateaux at Silver Lake	21,900,400	6	0.18	21,521,376	5	0.32
Silver Lake Development Corp.	19,540,360	7	0.16	19,540,360	6	0.29
Dahnke Scott (JT)	16,905,512	8	0.14	-	-	-
HA Daisy Yoonhee Trustee	16,630,000	9	0.14 (1)	-	-	-
Wintzer Wolfe Properties	15,533,000	10	0.13	14,349,994	9	0.22
United Park City Mines	-	-	-	31,108,000	4	0.47
REOF XI LLC	-	-	-	16,700,000	7	0.25
Powder Development Company	-	-	-	16,041,543	8	0.24
IHC Health Services	-	-	-	12,297,077	10	0.18
Totals	\$ <u>466,150,412</u>		<u>3.90</u> %	\$ <u>764,110,447</u>		<u>11.48</u> %

Source: Summit County Treasurer and Park City Finance Department.

Note:

(1) Per Summit County, this is an accumulation of 98 properties.

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

Tax Year End 12/31	Original Levy (1)	Adjusted Levy	Collected Within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount (2)	Percent of Adjusted Levy		Amount (2)	Percent of Net Levy
Summit County							
2011	12,750,981	14,170,463	13,579,302	95.83	568,229	14,147,531	99.84
2012	14,655,626	14,650,150	13,275,742	90.62	1,368,069 (3)	14,643,811	99.96
2013	14,236,860	14,370,289	13,637,854	94.90	720,856	14,358,710	99.92
2014	14,451,389	14,602,592	13,714,698	93.92	879,744	14,594,442	99.94
2015	14,747,175	14,862,169	14,731,910	99.12	111,730	14,843,640	99.88
2016	14,856,934	14,971,746	14,908,200	99.58	49,384	14,957,584	99.91
2017	17,140,149	17,267,353	17,167,415	99.42	81,162	17,248,577	99.89
2018	17,403,473	17,510,003	17,342,944	99.05	115,035	17,457,979	99.70
2019	20,759,599	20,870,498	19,523,979	93.55	1,220,446	20,744,425	99.40
2020	21,213,526	21,115,488	19,827,759	93.90	-	19,827,759	93.90
Wasatch County							
2011	568,568	521,424	521,424	100.00	- (4)	521,424	100.00
2012	586,238	583,467	583,467	100.00	- (4)	583,467	100.00
2013	608,641	605,996	605,996	100.00	- (4)	605,996	100.00
2014	611,098	611,098	611,098	100.00	- (4)	611,098	100.00
2015	588,597	580,842	580,842	100.00	- (4)	580,842	100.00
2016	582,082	581,989	570,597	98.04	- (4)	570,597	98.04
2017	639,263	640,331	633,356	98.91	- (4)	633,356	98.91
2018	626,749	624,919	608,868	97.43	- (4)	608,868	97.43
2019	729,099	739,991	737,765	99.70	- (4)	737,765	99.70
2020	711,496	711,748	697,471	97.99	- (4)	697,471	97.99

Source: Summit and Wasatch County Annual Financial Reports.

Notes:

- (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.
- (4) Prior year collection data not available for Wasatch County.

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

<u>Calendar Year Ended December 31,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Calendar Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2011	14,691,887	14,100,726	95.98	568,229	14,668,955	99.84
2012	15,233,617	13,859,209	90.98	1,368,069 (2)	15,227,278	99.96
2013	14,976,285	14,243,850	95.11	720,856	14,964,706	99.92
2014	15,213,690	14,325,796	94.16	879,744	15,205,540	99.95
2015	15,443,011	15,312,752	99.16	111,730	15,424,482	99.88
2016	15,553,735	15,478,797	99.52	49,384	15,528,181	99.84
2017	17,907,684	17,800,771	99.40	81,162	17,881,933	99.86
2018	18,134,922	17,951,812	98.99	115,035	18,066,847	99.62
2019	21,610,489	20,261,744	93.76	1,220,446	21,482,190	99.41
2020	21,827,236	20,525,230	94.03	-	20,525,230	94.03

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

Notes:

- (1) Includes general fund and debt service funds.
- (2) 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 14
Park City Municipal Corporation, Utah
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds (1)	Sales Tax Increment Bonds (1)	Municipal Building Authority	Contracts Payable	Water Bonds (1)	Contracts Payable			
2012	\$ 33,168,627	\$ 10,167,292	\$ -	\$ 334,933	\$ 44,329,011 (3)	\$ -	\$ 87,999,863	3.52 %	\$ 11,660
2013	29,701,426	8,994,028	-	2,760,053	46,853,772 (4)	-	88,309,279	3.17	11,466
2014	33,018,370 (5)	7,785,764	-	2,679,557	48,237,837 (6)	-	91,721,528	3.20	11,650
2015	29,298,159 (7)	24,334,866 (8)	-	93,024	45,184,477	-	98,910,526	3.21	12,275
2016	26,009,111	22,393,581	-	-	42,041,117	-	90,443,809	4.19	11,127
2017	50,485,922 (9)	20,715,393	-	-	38,797,758	-	109,999,073	3.74	13,254
2018	45,273,366	52,003,833 (10)	-	-	35,419,397	-	132,696,597	3.30	15,839
2019	91,632,655 (11)	78,605,090 (12)	-	-	31,906,489	-	202,144,235	2.73	24,414
2020	89,738,177 (13)	73,389,583	-	-	100,237,316 (14)	3,180,985 (15)	266,546,063	2.39	31,403
2021	82,962,508	67,946,810	-	-	97,009,196	3,039,674	250,958,188	2.54	29,469

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 2012 for \$4.2 million in fiscal year 2012.
- (4) The City issued Water Revenue Bonds Series 2012B, 2013A and 2013B for \$8.6 million in fiscal year 2013.
- (5) The City issued GO Bonds Series 2013 for \$9.1 million in fiscal year 2014.
- (6) The City issued Water Revenue Bonds Series 2014 for \$4.1 million in fiscal year 2014.
- (7) The City issued GO Bonds Series 2014 for \$3.4 million in fiscal year 2015.
- (8) The City issued Sales Tax Bonds Series 2014A for \$6.7 million, Series 2014B for \$5.4 million, and Series 2015 for \$11.6 million in fiscal year 2015.
- (9) The City issued GO Bonds Series 2017 for \$27.8 million in fiscal year 2017.
- (10) The City issued Sales Tax Bonds Series 2017 for \$31.9 million, in fiscal year 2018.
- (11) The City issued GO Bonds Series 2019 for \$48.3 million in fiscal year 2019.
- (12) The City issued Sales Tax Bonds Series 2019 for \$26.8 million, in fiscal year 2019.
- (13) The City issued GO Bonds Series 2020 for \$9.5 million in fiscal year 2020.
- (14) The City issued Water Revenue Bonds Series 2020 for \$75.5 million in fiscal year 2020.
- (15) The City entered into an agreement with Weber Basin Water Conservancy District for \$3.2 million in fiscal year 2020.

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

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Percentage of Actual Property Value (2)</u>	<u>Per Capita (3)</u>
2012	\$ 33,168,627	0.42 %	\$ 4,395
2013	29,701,426	0.38	3,856
2014	33,018,370	0.42	4,194
2015	29,298,159	0.36	3,636
2016	26,009,111	0.30	3,200
2017	50,485,922	0.55	6,083
2018	45,273,366	0.47	5,404
2019	91,632,655	0.88	11,067
2020	89,738,177	0.79	10,572
2021	82,962,508	0.69	9,742

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 (2)
As of June 30, 2021

<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>
Debt repaid with property taxes			
Snyderville Basin Recreation District Tax District	\$ 24,565,000	11.47 %	\$ 2,817,606
Wasatch County	5,085,000	3.96	201,366
Wasatch County School District	86,471,751	3.96	3,424,281
Weber Basin Water Conservancy District	10,095,000	14.63	1,476,899
Other debt			
Summit County	23,763,000	44.50	10,574,535
Wasatch County	5,865,000	3.96	232,254
Subtotal, overlapping debt			18,726,940
City direct debt			<u>150,909,318</u>
Total direct and overlapping			<u>\$ 169,636,258</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Utah State Tax Commission. Debt outstanding data provided by each governmental unit.

Notes:

- (1) 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.
- (2) 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 266,103,174	\$ 269,015,017	\$ 280,699,514	\$ 293,698,934	\$ 312,816,159	\$ 329,113,324	\$ 345,893,884	\$ 373,088,393	\$ 404,142,080	\$ 421,601,040
Total net debt applicable to limit	<u>33,168,627</u>	<u>29,701,426</u>	<u>33,018,370</u>	<u>29,298,159</u>	<u>26,009,111</u>	<u>50,485,922</u>	<u>45,273,366</u>	<u>91,632,655</u>	<u>89,738,177</u>	<u>82,962,508</u>
Legal debt margin	<u>\$ 232,934,547</u>	<u>\$ 239,313,591</u>	<u>\$ 247,681,144</u>	<u>\$ 264,400,775</u>	<u>\$ 286,807,048</u>	<u>\$ 278,627,402</u>	<u>\$ 300,620,518</u>	<u>\$ 281,455,738</u>	<u>\$ 314,403,903</u>	<u>\$ 338,638,532</u>
Total net debt applicable to the limit as a percentage of debt limit	12.46%	11.04%	11.76%	9.98%	8.31%	15.34%	13.09%	24.56%	22.20%	19.68%

Legal Debt Margin Calculation for Fiscal Year 2021

Total assessed value	<u><u>\$ 10,540,026,000</u></u>
Debt limit - 4.0% of total assessed value	\$ 421,601,040
Amount of debt applicable to debt limits:	
General Obligation Bonds 2013A, 2017, 2019 and 2020	82,962,508
Less: Amount available for repayment of general obligation bonds	<u>-</u>
Total net debt applicable to limit	<u><u>82,962,508</u></u>
Legal debt margin	<u><u>\$ 338,638,532</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>Coverage</u>
	<u>Sales Tax Increment</u>	<u>Debt Service</u>			
		<u>Principal</u>	<u>Interest</u>		
2012	\$ 9,568,666	\$ 1,785,000	\$ 465,813	4.3	
2013	9,749,200	1,165,000	401,587	6.2	
2014	10,103,580	1,200,000	359,863	6.5	
2015	11,010,762	8,350,000	383,012	1.3	
2016	12,132,265	1,810,000	782,290	4.7	
2017	12,947,752	1,550,000	705,380	5.7	
2018	13,947,915	3,680,000	1,351,082	2.8	
2019	15,127,622	3,240,000	2,110,324	2.8	
2020	14,960,488	4,625,000	2,792,440	2.0	
2021	14,322,212	4,855,000	2,576,365	1.9	

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, 2021

		<u>Coverage Ratio</u>	
		<u>Actual</u>	<u>Minimum</u>
Net revenues (change in net position)	\$ 45,434		
Add			
Excluded transfer to general fund	1,541,405		
Depreciation and amortization	3,281,430		
Bond interest expense	2,260,430		
Revenues pledged to debt	7,128,699	2.45	1.20

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009A Water Bonds-DEQ	\$ 125,000	\$ -	\$ 125,000
2012 Water Revenue Bonds	290,000	48,676	338,676
2012B Water Revenue and Refunding Bonds	-	116,068	116,068
2013A Water Revenue	235,000	24,474	259,474
2014 Water Revenue Bonds	-	115,042	115,042
2020 Water Revenue Bonds	-	1,956,170	1,956,170
	<u>\$ 650,000</u>	<u>\$ 2,260,430</u>	<u>\$ 2,910,430</u>

Less water development fees and capital contributions collected in fiscal year 2021 (3,714,360)

Net revenues less development fees and capital contributions **\$ 3,414,339** **1.17** **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
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	5,862,508	7,781,536	4,254,867	1.83	11,530,762	4,254,867	2.71
2016	3,074,564	7,474,148	4,247,871	1.76	8,657,335	4,247,871	2.04
2017	4,972,598	9,821,604	4,245,164	2.31	10,912,626	4,245,164	2.57
2018	5,484,037	10,299,731	4,245,644	2.43	11,555,071	4,245,644	2.72
2019	6,190,191	10,256,385	4,399,869	2.33	12,345,168	4,399,869	2.81
2020	2,599,792	6,990,691	4,453,990	1.57	8,767,845	4,453,990	1.97
2021	45,434	3,414,339	2,910,430	1.17	7,128,699	2,910,430	2.45

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>
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
2015	8,058	3,177,339	82,558	38.8	4,739	3.2
2016	8,128	3,784,040	96,766	38.5	4,763	3.4
2017	8,299	4,110,805	102,053	40.4	4,891	3.1
2018	8,378	4,380,364	108,675	40.6	4,780	2.9
2019	8,280	5,518,624	131,606	40.3	4,816	2.7
2020	8,488	6,377,651 (2)	151,326 (2)	39.3	4,757	9.8
2021	8,516	6,377,651 (3)	151,326 (3)	40.0	4,696	2.4

Sources:

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

Notes:

- (1) Applies to Summit County.
- (2) Personal Income and Per Capita Personal Income from 2020 was updated by Summit County in November 2021.
- (3) Most recent data for Personal Income and Per Capita Personal Income is 2020.

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

Employer	2021 (1)				2012 (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)	
Royal Street of Utah ET AL (Deer Valley Resort)	999	500	1	4.11 %	2639	650	1	20.69 %	
Park City School District	679	661	2	2.79	758	684	2	5.94	
Park City Municipal Corporation	575	465	3	2.05	448	398	6	3.51	
IHC/Park City Surgical Center	499	250	4	2.05	499	250	3	3.91	
Park City Mountain Resort	499	250	5	2.05	-	-	-	-	
Stein Eriksen Lodge	499	250	6	2.79	495	326	5	3.88	
Glenwilde Golf Course	249	100	7	2.36					
Montage Hotels & Resorts, LLC	249	100	8	2.05	499	250	4	3.91	
United States Ski & Snowboard Association	249	100	9	1.02	103	103	10	0.81	
High West Saloon, LLC	99	50	10	0.41	-	-	-	-	
Hotel Park City	-	-	-	-	-	-	-	-	
Resort Express	-	-	-	-	249	100	7	1.95	
Sunstone Hotel/Marriott Park City	-	-	-	-	130	110	8	1.02	
Talisker Club, LLC	-	-	-	-	249	100	9	1.95	
Total	4,596	2,726		21.68 %	6,069	2,971		47.57 %	

- Notes:
- (1) Current numbers are from respective employers and Utah Department of Workforce Services.
 - (2) Prior year's numbers are from Summit County and Utah Department of Workforce Services.
 - (3) Percentage is based on the maximum number of employees in the range divided by the total labor force of Summit County.

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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Full-time Equivalent Employees										
General government										
Executive	5.1	5.5	5.1	4.0	4.0	4.1	4.6	6.0 (6)	6.0	6.0
Finance	6.8	6.8	6.7	6.7	6.7	6.7	6.6	6.2	6.7	6.3
Human resources	6.9	5.3	5.1	5.1	5.1	5.1	5.1	6.3	6.3	4.7
Budget, debt and grants	2.0	1.3	3.0	3.3	3.3	3.3	3.3	3.5	3.1	3.1
Planning	7.0	7.0	8.0	9.0	9.2	9.7	10.0	10.2	10.2	9.0
Building	13.0	13.0	13.0	15.0	16.0	17.3	17.6	19.2	20.2	19.0
Engineering	2.8	2.7	2.8	2.8	4.0	4.3	4.8	5.5	5.5	4.3
Legal	7.8	7.0	7.0	7.0	7.0	7.0	7.0	7.1	7.1	7.9
Sustainability	9.8	9.7	10.9	11.3	11.3	12.3	13.8	12.8	13.8	13.8
I.T.	9.8	10.8	9.5	9.5	9.5	9.5	8.5	8.5	8.5	8.4
Other	5.0	5.1	5.0	6.0	6.0	6.0	6.0	7.5	9.9 (6)	13.4 (7)
Public safety										
Police	34.0	33.9	34.6	34.0	34.0	36.5	41.1	41.3	43.6	43.6
Communication center	10.0	10.4	10.4	10.4	10.4	10.4	2.5	-	-	-
Other	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Public works										
Transit	82.5	82.9	80.8	77.2	75.6	75.7	107.8 (4)	123.8 (4)	124.6	118.6
Fleet services	8.0	8.0	8.0	9.4	9.8	9.8	9.9	10.1	9.9	10.0
Parking	-	-	7.8 (1)	8.0	8.2	8.2	10.5	12.5	10.7	10.2
Street maintenance	17.5	17.5	17.4	17.3	17.0	14.8	15.3	15.3	17.2	16.8
Parks and cemetery	18.8	18.2	18.2	18.6	19.0	19.0	19.0	19.0	19.3	18.7
Other	9.6	9.6	9.0	9.0	9.0	9.0	9.0	9.0	8.5	8.5
Library and recreation										
Library	11.4	11.4	11.4	11.4	11.9	12.3	13.0	13.5	13.5	13.5
Golf	5.5	5.4	5.2	6.0	6.0	7.8	7.8	8.1	8.1	8.1
Recreation	27.3	29.9	29.7	28.2	28.2	29.3	27.8	27.0	27.0	25.0
Tennis	7.4	7.9	4.0	4.7	4.7	4.7	5.2	2.9	2.9	2.4
Ice	11.0	9.0	8.4	11.4	11.3	12.3	11.3	11.3	11.6	10.9
Water										
Water billing	1.0	1.0	1.0	- (2)	-	-	-	-	-	-
Water operations	17.6	21.9	21.9	23.0	24.4	26.5	27.5	29.5	29.2	29.2
Stormwater										
Stormwater operations	-	-	-	-	-	6.1 (3)	6.6	6.6	5.9	5.9
Total	339.1	342.7	345.4	349.8	353.1	369.2	403.1	424.2	430.8	418.7

Source: Park City Budget Department.

Notes: 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 2014 the Parking Department was added, until that time it had been outsourced.
- (2) In 2015 Water Billing was combined with Water Operations.
- (3) In 2017 the Stormwater Operations Department was created.
- (4) Significant increase in transit operators and total route miles.
- (5) McPolin Barn FTE transferred from Recreation to Executive.
- (6) In 2020 the Social Equity position was created.
- (7) In 2021 the Affordable Housing positions were created.

Schedule 23
Park City Municipal Corporation, Utah
Population Statistics

Census:	Calendar Year	Park City Population	Percent Change from Prior Period	Summit County Population	Percent Change from Prior Period
	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
	2010	7,596	(4.81)	40,451	36.03
	2011	7,547	(0.65)	36,324	(10.20)
	2012	7,702	2.05	37,208	2.43
	2013	7,873	2.22	38,003	2.14
	2014	8,058	2.35	39,105	2.90
	2015	8,128	0.87	39,633	1.35
	2016	8,299	2.10	40,307	1.70
	2017	8,378	0.95	41,106	1.98
	2018	8,280	(1.17)	41,933	2.01
	2019	8,488	2.51	42,145	0.51
	2020	8,516	0.33	42,400	0.61

Age distribution of 2020 population:

Age	Number	Percent
Under 5 Years	272	3.19 %
5-14	949	11.14
15-24	1,327	15.58
25-34	1,253	14.71
35-44	1,005	11.80
45-54	1,257	14.76
55-64	1,350	15.85
65-74	814	9.56
75 and over	289	3.38
	8,516	100.00 %

Median age: 40.0

Sources:

U.S. Census Bureau, ACS Demographic and Housing Estimates
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>
2012	27,178		7,547	360 %
2013	28,275		7,702	367
2014	28,275		7,873	359
2015	28,275		8,058	351
2016	28,275		8,128	348
2017	23,119		8,299	279
2018	27,422		8,378	327
2019	27,422		8,280	331
2020	28,670	(1)	8,488	338
2021	28,670	(2)	8,516	337

Sources:

Park City Chamber/Visitor Bureau

Note:

(1) Beginning in 2019, the City used Park City Chamber/Visitor Bureau data for room capacity and restated all previous year's data for consistency.

(2) Park City Chamber/Visitor Bureau did not report any data for 2020.

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

Fiscal Year	Pledged Sales & Use Taxes	% Change From Prior Year	Pledged Resort Tax (3)	% Change From Prior Year	Pledged Municipal Transient Room Tax	% Change From Prior Year	Total Pledged Taxes	% Change From Prior Year
2012	\$ 4,125,435	4.0 %	\$ 7,257,641	8.4 %	\$ -	n/a %	\$ 11,383,076	6.8 %
2013	4,187,472	1.5	7,837,545 (1)	8.0	-	n/a	12,025,017	5.6
2014	4,347,534	3.8	11,070,470 (2)	41.2	-	n/a	15,418,004	28.2
2015	4,731,904	8.8	12,158,993	9.8	-	n/a	16,890,897	9.6
2016	5,180,094	9.5	13,472,260	10.8	-	n/a	18,652,354	10.4
2017	5,620,687	8.5	14,695,621	9.1	-	n/a	20,316,308	8.9
2018	5,915,331	5.2	15,576,576	6.0	1,592,720 (4)	n/a	23,084,627	13.6
2019	6,403,710	8.3	16,915,887	8.6	2,733,084	71.6	26,052,681	12.9
2020	6,389,540	(0.2)	16,624,398	(1.7)	2,692,669	(1.5)	25,706,607	(1.3)
2021	7,161,106	12.1	18,431,079	10.9	2,741,751	1.8	28,333,936	10.2

Notes:

- (1) Beginning in fiscal year 2013 the City began reporting 25 percent of the 1.1 percent Resort Communities Tax 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.
- (3) 2012-2018 restated to include the full Resort Sales and Use Tax applicable to each year.
- (4) The 1.0 percent Municipal Transient Room Tax was implemented on January 1, 2018.

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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical arrests	468	616	623	516	506	449	426	318	255	256
Parking citations	342	326	219	282	236	291	129	132	214	219
Traffic citations	963	950	904	454	966	712	697	608	761	1,410
Public works										
Street resurfacing (tons of asphalt)	4,616	4,616	5,133	5,526	6,034	5,486	6,500	6,000	8,200	5,523
Potholes repaired	235	230	240	210	380	400	200	800	1,100	850
Water										
Number of customers	5,171	5,180	5,203	5,226	5,230	5,276	5,331	5,450	5,502	5,563
New connections	10	22	37	42	56	56	75	82	100	35
Average daily consumption (Tgal)	4,915	4,822	4,660	4,430	4,647	4,890	3,475	3,475	4,326	4,726
Peak daily consumption (Tgal)	8,529	8,873	8,820	7,786	7,767	8,660	5,839	5,839	8,669	7,599
Average monthly billings (3/4" meter)	57.61	82.51	86.22	88	83.32	105.87	90.63	111.32	100.44	118.29
Residential billing rates										
Base rate (per 3/4" meter)	28.26	33.35	39.35	44	44.07	44.95	47.65	49.08	50.55	52.07
Base rate (per 1" meter)	45.02	45.02	53.12	59	59.49	60.68	64.32	66.25	68.24	70.29
Base rate (per 1-1/2" meter)	53.38	53.38	62.99	71	70.55	71.96	76.28	78.57	80.93	83.36
Rate per Tgal (winter months only)	5.84	5.84	6.89	8	7.72	5.60	5.94	6.12	6.30	6.49
Commercial billing rates										
Base rate (per 3/4" meter)	43.35	43.35	51.15	57	57.29	58.44	61.95	63.61	65.52	67.49
Base rate (per 1" meter)	73.35	73.35	86.55	97	96.94	98.88	104.81	107.95	111.19	114.53
Base rate (per 1-1/2" meter)	156.69	156.69	184.89	207	207.08	211.22	223.89	230.61	237.53	244.66
Base rate (per 2" meter)	326.75	326.75	385.57	432	431.84	440.48	466.91	480.92	495.35	510.21
Base rate (per 3" meter)	850.30	850.30	1,003.35	1,124	1,123.75	1,146.23	1,215.15	1,251.60	1,289.15	1,327.82
Base rate (per 4" meter)	1,543.82	1,543.82	1,821.71	2,040	2,040.32	2,081.13	2,206.00	2,272.18	2,340.35	2,410.56
Base rate (per 6" meter)	2,910.19	2,910.19	3,434.02	3,846	3,846.10	3,923.02	4,158.40	4,283.15	4,411.64	4,543.99
Base rate (per 8" meter)	5,011.59	5,011.59	5,913.67	6,623	6,623.31	6,755.78	7,161.13	7,375.96	7,597.24	7,825.16
Rate per 1,000 gallons	5.84	5.84	6.89	8	7.72	7.87	8.34	8.59	8.85	9.12
Building activity										
Building permits issued	984	1,615	1,432	1,289	1,102	999	1,422	1,252	1,575	1,331
Number of residential units	24	40	51	119	57	54	66	132	39	56
Residential value (in thousands)	15,673	21,260	40,646	64,102	30,826	36,092	48,420	97,683	68,878	105,888
Commercial value (in thousands)	198	173	14,420	17,951	3,663	8,912	40,266	46,236	125,390	11,915
Parks and recreation										
Racquet club passes	3,304 (1)	5,037	7,038	7,893	7,922	7,067	7,415	7,859	8,476	12,218
Golf rounds	29,282	30,151	30,887	29,269	29,537	30,731	29,484	27,382	30,085	38,036
Library										
Total volumes borrowed	93,626	91,955	79,709 (2)	54,262 (2)	98,930 (3)	111,388	155,683 (4)	193,795 (4)	115,463	392,488 (7)
Circulation per capita	12	12	10	7	12	13	13	14	14	14
Transit										
Total route miles	1,111,456	1,113,567	1,116,067	986,500	1,065,755	1,141,405	1,924,148 (5)	2,159,537	1,942,609 (6)	1,311,564 (6)
Passengers	1,934,382	1,882,533	1,823,459	1,701,758	1,798,482	2,100,455	2,288,730 (5)	2,659,826	2,394,311 (6)	1,185,629 (6)

Sources: Various City departments.

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

- (1) New PC MARC facility opened in December 2011, resulting in a large increase in pass sales.
- (2) 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.
- (3) Significant increase in Library total volumes borrowed and circulation per capita in 2015 and 2016, was due to the completion of the Library renovation.
- (4) Significant increase in Library total volumes borrowed in 2018 due to a change in how electronic material was tracked (count now includes number of units instead of number of titles).
- (5) Significant increase in total route miles in 2018 was due to the addition of several new routes including the Kamas circulator.
- (6) Significant decrease is due to the COVID-19 pandemic. The City cut back on Transit routes and limited passenger numbers.
- (7) Significant increase is due the library joining a consortium that gives full access to statewide materials collections in digital format.

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

Function	Fiscal Year										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
City Area (sq. miles)	18	18	18	20	20	20	20	20	20	20	20
Police station	1	1	1	1	1	1	1	1	1	1	1
Transit buses	36	36	36	37	37	38	39	47	41	41	41
Public works											
Streets (lane miles)	111	111	126	126	126	126	126	128	128	128	130
Street lights	545	545	712	712	712	964	985	985	985	985	970
Water											
Fire hydrants	1,105	1,105	1,105	1,081	1,090	1,091	1,104	1,131	1,137	1,137	1,141
Water mains (miles)	131	132	135	137	140	142	142	142	142	142	144
Storage capacity (Tgal)	14,650	13,650	13,650	13,650	13,650	13,650	18,250	18,250	18,250	18,250	18,250
Recreation and culture											
Acreage	223	223	223	223	223	1,536 (1)	1,580	1,675 (3)	1,625 (4)	1,625 (4)	1,625
Parks	40	40	40	40	40	42	42	42	42	42	42
Covered picnic areas	4	4	4	4	4	6	6	6	6	6	6
Tennis courts	13	13	14	14	14	14	14	14	14	14	14
Soccer fields	6	6	6	6	6	6	6	6	6	6	6
Baseball diamonds	10	10	10	10	10	10	10	10	10	10	10
Library	1	1	1	1	1	1	1	1	1	1	1
Volumes in library	82,291	74,071	85,138	97,160	126,999	117,482	155,683 (2)	193,795 (2)	115,463 (5)	115,463 (5)	392,488 (6)
Golf course	1	1	1	1	1	1	1	1	1	1	1
Ice Rink	1	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) Bonanza Flat (1,350 acres) open space was purchased in fiscal year 2017.

(2) The Library changed the way they track electronic material, resulting in a more accurate number in fiscal year 2018 and 2019.

(3) Treasure Hill (105 acres) open space was purchased in fiscal year 2019.

(4) Bonanza Flat (55 acres) sold to Salt Lake City Corporation in fiscal year 2020. Armstrong Property (5 acres) purchased in fiscal year 2020.

(5) Significant decrease is due to the COVID-19 pandemic. Additionally, the library switched to curbside delivery for several months.

(6) Significant increase is due to joining a library consortium that gives full access to statewide materials collections in digital format.

Schedule 28

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

	Fiscal Year Ended June 30				
	2021	2020	2019(1)	2018	2017 (1)
ASSETS					
Cash, cash equivalents and investments held by city	\$ 110,483,787	\$ 91,143,933	\$ 68,768,707	\$ 66,635,201	\$ 64,906,033
Cash, cash equivalents and investments held by fiscal agent	37,681,751	71,929,505	30,394,766	11,398,912	6,380,142
Restricted cash, cash equivalents and investments, other	9,470,859	10,856,824	9,194,635 (5)	6,604,245	6,318,540
Receivables:					
Taxes	30,870,614	28,481,976	28,179,289	24,009,992	23,385,693
Accounts	10,915,585	15,297,972	11,479,937	9,079,648	11,928,740
Notes receivable	258,161	263,386	768,356	1,273,106	1,799,575
Inventories	1,064,127	935,683	864,724	794,366	665,040
Prepays	1,788,013	2,066,110	2,582,703	1,263,500	2,239,181
Assets held for resale	-	-	-	166,096	-
Capital assets not being depreciated:					
Land and water rights	266,062,802	266,062,802	264,361,177	200,070,570	178,027,967
Construction in progress	65,717,025	51,527,332	28,017,548 (5)	28,003,663	12,273,194
Art	926,239	917,603	889,333	839,333	827,833
Capital assets (net of accumulated depreciation):					
Right to use asset	3,254,198	3,338,722			
Buildings	62,002,012	50,598,244	49,424,165	46,155,763	43,758,490
Improvements other than buildings	86,770,848	77,590,523	79,765,683	82,480,502	82,274,536
Vehicles and equipment	23,553,590	23,505,583	25,690,978	23,770,469	23,909,704
Infrastructure	21,176,661	21,566,939	22,956,314	23,161,347	25,660,425
Intangibles	8,554,756	8,571,769	8,486,048	8,271,741	5,608,810
Net pension assets	581,540	-	-	3,365	3,713
Total assets	741,132,568	724,654,906	631,824,363	533,981,819	489,967,616
Deferred outflows of resources					
Deferred outflows of resources related to pensions	3,200,339	3,315,414	7,434,656	7,335,717	6,578,882
Total deferred outflows of resources	\$ 3,200,339	\$ 3,315,414	\$ 7,434,656	\$ 7,335,717	\$ 6,578,882
LIABILITIES					
Accounts payable	\$ 8,760,571	\$ 6,992,699	\$ 5,966,218	\$ 5,395,183	\$ 10,204,455
Accrued liabilities	7,251,284	7,210,548	4,221,062	3,174,630	2,674,359
Long-term debt due within one year:					
Compensated absences	945,902	992,375	913,654	525,320	534,198
Contracts payable	143,918	141,311	-	-	-
General obligation bonds	6,300,000	6,030,000	5,910,000	4,360,000	4,945,000
Revenue bonds	7,315,000	7,530,000	8,035,000	6,495,000	4,720,000
Long-term debt due in more than one year:					
Compensated absences	282,541	368,788	313,404	699,776	670,641
Contracts payable	2,895,756	3,039,674			
General obligation bonds	76,662,508	83,708,177	85,722,655	40,913,366	45,540,922
Revenue bonds	157,641,006	166,096,899	102,476,579	80,928,230	54,793,151
Net pension liability	1,787,303	7,174,185	14,568,026	7,780,234	11,020,794
Total liabilities	269,985,789	289,284,656	228,126,598	150,271,739	135,103,520
Deferred inflows of resources					
Property taxes	25,035,612	24,703,651	23,863,826	20,046,312	19,785,339
Deferred gain on refunding	488,747	704,659	500,262	217,783	321,672
Deferred inflows of resources related to pensions	7,370,876	4,155,340	514,445	6,025,822	1,803,202
Deferred inflows of resources - unavailable revenue	-	-	-	166,096	-
Total deferred inflows of resources	32,895,235	29,563,650	24,878,533	26,456,013	21,910,213
NET POSITION					
Net investment in capital assets	425,329,999	331,580,232	311,830,787 (5)	294,285,169	273,727,467
Restricted for:					
Capital projects	7,570,859	8,956,824	7,194,635	6,604,245 (4)	6,318,540
Other	58,940	58,940	58,940	57,571 (4)	59,674
Unrestricted	8,492,085	68,526,018	67,169,526 (5)	63,642,799 (4)	59,427,084
Total net position	\$ 441,451,883	\$ 409,122,014	\$ 386,253,888	\$ 364,589,784	\$ 339,532,765

Source: Information extracted from the City's fiscal years ended June 30, 2017 through 2021 general purpose financial statements.

Notes:

- (1) Restated.
- (2) Fiscal year 2017 - Capital asset adjustment, required restatement of fiscal year 2016.
- (3) Fiscal year 2018 - Capital asset adjustment, required restatement of fiscal year 2017.
- (4) Reclassified long-term debt related to net assets restricted for debt service and capital projects out of unrestricted net assets.
- (5) Fiscal year 2020 - Capital asset adjustment, required restatement of fiscal year 2019.

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INTERNAL CONTROL REPORT



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Independent Auditor’s 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 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 Park City Municipal Corporation (the “City”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated January 31, 2022.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 entity’s 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 or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 basic financial statements. 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*.

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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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

January 31, 2022