
OFFICIAL NOTICE OF BOND SALE
and
PRELIMINARY OFFICIAL STATEMENT



Park City, Utah

\$9,540,000*

General Obligation and Refunding Bonds, Series 2020

Electronic bids will be received up to 9:30:00 A.M., M.D.T., via the *PARITY*[®] electronic bid submission system, on Wednesday, April 15, 2020.

* Preliminary; subject to change.

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**OFFICIAL NOTICE OF BOND SALE
(Bond Sale To Be Conducted Electronically)**

PARK CITY, UTAH

\$9,540,000*

GENERAL OBLIGATION AND REFUNDING BONDS, SERIES 2020

Bids will be received electronically (as described under “PROCEDURES REGARDING ELECTRONIC BIDDING” below) by the City Manager of Park City, Utah (the “City”), via the PARITY[®] electronic bid submission system (“PARITY[®]”), at 9:30:00 a.m., Mountain Daylight Time, on Wednesday, April 15, 2020, for the purchase (all or none) of the City’s \$9,540,000 General Obligation and Refunding Bonds, Series 2020 (the “2020 Bonds”). Pursuant to a resolution of the City Council of the City (the “City Council”) adopted on March 5, 2020, the City Council has authorized the City Manager (or, in the event of his absence or incapacity, the City Treasurer, or in the event of her absence or incapacity, the Mayor), as the designated officer of the City (the “Designated Officer”), to review and consider the bids on Wednesday, April 15, 2020.

DESCRIPTION OF BONDS: The 2020 Bonds will be dated as of the date of issuance and delivery¹ thereof, will be issuable only as fully registered 2020 Bonds in book–entry form, and will be issued in denominations of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity. The 2020 Bonds will mature on May 1 of each of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT*	YEAR	PRINCIPAL AMOUNT*
2021	\$1,395,000	2029	\$ 280,000
2022	1,455,000	2030	290,000
2023	1,520,000	2031	305,000
2024	1,585,000	2032	315,000
2025	635,000	2033	325,000
2026	240,000	2034	335,000
2027	250,000	2035	<u>345,000</u>
2028	265,000	TOTAL	<u>\$9,540,000</u>

TERM BONDS AND MANDATORY SINKING FUND REDEMPTION AT BIDDER’S OPTION: The 2020 Bonds scheduled to mature on two or more of the above–designated maturity dates may be rescheduled, at bidder’s option, to mature as term 2020 Bonds on one or more dates within that period, in which event the 2020 Bonds will mature and be subject to mandatory sinking fund redemption in such amounts and on such dates as will correspond to the above–designated maturity dates and principal amounts maturing on those dates.

* Preliminary; subject to change.

¹ The anticipated date of delivery of the 2020 Bonds is Wednesday, May 6, 2020.

ADJUSTMENT OF PRINCIPAL AMOUNT OF THE BONDS: The City may adjust the amortization schedule such that the total proceeds available to the City (after payment of costs of issuance) will be approximately \$10,750,000. If the City elects to make such an adjustment, the amount of such adjustment will be allocated to increase or decrease the principal amount of the 2020 Bonds maturing on one or more of the above-designated maturity dates for the 2020 Bonds, all as determined by the Designated Officer, with the advice of Zions Public Finance, Inc., the Municipal Advisor to the City (the “*Municipal Advisor*”). The Designated Officer expects to advise the successful bidder as soon as possible, but expects no later than 2:00 p.m., Mountain Daylight Time, on the date of sale, of the amount, if any, by which the aggregate principal amount of the 2020 Bonds will be adjusted and the corresponding changes to the principal amount of the 2020 Bonds maturing on one or more of the above-designated maturity dates for the 2020 Bonds. Any such adjustment will be in an amount of \$5,000 or a whole multiple thereof. The City will consider the bid as having been made for the adjusted amount of the 2020 Bonds. The amount of the total purchase price for the 2020 Bonds bid by the successful bidder will be adjusted based upon the adjusted principal amount of the 2020 Bonds multiplied by a fraction, the numerator of which is the total purchase price for the 2020 Bonds specified in the bid and the denominator of which is \$9,540,000. Otherwise, there will be no change in the amount of the 2020 Bonds, the purchase price therefor or the principal amount of the 2020 Bonds maturing on the above-designated maturity dates.

To facilitate any adjustment in the principal amounts, the successful bidder is required to indicate to Zions Public Finance, Inc., the Municipal Advisor (the “*Municipal Advisor*”) to the City, via e-mail (brian.baker@zionsbancorp.com) within one-half hour of the time of bid opening, the amount of any original issue discount or premium on each maturity of the 2020 Bonds and the amount received from the sale of the 2020 Bonds to the public that will be retained by the successful bidder as its compensation.

RATINGS: The City will at its own expense pay fees of Moody’s Investors Service, Inc., S&P Global Ratings and Fitch Ratings for rating the 2020 Bonds.

PURCHASE PRICE: The purchase price bid for the 2020 Bonds shall not be less than 100% of the principal amount (\$9,540,000) of the 2020 Bonds.

INTEREST RATES: Bidders must specify the rate of interest with respect to each maturity of 2020 Bonds. Bidders will be permitted to bid different rates of interest for each separate maturity of 2020 Bonds, but:

- (a) the highest interest rate bid for any of the 2020 Bonds shall not exceed five percent (5.00%) per annum;
- (b) each interest rate specified in any bid must be in a multiple of one-eighth or one-twentieth of one percent (1/8th or 1/20th of 1%) per annum;
- (c) no 2020 Bond shall bear more than one rate of interest;

- (d) interest shall be computed from the dated date of a 2020 Bond to its stated maturity date at the single interest rate specified in the bid for the 2020 Bonds of such maturity;
- (e) the same interest rate shall apply to all 2020 Bonds maturing at one time;
- (f) the purchase price must be paid in immediately available funds and no bid will be accepted that contemplates the cancellation of any interest or the waiver of interest or other concession by the bidder as a substitute for immediately available funds;
- (g) any premium must be paid in the funds specified for the payment of the 2020 Bonds as part of the purchase price;
- (h) there shall be no supplemental interest coupons; and
- (i) interest shall be computed on the basis of a 360-day year of twelve 30-day months.

Interest will be payable semiannually on May 1 and November 1 of each year, commencing November 1, 2020.

BOND REGISTRAR AND PAYING AGENT; PLACE OF PAYMENT: Zions Bancorporation, National Association, Salt Lake City, Utah, will be the paying agent and bond registrar for the 2020 Bonds. The City may remove any paying agent and any bond registrar, and any successor thereto, and appoint a successor or successors thereto. So long as the 2020 Bonds are outstanding in book-entry form, the principal of and interest on the 2020 Bonds will be paid under the standard procedures of The Depository Trust Company (“DTC”).

REDEMPTION PROVISIONS: The 2020 Bonds maturing on or after May 1, 2031 are subject to redemption at the option of the City on May 1, 2030 (the “*First Redemption Date*”), and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as will be selected by the City, upon notice given as provided in the Resolution and described below, at a redemption price equal to 100% of the principal amount of the 2020 Bonds to be redeemed, plus accrued interest thereon to the redemption date. 2020 Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

SECURITY: The 2020 Bonds will be full general obligations of the City, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the City, fully sufficient to pay the same as to both principal and interest.

AWARD: Award or rejection of bids will be made by the City, acting through its Designated Officer, on Wednesday, April 15, 2020. The 2020 Bonds will be awarded to the responsible bidder offering to pay not less than the purchase price for the 2020 Bonds described above and specifying a rate or rates of interest that result in the lowest effective interest rate to the City. The effective interest rate to the City shall be the interest rate per annum determined on a per annum true interest cost (“*TIC*”) basis by discounting the scheduled semiannual debt service payments of the City on the 2020 Bonds (based on such rate or rates of interest so bid) to the dated date of the 2020 Bonds

(based on a 360-day year consisting of twelve 30-day months), compounded semiannually and to the bid price.

PROMPT AWARD: The Designated Officer will take action awarding the 2020 Bonds or rejecting all bids not later than 6:00 p.m. Mountain Daylight Time on April 15, 2020, unless such time of award is waived by the successful bidder.

NOTIFICATION: The Municipal Advisor, on behalf of the City, will notify the apparent successful bidder by telephone as soon as possible after the Designated Officer's receipt of bids, that such bidder's bid appears to be the best bid received which conforms to the requirements of this Official Notice of Bond Sale, subject to verification by the Designated Officer not later than 6:00 p.m. Mountain Daylight Time on Wednesday, April 15, 2020.

PROCEDURES REGARDING ELECTRONIC BIDDING: A prospective bidder must communicate its bid for the 2020 Bonds electronically via PARITY® on or before 9:30:00 a.m., Mountain Daylight Time, on Wednesday, April 15, 2020. No bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Official Notice of Bond Sale, the terms of this Official Notice of Bond Sale shall control. For further information about PARITY®, potential bidders may contact Zions Public Finance, Inc., the Municipal Advisor, at One South Main Street, 18th Floor, Salt Lake City, Utah 84133, telephone (801) 844-7373 or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

For purposes of PARITY®, the time as maintained by PARITY® shall constitute the official time.

Each prospective bidder shall be solely responsible to register to bid via PARITY® as described above. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access PARITY® for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the City nor i-Deal LLC shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the City nor i-Deal LLC shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The City is using PARITY® as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the 2020 Bonds.

FORM OF BID: Each bidder is required to transmit electronically via PARITY® an unconditional bid specifying the lowest rate or rates of interest and the purchase price, as described under "PURCHASE PRICE" above, at which the bidder will purchase the 2020 Bonds. Each bid must be for all the 2020 Bonds herein offered for sale.

For information purposes only, bidders are requested to state in their bids the effective interest rate for the 2020 Bonds represented on a TIC basis, as described under "AWARD" above, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of PARITY®; *provided, however,* that in the event a

prospective bidder cannot access PARITY® through no fault of its own, it may so notify the Municipal Advisor by telephone at (801) 844-7373. Thereafter, it may submit its bid by telephone to the Municipal Advisor at (801) 844-7373, who shall transcribe such bid into written form, or by facsimile transmission to the Municipal Advisor at (801) 844-4484, in either case before 9:30:00 a.m., Mountain Daylight Time, on Wednesday, April 15, 2020. For purposes of bids submitted telephonically to the Municipal Advisor (as described above) or by facsimile transmission (as described above), the time as maintained by PARITY® shall constitute the official time. Each bid submitted as provided in this paragraph must specify: (a) an offer to purchase not less than all of the 2020 Bonds; and (b) the lowest rate or rates of interest and the purchase price, as described under “PURCHASE PRICE” above, at which the bidder will purchase the 2020 Bonds. The Municipal Advisor will seal transcribed telephonic bids and facsimile transmission bids for submission to an official of the City. Neither the City nor the Municipal Advisor assume any responsibility or liability from the failure of any such transcribed telephonic bid or facsimile transmission (whether such failure arises from equipment failure, unavailability of telephone lines or otherwise). No bid will be received after the time for receiving such bids specified above.

If requested by the Municipal Advisor, the apparent successful bidder will provide written confirmation of its bid (by facsimile transmission) to the Municipal Advisor prior to 2:00 p.m., Mountain Daylight Time, on Wednesday, April 15, 2020.

RIGHT OF CANCELLATION: The successful bidder shall have the right, at its option, to cancel its obligation to purchase the 2020 Bonds if the City shall fail to execute the 2020 Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying its bid.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$100,000 (the “*Deposit*”), is required of the successful bidder only. The Deposit shall be payable to the order of the City in the form of a wire transfer in federal funds as instructed by the Municipal Advisor no later than 12:00 p.m., Mountain Daylight Time, on the date of sale. As an alternative to wiring funds, a bidder may deliver a cashier’s or certified check, payable to the order of the City, with its bid. If a check is used, it must precede each bid. Such check shall be promptly returned to its respective bidder whose bid is not accepted.

The City shall, as security for the faithful performance by the successful bidder of its obligation to take up and pay for the 2020 Bonds when tendered, cash the Deposit check, if applicable, of the successful bidder and hold the proceeds of the Deposit of the successful bidder or invest the same (at the City’s risk) in obligations that mature at or before the delivery of the 2020 Bonds as described under the caption “MANNER AND TIME OF DELIVERY” below, until disposed of as follows: (a) at such delivery of the 2020 Bonds and upon compliance with the successful bidder’s obligation to take up and pay for the 2020 Bonds, the full amount of the Deposit held by the City, without adjustment for interest, shall be applied toward the purchase price of the 2020 Bonds at that time, and the full amount of any interest earnings thereon shall be retained by the City; and (b) if the successful bidder fails to take up and pay for the 2020 Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the City as liquidated damages.

SALE RESERVATIONS: The City reserves the right: (a) to waive any irregularity or informality in any bid or in the electronic bidding process; (b) to reject any and all bids for the 2020 Bonds; and (c) to resell the 2020 Bonds as provided by law.

MANNER AND TIME OF DELIVERY: The successful bidder will be given at least seven (7) business days' advance notice of the proposed date of the delivery of the 2020 Bonds when that date has been determined. It is now estimated that the 2020 Bonds will be delivered in book-entry form on or about Wednesday, May 6, 2020. The 2020 Bonds will be delivered as a single 2020 Bond certificate for each maturity of the 2020 Bonds, registered in the name of DTC or its nominee. Delivery of the 2020 Bonds will be made in Salt Lake City, Utah, except that the successful bidder may at its option and expense designate some other place of delivery, that expense to include travel expenses of two City officials or two representatives of the City and closing expenses. The successful bidder must also agree to pay for the 2020 Bonds in federal funds that will be immediately available to the City in Park City, Utah, on the day of delivery.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the 2020 Bonds, but neither the failure to print such numbers on any 2020 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the 2020 Bonds in accordance with terms of the contract of sale. All expenses in relation to the providing of CUSIP numbers for the 2020 Bonds shall be paid for by the successful bidder.

TAX-EXEMPT STATUS: In the opinion of Farnsworth Johnson PLLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*"). In the further opinion of Bond Counsel, interest on the 2020 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2020 Bonds.

It is further the opinion of Bond Counsel that under the existing laws of the State of Utah, as presently enacted and construed, interest on the 2020 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the 2020 Bonds may result in other state and local tax consequences to certain taxpayers; Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2020 Bonds. Prospective purchasers of the 2020 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

ISSUE PRICE: In order to enable the City to comply with certain requirements of the Code, as amended, the successful bidder will be required to provide a certificate as to the "issue price" of the 2020 Bonds in substantially the form attached hereto as *Annex 1*. Each bidder, by submitting its bid, agrees to complete, execute and deliver such certificate, in form and substance satisfactory to Bond Counsel, by the date of delivery of the 2020 Bonds, if its bid is accepted by the City. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation or otherwise to ascertain the facts necessary to make

such certification. Any questions regarding the certificate should be directed to Farnsworth Johnson PLLC, Bond Counsel, telephone: (801) 510-6303, e-mail: brandon@farnsworthjohnson.com.

For purposes of federal tax issue price regulations, the City expects that the sale of the 2020 Bonds will qualify as a competitive sale. In the event that the competitive sale requirements are not satisfied, the City will advise the successful bidder. In that case, the City will treat the first price at which 10% of a maturity of the 2020 Bonds is sold to the public as the issue price of that maturity (the “10% Test”). The winning bidder shall advise the City which, if any, maturities of the 2020 Bonds satisfy the 10% Test as of the date of sale of the 2020 Bonds. The City will *not* require bidders to comply with the “hold-the-offering-price rule”.

In the event the competitive sale requirements are not satisfied, the successful bidder shall promptly report to the City the price for each maturity of the 2020 Bonds for which the 10% Test has been satisfied. This reporting obligation shall continue until the 10% Test has been satisfied for all maturities of the 2020 Bonds. If the 10% Test for any maturity of the 2020 Bonds has not been satisfied by the date of delivery of the 2020 Bonds, the successful bidder shall provide a “date down” certificate as to the “issue price” after the date of delivery of the 2020 Bonds when the 10% Test has been satisfied with respect to such maturity.

LEGAL OPINION AND CLOSING CERTIFICATES: The unqualified approving opinion of Farnsworth Johnson PLLC covering the legality of the 2020 Bonds will be furnished to the successful bidder. An opinion of the City Attorney and closing certificates will also be furnished, dated as of the date of delivery of and payment for the 2020 Bonds, including a statement that there is no litigation pending or, to the knowledge of the signer thereof, threatened affecting the validity of the 2020 Bonds.

DISCLOSURE CERTIFICATE: The closing papers will include a certificate executed by an officer of the City confirming to the successful bidder that, to the best of the knowledge of the signers thereof, and after reasonable investigation: (a) the Preliminary Official Statement (the “*Preliminary Official Statement*”) circulated with respect to the 2020 Bonds did not at the time of the acceptance of the bid contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (b) the final Official Statement (the “*Official Statement*”) did not as of its date and does not at the time of the delivery of the 2020 Bonds contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, should the Official Statement be supplemented or amended subsequent to the date thereof, the foregoing confirmation as to the Official Statement shall relate to the Official Statement as so supplemented or amended.

CONTINUING DISCLOSURE: The City covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “*Undertaking*”) to provide ongoing disclosure about the City for the benefit of the beneficial owners of the 2020 Bonds on or before the date of delivery of the 2020 Bonds as required under paragraph (b)(5) of Rule 15c2-12 (the “*Rule*”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Preliminary Official Statement, with such

changes as may be agreed upon in writing by the successful bidder. The City has not failed to comply in all material respects with each and every Undertaking previously entered into by it pursuant to the Rule.

The successful bidder's obligation to purchase the 2020 Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the 2020 Bonds.

DELIVERY OF COPIES OF OFFICIAL STATEMENT: The City shall deliver to the successful bidder on such business day as directed in writing by the successful bidder, which is not earlier than the second business day or later than the seventh business day after the award of the 2020 Bonds as described under the caption "AWARD" above, copies of the Official Statement in sufficient quantity, as directed in writing by the successful bidder, to comply with paragraph (b)(4) of the Rule and the Rules of the Municipal Securities Rulemaking Board.

After the original issuance and delivery of the 2020 Bonds, if any event relating to or affecting the City shall occur as a result of which it is necessary in the opinion of counsel for the successful bidder to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a prospective purchaser, the City shall, for so long as the successful bidder is obligated by the Rule to deliver an Official Statement to prospective purchasers, forthwith prepare and furnish to the successful bidder such information with respect to itself as the successful bidder deems necessary to amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, in the light of the circumstances existing at the time the Official Statement is delivered to a prospective purchaser.

MUNICIPAL ADVISOR: The City has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the 2020 Bonds, timing of sale, tax-exempt 2020 Bond market conditions, costs of issuance and other factors related to the sale of the 2020 Bonds.

WAIVER OF CONFLICTS: By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the 2020 Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

ADDITIONAL INFORMATION: For copies of this Official Notice of Bond Sale, the Preliminary Official Statement and information regarding the electronic bidding procedures and other related information, contact Brian Baker (brian.baker@zionsbancorp.com), Zions Public Finance, Inc., Zions Bank Building, One South Main Street, 18th Floor, Salt Lake City, Utah 84133, telephone: (801) 844-7373, fax: (801) 844-4484, the Municipal Advisor. The Preliminary Official Statement (including the Official Notice of Bond Sale) is also available at www.i-dealprospectus.com, www.munios.com, and www.munihub.com.

DATED April 8, 2020.

PARK CITY, UTAH

By /s/ Andy Beerman

Mayor

ANNEX 1

CERTIFICATE OF PURCHASER
(COMPETITIVE SALE REQUIREMENTS SATISFIED)

[TO BE DATED THE CLOSING DATE]

The undersigned is an officer of _____ (the “Purchaser”), and as such officer I hereby certify as follows:

1. On April 15, 2020 (the “Sale Date”) the Purchaser purchased the \$ _____ General Obligation and Refunding Bonds, Series 2020 (the “2020 Bonds”) of Park City, Utah (the “Issuer”) by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Sale” and having its bid accepted by the Issuer. The terms of the purchase have not been modified by the Purchaser since the Sale Date.

2. As of the Sale Date, the reasonably expected initial offering prices of the 2020 Bonds to the Public (defined below) are the prices shown on the inside cover page of the Official Statement, dated April 15, 2020, and related to the 2020 Bonds (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the maturities of the 2020 Bonds used by the Purchaser in formulating its bid to purchase the 2020 Bonds. Attached as *Schedule A* is a true and correct copy of the bid provided by the Purchaser to purchase the 2020 Bonds. “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than the Purchaser or a related party to the Purchaser.

3. The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

All terms not defined herein shall have the same meanings as in the tax certificate with respect to the 2020 Bonds, to which this Certificate is attached.

Very truly yours,

[PURCHASER]

By _____

Its _____

SCHEDULE A

COPY OF PURCHASER'S BID

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PRELIMINARY OFFICIAL STATEMENT



\$9,540,000*

Park City, Utah

General Obligation and Refunding Bonds, Series 2020

On Wednesday, April 15, 2020 up to 9:30:00 A.M., M.D.T., electronic bids will be received by means of the **PARITY**[®] electronic bid submission system. See the “OFFICIAL NOTICE OF BOND SALE—Procedures Regarding Electronic Bidding.”

The 2020 Bonds, as defined herein, will be awarded to the successful bidder(s) and issued pursuant to a resolution of Park City, Utah (the “City”), adopted on March 5, 2020.

The City has deemed this PRELIMINARY OFFICIAL STATEMENT final as of the date hereof, for purposes of paragraph (b)(1) of Rule 15c2–12 of the Securities and Exchange Commission, subject to completion with certain information to be established at the time of sale of the 2020 Bonds as permitted by the Rule.

For copies of the OFFICIAL NOTICE OF BOND SALE, the PRELIMINARY OFFICIAL STATEMENT, and other related information with respect to the 2020 Bonds contact the Municipal Advisor:



ZIONS PUBLIC FINANCE, INC.

One S Main St 18th Floor
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484
cara.bertot@zionsbancorp.com

This PRELIMINARY OFFICIAL STATEMENT is dated April 8, 2020, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

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PRELIMINARY OFFICIAL STATEMENT DATED APRIL 8, 2020

NEW ISSUE

Ratings: Fitch “AA+”; Moody’s “Aaa,” S&P “AA+”
See “MISCELLANEOUS—Bond Ratings” herein.

In the opinion of Farnsworth Johnson PLLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from taxes imposed by the Utah Individual Income Tax Act. In the further opinion of Bond Counsel, interest on the 2020 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2020 Bonds.

The 2020 Bonds are not “qualified tax-exempt obligations.”



\$9,540,000*

Park City, Utah

General Obligation and Refunding Bonds, Series 2020

The \$9,540,000* General Obligation and Refunding Bonds, Series 2020, are issued by the City as fully-registered bonds and will be initially issued in book-entry only form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2020 Bonds.

Principal of and interest on the 2020 Bonds (interest payable May 1 and November 1 of each year, commencing November 1, 2020) are payable by Zions Bancorporation, National Association, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, initially DTC. See “THE 2020 BONDS—Book-Entry System” herein.

The 2020 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See “THE 2020 BONDS—Redemption Provisions” and “—Mandatory Sinking Fund Redemption At Bidder’s Option” herein.

The 2020 Bonds are general obligations of the City payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all the taxable property in the City, fully sufficient to pay the 2020 Bonds as to both principal and interest.

Dated: Date of Delivery¹

Due: May 1, as shown on inside front cover

See the inside front cover for the maturity schedule of the 2020 Bonds

The 2020 Bonds will be awarded pursuant to competitive bidding received by means of the *PARITY*[®] electronic bid submission system on Wednesday, April 15, 2020 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated April 6, 2020).

Zions Public Finance, Inc., Salt Lake City, Utah, is acting as Municipal Advisor.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated April __, 2020 and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

¹ The anticipated date of delivery is Wednesday, May 6, 2020.

Park City, Utah

\$9,540,000*

General Obligation and Refunding Bonds, Series 2020

Dated: Date of Delivery¹

Due: May 1, as shown below

<u>Due May 1</u>	<u>CUSIP® 700246</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield/ Price</u>
2021.....		\$1,395,000		
2022.....		1,455,000		
2023.....		1,520,000		
2024.....		1,585,000		
2025.....		635,000		
2026.....		240,000		
2027.....		250,000		
2028.....		265,000		
2029.....		280,000		
2030.....		290,000		
2031.....		305,000		
2032.....		315,000		
2033.....		325,000		
2034.....		335,000		
2035.....		345,000		

\$ _____ % Term Bond due May 1, 20__ — Price of _____ %
(CUSIP®700246 __)

* Preliminary; subject to change.

¹ The anticipated date of delivery is Wednesday, May 6, 2020.

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2020 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by any of: Park City, Utah (the “City”); Zions Public Finance, Inc., Salt Lake City, Utah (as Municipal Advisor); Zions Bancorporation, National Association, Salt Lake City, Utah, (as Paying Agent); the State of Utah; the successful bidder(s); or any other entity. The information contained herein has been obtained from the City, The Depository Trust Company, New York, New York, the State of Utah, and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2020 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the City, since the date hereof.

The 2020 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

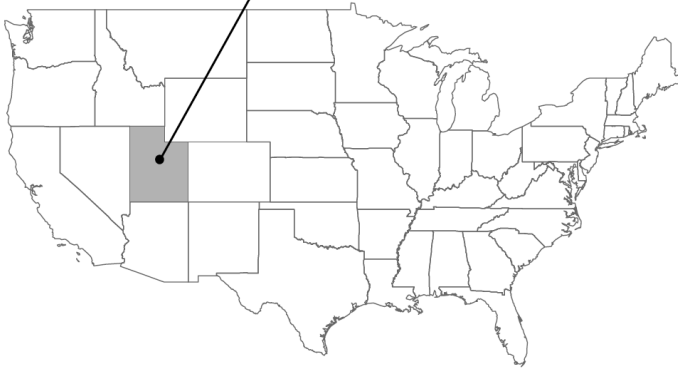
The yields/prices at which the 2020 Bonds are offered to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the successful bidder(s) may allow concessions or discounts from the initial offering prices of the 2020 Bonds to dealers and others. With any offering of the 2020 Bonds, the successful bidder(s) may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2020 Bonds. Such transactions may include overallocments in connection with the purchase of 2020 Bonds to stabilize their market price and to cover the successful bidder’s short positions. Such transactions, if commenced, may be discontinued at any time.

Forward-Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT may constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “project,” “forecast,” “expect,” “estimate,” “budget” or other similar words. ***The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.***

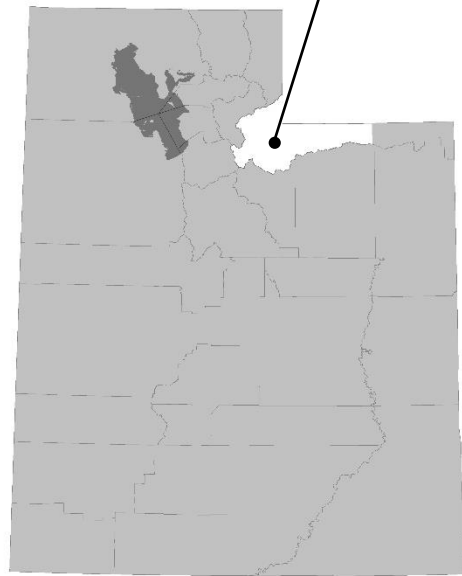
The CUSIP® (Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and the City does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® numbers are subject to being changed after the issuance of the 2020 Bonds because of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2020 Bonds.

The information available at websites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided relating to the offering of the 2020 Bonds and is not a part of this OFFICIAL STATEMENT.

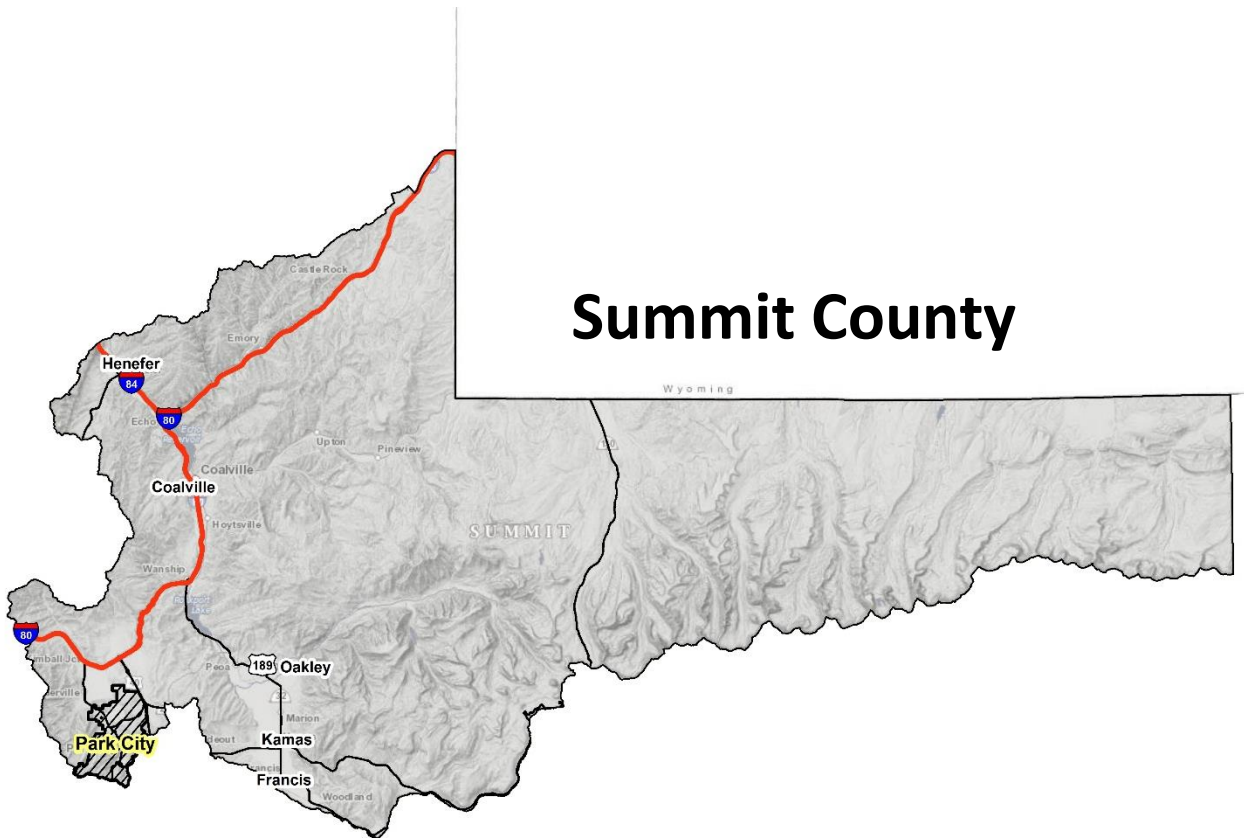
Utah



Summit County



Summit County



OFFICIAL STATEMENT RELATED TO

Park City, Utah

\$9,540,000*

General Obligation and Refunding Bonds, Series 2020

INTRODUCTION

This introduction is only a brief description of the 2020 Bonds, as hereinafter defined, the security and source of payment for the 2020 Bonds and certain information regarding Park City, Utah (the “City”). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT.

See the following appendices that are attached hereto and incorporated herein by reference: “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019;” “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL;” “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING;” and “APPENDIX D—BOOK-ENTRY SYSTEM.”

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] June 30, 20YY” shall refer to the year beginning on July 1 and ending on June 30 of the year indicated. When used herein the terms “Calendar Year[s] 20YY”; or “Calendar Year[s] End[ed][ing] December 31, 20YY” shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the Resolutions (as hereinafter defined).

Public Sale/Electronic Bid

The 2020 Bonds will be awarded pursuant to competitive bidding received by means of the *PARITY*[®] electronic bid submission system on Wednesday, April 15, 2020 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated April 8, 2020).

See the “OFFICIAL NOTICE OF BOND SALE” above.

Park City, Utah

The City, incorporated in 1884, covers an area of approximately 18 square miles and is in the southwest portion of Summit County (the “County”), approximately 30 miles east of Salt Lake City, Utah. A small portion of the City overlaps into Wasatch County. The City had 8,504 residents per the 2018 U.S. Census Bureau estimates. See “PARK CITY, UTAH” below.

* Preliminary; subject to change.

The 2020 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information about the issuance and sale by the City of its \$9,540,000* General Obligation and Refunding Bonds, Series 2020 (the “2020 Bonds” or the “2020 Bond”), initially issued in book–entry form.

Security

The 2020 Bonds are general obligations of the City payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all the taxable property in the City, fully sufficient to pay the 2020 Bonds as to both principal and interest. See “SECURITY AND SOURCES OF PAYMENT” and “FINANCIAL INFORMATION REGARDING PARK CITY, UTAH—Ad Valorem Tax Levy And Collection” below.

Authority for And Purpose Of The 2020 Bonds

Authorization. The 2020 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14 (the “Local Government Bonding Act”), Utah Code; the Registered Public Obligations Act, Title 15, Chapter 7, Utah Code; and the applicable provisions of Title 53A of the Utah Code; and the Utah Refunding Bond Act, Title 11, Chapter 27 (the “Refunding Bond Act”); (ii) resolution of the City adopted on March 5, 2020 (the “Resolution”), which provide for the issuance of the 2020 Bonds, and (iii) other applicable provisions of law.

The new money portion of the 2020 Bonds was authorized at a special bond election held for that purpose on November 6, 2018 (the “2018 Bond Election”). The proposition submitted to the voters of the City was as follows:

Shall Park City, Utah be authorized to issue general obligation bonds to acquire, improve and forever preserve open space, park and recreational land located in Treasure Hill and Armstrong/Snow Ranch Pasture in order to protect the conservation values thereof, to eliminate any future commercial or residential development, and to make limited improvements for public access, trailhead parking and use, in an amount not to exceed \$48,000,000 and to mature in no more than 16 years from the date or dates of such bonds?

At the 2018 Bond Election there were 3,315 votes cast in favor of the issuance of bonds and 931 votes cast against the issuance of bonds, for a total vote count of 4,246, with approximately 78.1% in favor of the issuance of bonds.

The 2020 Bonds will be the last block of bonds to be issued from the 2018 Bond Election. After the sale and delivery of the 2020 Bonds, the City will have used all authorized bonds from the 2018 Bond Election.

Purpose. Portions of the 2020 Bonds are being issued for financing the acquisition, improvement, and preservation of open space, park, and recreational land known as Armstrong/Snow Ranch Pasture and other projects as set forth in the 2018 Bond Election proposition and to pay certain costs of issuance. Portions of the 2020 Bonds are being issued to refund certain outstanding general obligation bonds previously issued by the City and pay certain costs of issuance. See “THE 2020 BONDS—Plan Of Refunding” and “Sources And Uses Of Funds” below.

Redemption Provisions

The 2020 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See “THE 2020 BONDS—Redemption Provisions” and “—Mandatory Sinking Fund Redemption At Bidder’s Option” below.

Registration, Denominations, Manner Of Payment

The 2020 Bonds are issuable only as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2020 Bonds. Purchases of 2020 Bonds will be made in book–entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC’s Direct Participants (as defined herein). Beneficial Owners (as defined herein) of the 2020 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2020 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined in “APPENDIX D—BOOK–ENTRY SYSTEM.”

Principal of and interest on the 2020 Bonds (interest payable May 1 and November 1 of each year, commencing November 1, 2020) are payable by Zions Bancorporation, National Association, Salt Lake City, Utah, as paying agent (the “Paying Agent”) for the 2020 Bonds, to the registered owners of the 2020 Bonds. So long as Cede & Co. is the registered owner of the 2020 Bonds, DTC will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2020 Bonds, as described in “APPENDIX D—BOOK–ENTRY SYSTEM.”

So long as DTC or its nominee is the registered owner of the 2020 Bonds, neither the City nor the Paying Agent will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2020 Bonds. *Under these same circumstances, references herein and in the Resolution to the “Bondowners” or “Registered Owners” of the 2020 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2020 Bonds.*

Tax Matters Regarding The 2020 Bonds

In the opinion of Farnsworth Johnson PLLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Bonds is excluded from gross income for federal income tax purposes under Section 03 of the Internal Revenue Code of 1986 and is exempt from taxes imposed by the Utah Individual Income Tax Act. In the further opinion of Bond Counsel, interest on the 2020 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2020 Bonds.

The 2020 Bonds are not “qualified tax–exempt obligations.”

See “TAX MATTERS” below for a more complete discussion.

Professional Services

In connection with the issuance of the 2020 Bonds, the following have served the City in the capacity indicated.

Bond Registrar and Paying Agent
Zions Bancorporation, National Association
One S Main St 12th Fl
Salt Lake City UT 84133–1109
801.844.8517 | f 855.547.5637
verena.critser@zionsbancorp.com

Bond Counsel
Farnsworth Johnson PLLC
180 N University Ave Ste 260
Provo UT 84601
801.932.0317
brandon@farnsworthjohnson.com

Municipal Advisor
Zions Public Finance Inc
One S Main St 18th Fl
Salt Lake City UT 84133-1109
801.844.7373 | f 801.844.4484
brian.baker@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner, And Place Of Delivery

The 2020 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s), subject to the approval of legality of the 2020 Bonds by Farnsworth Johnson PLLC, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the City by Mark D. Harrington, City Attorney. It is expected that the 2020 Bonds, in book-entry form, will be available for delivery to DTC or its agent, on or about Wednesday, May 6, 2020.

Continuing Disclosure Undertaking

The City will execute a continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2020 Bonds. For a detailed discussion of this undertaking, previous undertakings and timing of submissions see “CONTINUING DISCLOSURE UNDERTAKING” below and “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date and the information contained herein is subject to change. Brief descriptions of the City, the 2020 Bonds, and the Resolution is included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Resolution is qualified in their entirety by reference to such document and references herein to the 2020 Bonds are qualified in their entirety by reference to the form thereof included in the Resolution. The “basic documentation” which includes the Resolution, the closing documents and other documentation, authorizing the issuance of the 2020 Bonds and establishing the rights and responsibilities of the City and other parties to the transaction, may be obtained from the “contact persons” as indicated below.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Salt Lake City, Utah (the “Municipal Advisor”) to the City:

Brian Baker, Vice President, brian.baker@zionsbancorp.com
Cara Bertot, Vice President, cara.bertot@zionsbancorp.com

Zions Public Finance Inc
One S Main St 18th Floor
Salt Lake City UT 84133-1109
801.844.7373 | f 801.844.4484

(The remainder of this page has been intentionally left blank.)

As of the date of this OFFICIAL STATEMENT, the chief contact person for the City concerning the 2020 Bonds is:

Jed Briggs, Budget Operations & Strategic Planning Manager
jbriggs@parkcity.org

Park City Municipal Corporation
445 Marsac Ave
(P.O. Box 1480)
Park City, UT
435.615.5000 | f 801.852.6107

SECURITY AND SOURCES OF PAYMENT

The 2020 Bonds are general obligations of the City payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all the taxable property in the City, fully sufficient to pay the 2020 Bonds as to both principal and interest.

See “FINANCIAL INFORMATION REGARDING PARK CITY, UTAH—Ad Valorem Tax Levy And Collection” and “—Property Tax Matters” below.

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking For 2020 Bonds

The City will execute a Continuing Disclosure Undertaking (the “Disclosure Undertaking”) for the benefit of the Beneficial Owners of the 2020 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2–12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the form of Disclosure Undertaking in “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

During the five years prior to the date of this OFFICIAL STATEMENT, the City has not failed to comply in all material respects with its prior undertakings pursuant to the Rule.

The City will submit the Fiscal Year 2020 comprehensive annual financial report and other operating and financial information for the 2020 Bonds on or before January 1, 2021 (185 days from the end of the Fiscal Year), and annually thereafter on or before each January 1.

A failure by the City to comply with the Disclosure Undertaking will not constitute a default under the Resolution and the Beneficial Owners of the 2020 Bonds are limited to the remedies described in the Disclosure Undertaking. A failure by the City to comply with the annual disclosure requirements of the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2020 Bonds in the secondary market. Consequently, such a failure may adversely affect the marketability and liquidity of the 2020 Bonds and their market price.

THE 2020 BONDS

General

The 2020 Bonds will be dated the date of their original issuance and delivery¹ (the “Dated Date”) and will mature on May 1 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT.

The 2020 Bonds will bear interest from their Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2020 Bonds is payable semiannually on each May 1 and November 1, commencing November 1, 2020. Interest on the 2020 Bonds will be computed based on a 360-day year comprised of 12, 30-day months. Zions Bancorporation, National Association, Salt Lake City, Utah is the Bond Registrar (the initial “Bond Registrar”) and Paying Agent for the 2020 Bonds under the Resolution.

The 2020 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

The 2020 Bonds are being issued within the constitutional debt limit imposed on cities in the State. See “DEBT STRUCTURE OF PARK CITY, UTAH—General Obligation Legal Debt Limit And Additional Debt Incurring Capacity” below.

Plan Of Refunding

The City previously issued its \$13,500,000 General Obligation and Refunding Bonds, Series 2009 and its \$6,000,000 Taxable General Obligation Bonds, Series 2010B (Build America Bonds), currently outstanding in the aggregate principal amount of \$5,985,000 (the “2009 and 2010B Bonds”), the original proceeds of which were used for preserving open space within the City. Proceeds from the 2020 Bonds shall be used to refund the outstanding 2009 and 2010B Bonds maturing on and after May 1, 2021 (the “Refunded Bonds”) and to redeem the Refunded Bonds at a redemption price of 100% of the principal amount thereof on or about the date of delivery of the 2020 Bonds. The Refunded Bonds mature on the dates and in the amounts, and bear interest at the rates, as follows:

Scheduled Maturity (May 1)	Redemption Date	CUSIP 700246	Principal Amount	Interest Rate	Redemption Price
2021.....	May 6, 2020	EX5	\$ 880,000	3.65%	100%
2022.....	May 6, 2020	EY3	915,000	3.80	100
2023.....	May 6, 2020	EZ0	950,000	3.90	100
2024.....	May 6, 2020	FA4	<u>985,000</u>	4.00	100
Total.....			<u>\$3,730,000</u>		

Scheduled Maturity (May 1)	Redemption Date	CUSIP 700246	Principal Amount	Interest Rate	Redemption Price
2021.....	May 6, 2020	FM8	\$ 425,000	4.75%	100%
2022.....	May 6, 2020	FN6	435,000	4.85	100
2023.....	May 6, 2020	FP1	450,000	4.95	100
2024.....	May 6, 2020	FQ9	465,000	5.10	100
2025.....	May 6, 2020	FR7	<u>480,000</u>	5.25	100
Total.....			<u>\$2,255,000</u>		

¹ The anticipated date of delivery is Wednesday, May 6, 2020.

Registration And Transfer; Record Date

Registration and Transfer. In the event the book–entry system is discontinued, any 2020 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner’s duly authorized attorney, upon surrender of such 2020 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any 2020 Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new fully registered 2020 Bond or 2020 Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the City, for a like aggregate principal amount.

The 2020 Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully registered 2020 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the 2020 Bonds, the Bond Registrar will require the payment by the registered owner requesting such transfer or exchange any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2020 Bonds.

Record Date. The term “Record Date” means (i) with respect to each interest payment date, the day that is 15 days preceding such interest payment date, or if such day is not a business day for the Bond Registrar, the next preceding day that is a business day for the Bond Registrar, and (ii) with respect to any redemption of any 2020 Bond such Record Date as is specified by the Bond Registrar in the notice of redemption, provided that such Record Date will be not less than 15 calendar days before the mailing of such notice of redemption. The Bond Registrar will not be required to transfer or exchange any 2020 Bond (a) after the Record Date with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such 2020 Bond.

The City, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2020 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for receiving payment of, or on account of, the principal (on the 2020 Bonds) and interest due thereon and for all other purposes whatsoever.

Sources And Uses Of Funds

The proceeds from the sale of the 2020 Bonds are estimated to be applied as set forth below:

Sources of Funds:

Par amount of 2020 Bonds.....	\$
Original Issue Premium.....	
Total Sources.....	

Uses of Funds:

Deposit to project account.....	
Deposit to current refunding.....	
Underwriter's discount.....	
Original issue discount.....	
Cost of issuance (1).....	
Total Uses.....	<u>\$</u>

(1) Includes legal fees, Municipal Advisor fees, rating agency fees, Bond Registrar and Paying Agent fees, rounding amounts, and other miscellaneous costs of issuance.

(Source: Municipal Advisor.)

Redemption Provisions

Optional Redemption. The 2020 Bonds maturing on and after May 1, 2031 are subject to redemption prior to maturity in whole or in part at the option of the City on May 1, 2030 (the “First Redemption Date”) or on any date thereafter, from such maturities or parts thereof as shall be selected by the City, at the redemption price of 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, upon not less than 30 days’ prior written notice. 2020 Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

Selection for Redemption. If less than all 2020 Bonds of any maturity are to be redeemed, the 2020 Bonds or portion of 2020 Bonds of such maturity to be redeemed will be selected at random by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered 2020 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or a whole multiple thereof, and in selecting portions of such 2020 Bonds for redemption, the Bond Registrar will treat each such 2020 Bond as representing that number of 2020 Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such 2020 Bond by \$5,000.

Notice of Redemption. Notice of redemption will be given by the Bond Registrar by registered or certified mail, not less than 30 nor more than 45 days prior to the redemption date, to the owner, as of the Record Date, as defined under “THE 2020 BONDS—Registration And Transfer” below, of each 2020 Bond that is subject to redemption, at the address of such owner as it appears on the registration books of the City kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date. Each notice of redemption will state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the 2020 Bonds are to be redeemed, the distinctive numbers of the 2020 Bonds or portions of 2020 Bonds to be redeemed, and will also state that the interest on the 2020 Bonds in such notice designated for redemption will cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the 2020 Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date.

Each notice of optional redemption may further state that such redemption will be conditioned upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such 2020 Bonds to be redeemed and that if such moneys have not been so received the notice will be of no force or effect and the City will not be required to redeem such 2020 Bonds. If such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made and the Bond Registrar will within a reasonable time thereafter give notice, in the way the notice of redemption was given, that such moneys were not so received. Any such notice mailed will be conclusively presumed to have been duly given, whether the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any 2020 Bond will not affect the validity of the proceedings for redemption with respect to any other 2020 Bond.

In addition to the foregoing notice, further notice of such redemption will be given by the Bond Registrar to DTC and certain registered securities depositories and national information services as provided in the Resolution, but no defect in such further notice nor any failure to give all or any portion of such notice will in any manner affect the validity of a call for redemption if notice thereof is given as prescribed above and in the Resolution.

For so long as a book-entry system is in effect with respect to the 2020 Bonds, the Bond Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of 2020 Bonds. See “THE 2020 BONDS—Book-Entry System” below.

Mandatory Sinking Fund Redemption At Bidder’s Option

The 2020 Bonds may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See “OFFICIAL NOTICE OF BOND SALE—Term Bonds and Mandatory Sinking Fund Redemption at Bidder’s Option.”

Book–Entry System

DTC will act as securities depository for the 2020 Bonds. The 2020 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2020 Bond certificate will be issued for each maturity of the 2020 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See “APPENDIX D—BOOK–ENTRY SYSTEM” for a more detailed discussion of the book–entry system and DTC.

Debt Service On The 2020 Bonds

Payment Date	The 2020 Bonds		Period Total	Fiscal Total
	Principal*	Interest		
November 1, 2020.....	\$ 0.00			
May 1, 2021.....	1,395,000.00			
November 1, 2021.....	0.00			
May 1, 2022.....	1,455,000.00			
November 1, 2022.....	0.00			
May 1, 2023.....	1,520,000.00			
November 1, 2023.....	0.00			
May 1, 2024.....	1,585,000.00			
November 1, 2024.....	0.00			
May 1, 2025.....	635,000.00			
November 1, 2025.....	0.00			
May 1, 2026.....	240,000.00			
November 1, 2026.....	0.00			
May 1, 2027.....	250,000.00			
November 1, 2027.....	0.00			
May 1, 2028.....	265,000.00			
November 1, 2028.....	0.00			
May 1, 2029.....	280,000.00			
November 1, 2029.....	0.00			
May 1, 2030.....	290,000.00			
November 1, 2030.....	0.00			
May 1, 2031.....	305,000.00			
November 1, 2031.....	0.00			
May 1, 2032.....	315,000.00			
November 1, 2032.....	0.00			
May 1, 2033.....	325,000.00			
November 1, 2033.....	0.00			
May 1, 2034.....	335,000.00			
November 1, 2034.....	0.00			
May 1, 2035.....	<u>345,000.00</u>			
Totals.....	<u>\$9,540,000.00</u>			

*Preliminary; subject to change.

(Source: Municipal Advisor.)

PARK CITY, UTAH

General

The City, incorporated in 1884, covers an area of approximately 18 square miles and is in the southwest portion of the County, approximately 30 miles east of Salt Lake City, Utah. A small portion of the City overlaps into Wasatch County. The City had 8,504 residents per the 2018 U.S. Census Bureau estimates.

The County is situated in the north central portion of the State and is located approximately 10 miles east of Salt Lake City, Utah. Established in 1853, the County is bordered on the west by Salt Lake County and encompasses approximately 1,871 square miles of land. The County had approximately 41,933 residents per the 2018 U.S. Census Bureau estimates (and ranked as the 10th most populous county in the State out of 29 counties). The County seat is Coalville City.

The City's estimated 2018 permanent population significantly understates the scale of the City. The City has approximately 9,800 dwelling units including approximately 6,400 secondary residences. With an overnight rental capacity for approximately 28,275 persons, the City can accommodate a daytime population of approximately 50,000 people. For detailed general information regarding the City's local economy and economic trends see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Introductory Section—Introductory Letter" (CAFR page i).

Form Of Government

Cities of the fifth class, such as the City, are those with fewer than 10,000 and more than 1,000 inhabitants. The City is organized under general law and governed by a six-member council consisting of the Mayor (the "Mayor") and five councilmembers who are each elected to serve four-year terms (collectively, the "City Council"). The Mayor presides over all City Council meetings but may not vote, except in the case of a tie vote by the councilmembers and certain other circumstances specified under State law. The City Council has appointed a city manager to perform, execute and administrative duties and functions delegated by the City Council to the city manager.

The principal powers and duties of State municipalities are generally set forth in Utah Code Title 10, Chapter 8 and include the authority to pass all ordinances and rules, and make all regulations necessary for the safety and preserve the health, and promote the prosperity, improve the morals, peace and good order, comfort, and convenience of the city and its inhabitants, and for the protection of property in the city. Municipalities construct public improvements and maintain streets, sidewalks, and waterworks. Municipalities also regulate commercial and residential development within their boundaries by means of zoning ordinances, building codes and licensing procedures. Fire protection and water reclamation/sewers are provided by separate special service districts of Summit County.

Organizations which are related to the City and are controlled by or financially accountable to the City's governing body, the City Council, are: The Park City Municipal Building Authority, the Park City Redevelopment Agency, Park City Water Service District, and the Park City Housing Authority. The City Council is the appointed board for all four agencies.

The current members of the City Council, the Mayor and the City administration have the following respective terms in office:

<u>Office/District</u>	<u>Person</u>	<u>Years of Service</u>	<u>Expiration of Term</u>
Mayor (1)	Andy Beerman	2	January 2022
Council Member	Rebecca Gerber	4	January 2024
Council Member	Tim Henney	6	January 2022
Council Member	Steve Joyce	2	January 2022
Council Member	Max Doilney	1	January 2024
Council Member	Nann Worel	4	January 2024
City Manager	Matthew Dias	1	Appointed
City Attorney	Mark D. Harrington	19	Appointed
City Recorder	Michelle Kellogg	4	Appointed
City Treasurer	Sara Nagel	1	Appointed
Budget Operations & Strategic Planning Manager (2)			
	Jed Briggs	8	n/a
Finance Manager (3)			
	Mindy Finlinson	1	n/a

- (1) Mayor Beerman served as a City Council member for five years prior to serving as Mayor.
 (2) Mr. Briggs worked in the budget office for six years prior to serving as the Budget Operations & Strategic Planning Manager.
 (3) Ms. Finlinson served as City Treasurer for two years prior to serving as Finance Manager.
 (Source: The City, compiled by the Municipal Advisor.)

Employee Workforce And Retirement System; Other Post–Employment Benefits

Employee Workforce and Retirement System. The City employed approximately 424 full–time equivalent employees as of Fiscal Year 2019. For a 10–year Fiscal Year history of the City’s full–time employment numbers see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019–Statistical Section–Schedule 22–Full–time Equivalent City Government Employees by Function” (CAFR page 128).

The City participates in cost–sharing multiple employer defined benefit pension plans covering public employees of the State and employees of participating local government entities administered by the Utah State Retirement Systems (“URS”). The retirement system provides retirement benefits, a deferred compensation plan, annual cost of living adjustment and death benefits to plan members and beneficiaries in accordance with retirement statutes.

For a detailed discussion regarding retirement benefits and contributions see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019–Notes to the Financial Statements–Note F. Retirement Plans” (CAFR page 66) and “–Note G. Defined Contribution Plans” (CAFR page 77).

No Post–Employment Benefits. The City has no post–employment benefit liabilities.

Risk Management And Cybersecurity

The City insures its comprehensive general liability risks with insurance policies. The City has various deductible amounts with various insurance policies at replacement cost. As of the date of this OFFICIAL STATEMENT, all policies are current and in force. The City believes its risk management policies and coverages are normal and within acceptable coverage limits for the type of services the City provides. See “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH

FOR FISCAL YEAR 2019–Notes to the Financial Statements–Note K. Risk Management” (CAFR page 79) and “–Statistical Section–Schedule 28–Schedule of Insurance in Force” (CAFR page 134).

Cybersecurity. The City’s insurance covers cybersecurity. The City has implemented policy measures to help offset any financial risks that may result from a cybersecurity breach. As with all risks to which the City is exposed, loss or breach can result in legal and/or regulatory claims. The City’s comprehensive insurance policies are in place to protect the City in those circumstances.

Investment Of Funds

The State Money Management Act. The State Money Management Act, Title 51, Chapter 7 of the Utah Code (the “Money Management Act”), governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in–state and permitted out–of–state financial institutions, obligations of the State and political subdivisions of the State, U.S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. The Money Management Act establishes the State Money Management Council (the “Money Management Council”) to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The City is currently complying with all the provisions of the Money Management Act for all City operating funds.

The Utah Public Treasurers’ Investment Fund. A significant portion of City funds may be invested in the Utah Public Treasurers Investment Fund (“PTIF”). The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short–term corporate notes, and obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer’s safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor. The PTIF is not rated.

See “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019–Notes to the Financial Statements–Note B. Cash, Cash Equivalents and Investments” (CAFR page 49).

Investment of 2020 Bond Proceeds. Certain proceeds of the 2020 Bonds will be held by the City and invested to be readily available. The 2020 Bond proceeds may also be invested in the PTIF or other investments authorized under the Money Management Act.

Population

	<u>The City</u>	<u>% Change from Prior Year</u>	<u>The County</u>	<u>% Change from Prior Year</u>
2018 Estimate.....	8,504	12.5	41,933	15.4
2010 Census.....	7,558	2.5	36,324	22.2
2000 Census.....	7,371	65.0	29,736	91.6
1990 Census.....	4,468	58.3	15,518	52.2
1980 Census.....	2,823	136.6	10,198	73.5
1970 Census.....	1,193	(12.7)	5,879	3.6
1960 Census.....	1,366	(39.4)	5,673	(15.9)
1950 Census.....	2,254	(39.7)	6,745	(13.7)
1940 Census.....	3,739	(12.7)	7,814	(18.0)
1930 Census.....	4,281	26.2	9,527	21.2
1920 Census.....	3,393	(1.3)	7,862	(4.1)
1910 Census.....	3,439	(8.5)	8,200	(13.1)

(Source: U.S. Department of Commerce, Bureau of the Census.)

For the City’s presentation of population statics see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Statistical Section—Schedule 23. Population Statistics” (CAFR page 129).

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Employment, Income, Construction, and Sales Taxes Within Park City, Summit County, and the State of Utah

Labor Force, Nonfarm Jobs, and Wages within Summit County

	Calendar Year (1)						% Change				
	2019	2018	2017	2016	2015	2014	2018-19	2017-18	2016-17	2015-16	2014-15
Civilian labor force (2).....	23,620	22,746	24,597	23,964	23,120	22,543	(1.7)	(7.5)	2.6	3.7	2.6
Employed persons.....	22,856	22,004	23,839	23,212	22,355	21,769	(1.3)	(7.7)	2.7	3.8	2.7
Unemployed persons.....	764	742	758	752	765	774	(11.3)	(2.1)	0.8	(1.7)	(1.2)
Total private sector (average).....	23,074	22,163	24,018	23,662	22,616	21,656	4.3	(7.7)	1.5	4.6	4.4
Agriculture, forestry, fishing and hunting.....	21	29	32	67	81	64	(22.2)	(9.4)	(52.2)	(17.3)	26.6
Mining.....	70	96	76	52	74	79	(27.1)	26.3	46.2	(29.7)	(6.3)
Utilities.....	43	44	47	48	48	44	(2.3)	(6.4)	(2.1)	0.0	9.1
Construction.....	1,870	1,786	1,665	1,542	1,568	1,343	4.9	7.3	8.0	(1.7)	16.8
Manufacturing.....	862	836	795	773	790	779	3.0	5.2	2.8	(2.2)	1.4
Wholesale trade.....	375	361	319	214	235	280	4.2	13.2	49.1	(8.9)	(16.1)
Retail trade.....	3,330	3,398	3,511	3,647	3,571	3,485	(2.1)	(3.2)	(3.7)	2.1	2.5
Transportation and warehousing.....	288	191	404	453	439	408	50.8	(52.7)	(10.8)	3.2	7.6
Information.....	434	393	327	350	314	289	11.3	20.2	(6.6)	11.5	8.7
Finance and insurance.....	479	448	488	473	479	450	7.2	(8.2)	3.2	(1.3)	6.4
Real estate, rental and leasing.....	1,313	1,232	1,250	1,313	1,317	1,320	7.1	(1.4)	(4.8)	(0.3)	(0.2)
Professional, scientific, and technical services.....	1,441	1,485	1,329	1,281	1,185	1,087	(2.5)	11.7	3.7	8.1	9.0
Management of companies and enterprises.....	241	229	280	259	251	186	5.2	(18.2)	8.1	3.2	34.9
Admin., support, waste mgmt., remediation.....	938	943	941	966	845	797	0.1	0.2	(2.6)	14.3	6.0
Education services.....	351	315	327	408	428	376	11.4	(3.7)	(19.9)	(4.7)	13.8
Health care and social assistance.....	1,543	1,477	1,487	1,406	1,271	1,183	4.6	(0.7)	5.8	10.6	7.4
Arts, entertainment and recreation.....	2,655	2,661	3,636	3,617	3,304	3,276	(0.1)	(26.8)	0.5	9.5	0.9
Accommodation and food services.....	6,055	5,432	6,353	6,101	5,819	5,612	11.8	(14.5)	4.1	4.8	3.7
Other services.....	785	836	784	720	639	636	(6.1)	6.6	8.9	12.7	0.5
Total public sector (average).....	3,051	2,986	2,891	2,841	2,772	2,701	1.8	3.3	1.8	2.5	2.6
Federal government.....	58	50	55	56	55	57	16.0	(9.1)	(1.8)	1.8	(3.5)
State government.....	114	118	164	161	161	160	(10.9)	(28.0)	1.9	0.0	0.6
Local government.....	2,879	2,818	2,673	2,624	2,556	2,484	2.2	5.4	1.9	2.7	2.9
Total payroll (in millions) (2).....	\$ 301	\$ 288	\$ 1,189	\$ 1,099	\$ 1,043	\$ 936	4.5	8.4	8.1	5.4	11.5
Average monthly wage.....	\$ 3,839	\$ 3,821	\$ 3,681	\$ 3,456	\$ 3,424	\$ 3,202	0.6	8.1	6.5	0.9	6.9
Average employment.....	26,125	25,149	26,909	26,503	25,388	24,356	4.0	0.2	1.5	4.4	4.2
Establishments.....	2,946	2,882	2,793	2,684	2,605	2,526	2.8	3.8	4.1	3.0	3.1

(1) Utah Department of Workforce Services.

(2) For the year 2019, information as of the second quarter; comparison made to second quarter 2018

(3) For the year of 2019, information as of the second quarter; comparison made to second quarter 2018.

Employment, Income, Construction, and Sales Taxes Within Park City, Summit County, and the State of Utah—continued

Personal Income; Per Capita Personal Income; Median Household Income within Summit County and the State of Utah (1)

	Calendar Year						% change from prior year				
	2018	2017	2016	2015	2014	2013	2017–18	2016–17	2015–16	2014–15	2013–14
Total Personal Income (in \$1,000's):											
Summit County.....	\$ 5,518.6	\$ 5,118.8	\$ 4,740.8	\$ 4,465.3	\$ 3,823.3	\$ 3,604.3	7.81	8.0	6.2	16.8	6.1
State of Utah.....	146,422.5	136,543.7	128,929.4	121,884.9	113,140.9	106,427.2	7.23	5.9	5.8	7.7	6.3
Total Per Capita Personal Income:											
Summit County.....	131,606	123,795	117,039	112,627	97,737	93,811	6.31	5.8	3.9	15.2	4.2
State of Utah.....	46,320	44,002	42,375	40,867	38,517	36,725	5.27	3.8	3.7	6.1	4.9
Median Household Income:											
Summit County.....	100,453	94,952	94,540	93,235	92,560	81,907	5.79	0.4	1.4	0.7	13.0
State of Utah.....	68,374	65,325	65,931	64,097	60,943	59,715	4.67	(0.9)	2.9	5.2	2.1

Construction within Park City, Utah (2)

	Calendar Year						% change from prior year				
	2019	2018	2017	2016	2015	2014	2018–19	2017–18	2016–17	2015–16	2014–15
Number new dwelling units.....	52.0	97.0	21.0	105.0	104.0	72.0	(72.6)	592.9	(80.0)	1.0	44.4
New (in \$1,000's):											
Residential value.....	\$ 26,580.3	\$ 66,242.1	\$ 14,174.9	\$ 48,532.4	\$ 54,874.4	\$ 51,786.7	(62.5)	584.0	(70.8)	(11.6)	6.0
Non-residential value.....	9,389.2	49,654.2	34,935.6	5,295.8	18,352.1	19,263.2	(81.2)	340.1	559.7	(71.1)	(4.7)
Additions, alterations, repairs (in \$1,000's):											
Residential value.....	17,167.7	30,657.9	16,118.8	44,487.3	27,659.5	34,171.9	(45.2)	135.2	(63.8)	60.8	(19.1)
Non-residential value.....	3,203.8	8,124.3	43,777.7	8,086.6	31,743.8	41,710.2	(61.5)	(53.2)	441.4	(74.5)	(23.9)
Total construction value (in \$1,000's).....	<u>\$ 56,340.80</u>	<u>\$ 154,678.5</u>	<u>\$ 109,007.0</u>	<u>\$ 106,402.1</u>	<u>\$ 132,629.8</u>	<u>\$ 146,932.0</u>	(65.1)	201.2	2.4	(19.8)	(9.7)

Sales Taxes Within Park City, Summit County, and the State of Utah (4)

	Calendar Year						% change from prior year				
	2018	2017	2016	2015	2014	2013	2017–18	2015–16	2014–15	2013–14	2012–13
Gross Taxable Sales (in \$1,000's):											
Park City.....	\$ 1,017,175	\$ 969,124	\$ 884,380	\$ 824,238	\$ 746,910	\$ 689,908	5.0	9.6	7.3	10.4	8.3
Summit County.....	2,102,915	2,002,072	1,869,420	1,743,687	1,570,920	1,469,760	5.0	7.1	7.2	11.0	6.9
State of Utah.....	64,982,524	61,031,692	56,502,434	53,933,277	51,709,163	49,404,046	6.5	8.0	4.8	4.3	4.7
	Fiscal Year						% change from prior year				
	2018	2017	2016	2015	2014	2013	2016–17	2015–16	2014–15	2013–14	2012–13
Local Sales and Use Tax Distribution:											
Park City.....	\$ 5,869,946	\$ 5,557,742	\$ 5,148,224	\$ 4,707,996	\$ 4,344,792	\$ 4,169,274	5.6	8.0	9.4	8.4	4.2
Summit County (and all cities).....	13,864,715	13,425,610	12,594,267	11,558,616	10,773,646	10,130,250	3.3	6.6	9.0	7.3	6.4

- (1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.
- (2) University of Utah Kem C. Gardner Policy Institute, Ivory-Boyer Utah Report and Database.
- (3) Utah State Tax Commission.

Largest Employers In The County

Major employers (over 100 employees) in the County area include:

<u>Firm</u>	<u>Business</u>	<u>Employees</u>
Deer Valley Resort.....	Other amusement and recreation industries	2,000–3,000
Park City Mountain Resort.....	Other amusement and recreation industries	1,000–2,000
Park City School District.....	Elementary and secondary schools	500–1,000
Park City Municipal Corp.....	Local government	500–1,000
Park City Surgical Center.....	Offices of physicians	500–1,000
Montage Hotels & Resorts.....	Traveler accommodation	250–500
Stein Ericksen Lodge.....	Traveler accommodation	250–500
Summit County.....	Executive, legislative, and other general govt.	250–500
Resort Express, Inc.....	Taxi and limousine service	250–500
South Summit School District.....	Elementary and secondary schools	250–500
Promontory Development.....	Other amusement and recreation industries	100–250
Dakota Mountain Lodge.....	Traveler accommodation	100–250
Backcountry.Com.....	Electronic shopping and mail-order houses	100–250
Triumph Gear Systems.....	Aerospace product and parts manufacturing	100–250
North Summit School District.....	Elementary and secondary schools	100–250
Resort Express, Inc. Debto I.....	Taxi and limousine service	100–250
Wal-Mart.....	Other general merchandise stores	100–250
Cfi Resorts Management.....	Lessors of real estate	100–250
Smith’s Food & Drug.....	Grocery stores	100–250
Utah Athletic Foundation.....	Promoters of performing arts, sports, and similar	100–250
State of Utah.....	Justice, public order, and safety activities	100–250
Squatters Roadhouse Grill.....	Restaurants and other eating places	100–250
Jan’s Ltd.....	Sporting goods, hobby, and musical instruments	100–250
Park City Fire Service.....	Justice, public order, and safety activities	100–250
Marriott Resorts.....	Traveler accommodation	100–250
Hotel Park City.....	Traveler accommodation	100–250
The Home Depot.....	Building material and supplies dealers	100–250
Skullcandy.....	Audio and video equipment manufacturing	100–250
Snyderville Basin Special Rec District.....	Museums, historical sites, and similar institutions	100–250
Fresh Market.....	Grocery stores	100–250

(Source: Utah Department of Workforce Services. Updated September 2018.)

For additional demographic, economic, and principal employers as of the City’s historical Fiscal Years see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Statistical Section—Schedule 20. Demographic and Economic Statistics” (CAFR page 126) and “—Schedule 21. Principal Employers” (CAFR page 127).

Rate Of Unemployment—Annual Average

<u>Year</u>	<u>The County</u>	<u>State of Utah</u>	<u>United States</u>
2019 (1).....	2.1%	2.3%	3.5%
2018.....	2.9	3.2	3.9
2017.....	3.1	3.2	4.4
2016.....	3.3	3.4	4.9
2015.....	3.3	3.6	5.3

(1) Preliminary, subject to change. As of December 2019 (seasonally adjusted).

(Source: Utah Department of Workforce Services.)

DEBT STRUCTURE OF PARK CITY, UTAH

Outstanding General Obligation Bonded Indebtedness

As of the date of this OFFICIAL STATEMENT, the City has outstanding the following general obligation bonds:

<u>Series (1)</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2020 (a)	Open space/refunding	\$ 9,540,000*	May 1, 2035	\$ 9,540,000*
2019	Open space/refunding	48,290,000	February 1, 2034	48,290,000
2017	Open space	25,000,000	February 1, 2032	22,155,000
2013A.....	Walkability	7,170,000	May 1, 2028	4,650,000
2010B (2) (3).....	Open space	6,000,000	May 6, 2020 (4)	410,000
2009 (3).....	Open space/refunding	13,500,000	May 6, 2020 (4)	850,000
Total.....				<u>\$85,895,000*</u>

* Preliminary; subject to change.

- (a) For purposes of this OFFICIAL STATEMENT the 2020 Bonds will be considered issued and outstanding.
- (1) Unless otherwise indicated, rated “AA+” by Fitch Ratings (“Fitch”); “Aaa” by Moody’s Investors Service, Inc. (“Moody’s”); and “AA+” by S&P Global Ratings (“S&P”), as of the date of this OFFICIAL STATEMENT.
- (2) Federally taxable, originally 35% issuer subsidy (direct pay), “Build America Bonds”.
- (3) These bonds to be called and retired by the 2020 Bonds.
- (4) Final maturity date after bonds are called and retired by the 2020 Bonds.

(Source: Municipal Advisor.)

Outstanding Sales Tax Revenue Bonded Indebtedness

As of the date of this OFFICIAL STATEMENT, the City has outstanding the following sales tax revenue bonds:

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2019 (1).....	Various	\$26,775,000	December 15, 2033	\$25,525,000
2017 (1).....	Various	31,940,000	June 15, 2032	28,275,000
2015 (1).....	Various	11,600,000	June 15, 2030	9,035,000
2014B (2).....	Various	5,375,000	June 15, 2029	5,375,000
2014A (1).....	Refunding	6,725,000	June 15, 2021	2,090,000
Total.....				<u>\$70,300,000</u>

(1) Rated “AA-” by S&P, as of the date of this OFFICIAL STATEMENT.

(2) Rated “AA” (Municipal Assurance Corp. insured; underlying “AA-”) by S&P, as of the date of this OFFICIAL STATEMENT.

(Source: Municipal Advisor.)

Outstanding Water Revenue Bonded Indebtedness

As of the date of this OFFICIAL STATEMENT, the City has outstanding the following water revenue bonds:

Series (1)	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2014	Water	\$ 4,115,000	June 15, 2026	\$ 4,115,000
2013A.....	Refunding	2,830,000	December 15, 2025	1,500,000
2012B.....	Water and refunding	5,525,000	December 15, 2027	5,525,000
2012	Water	4,160,000	June 15, 2027	2,495,000
2010	Water	12,200,000	December 15, 2024	4,945,000
2009C.....	Water	10,135,000	June 15, 2024	10,135,000
2009A (2)	Water (taxable)	2,500,000	July 15, 2029	<u>1,250,000</u>
Total.....				<u>\$29,965,000</u>

(1) Unless otherwise indicated, rated “Aa2” by Moody’s and “AA” by S&P, as of the date of this OFFICIAL STATEMENT.

(2) Not rated; no rating applied for. These bonds were privately placed. These bonds bear no interest and are federally taxable.

Other Financial Considerations

Future issuance of debt. The City may issue approximately \$90 million of water revenue bonds for a water treatment facility in 2020 and over the next three to four years. The City may issue approximately \$50 million in sales tax revenue bonds in 2021 for an arts and culture project as discussed above.

Conduit Debt. From time to time the City may issue conduit debt for private business. See “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Notes to the Financial Statements—Note P. Conduit Debt” (CAFR page 82). The City has only limited liability for these bond issues.

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Debt Service Schedule of Outstanding General Obligation Bonds By Fiscal Year

Fiscal Year Ending June 30	Series 2020 \$9,540,000*		Series 2019 \$48,290,000		Series 2017 \$25,000,000		Series 2014 (1) \$3,385,000		Series 2013A \$7,170,000	
	Principal*	Interest (a)	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,280,000	\$961,550	\$ 725,000	\$ 14,500	\$ 440,000	\$ 138,213
2020.....	0	0	2,860,000	2,014,771	1,335,000	910,350	-	-	455,000	129,413
2021.....	1,395,000	438,326	2,795,000	2,081,900	1,385,000	843,600	-	-	465,000	120,313
2022.....	1,455,000	374,750	2,945,000	1,942,150	1,440,000	774,350	-	-	480,000	109,850
2023.....	1,520,000	302,000	3,090,000	1,794,900	1,500,000	702,350	-	-	500,000	97,850
2024.....	1,585,000	226,000	3,245,000	1,640,400	1,560,000	627,350	-	-	515,000	84,100
2025.....	635,000	146,750	3,405,000	1,478,150	1,625,000	549,350	-	-	530,000	69,938
2026.....	240,000	115,000	2,730,000	1,307,900	1,685,000	468,100	-	-	550,000	54,038
2027.....	250,000	103,000	2,870,000	1,171,400	1,755,000	383,850	-	-	565,000	37,538
2028.....	265,000	90,500	3,015,000	1,027,900	1,825,000	296,100	-	-	590,000	19,175
2029.....	280,000	77,250	3,165,000	877,150	1,900,000	241,350	-	-	-	-
2030.....	290,000	63,250	3,320,000	718,900	1,975,000	184,350	-	-	-	-
2031.....	305,000	48,750	3,490,000	552,900	2,055,000	125,100	-	-	-	-
2032.....	315,000	39,600	3,625,000	413,300	2,115,000	63,450	-	-	-	-
2033.....	325,000	30,150	3,810,000	232,050	-	-	-	-	-	-
2034.....	335,000	20,400	3,925,000	117,750	-	-	-	-	-	-
2035.....	345,000	10,350	-	-	-	-	-	-	-	-
Totals.....	<u>\$ 9,540,000</u>	<u>\$ 2,086,076</u>	<u>\$ 48,290,000</u>	<u>\$ 17,371,521</u>	<u>\$ 23,435,000</u>	<u>\$ 7,131,200</u>	<u>\$ 725,000</u>	<u>\$ 14,500</u>	<u>\$ 5,090,000</u>	<u>\$ 860,425</u>

Fiscal Year Ending June 30	Series 2010B \$6,000,000		Series 2009 \$13,500,000		Totals		
	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
2019.....	\$ 400,000	\$ 149,135	\$ 820,000	\$ 200,575	\$ 3,665,000	\$ 1,463,973	\$ 5,128,973
2020.....	410,000	133,335	850,000	175,515	5,910,000	1,348,613	7,258,613
2021.....	0	0 (2)	0	0 (2)	6,040,000	1,402,239	7,442,239
2022.....	0	0 (2)	0	0 (2)	6,320,000	1,258,950	7,578,950
2023.....	0	0 (2)	0	0 (2)	6,610,000	1,102,200	7,712,200
2024.....	0	0 (2)	0	0 (2)	6,905,000	937,450	7,842,450
2025.....	0	0 (2)	0	0 (2)	6,195,000	766,038	6,961,038
2026.....	-	-	-	-	5,205,000	637,138	5,842,138
2027.....	-	-	-	-	5,440,000	524,388	5,964,388
2028.....	-	-	-	-	5,695,000	405,775	6,100,775
2029.....	-	-	-	-	5,345,000	318,600	5,663,600
2030.....	-	-	-	-	5,585,000	247,600	5,832,600
2031.....	-	-	-	-	5,850,000	173,850	6,023,850
2032.....	-	-	-	-	6,055,000	103,050	6,158,050
2033.....	-	-	-	-	4,135,000	30,150	4,165,150
2034.....	-	-	-	-	4,260,000	20,400	4,280,400
2035.....	-	-	-	-	345,000	10,350	355,350
Totals.....	<u>\$ 810,000</u>	<u>\$ 282,470</u>	<u>\$ 1,670,000</u>	<u>\$ 376,090</u>	<u>\$ 89,560,000</u>	<u>\$ 10,750,761</u>	<u>\$ 100,310,761</u>

* Preliminary; subject to change.

(a) Preliminary subject to change: Interest is estimated at an average interest rate of 4.19% per annum.

(1) This bond issue is included in this table because the final principal and interest payments occurred in Fiscal Year 2019.

(2) Principal and interest will be refunded by the 2020 GO Bonds.

(Source: Municipal Advisor.)

Debt Service Schedule of Outstanding Water Revenue Bonds By Fiscal Year

Fiscal Year Ending June 30	Series 2014 \$4,115,000		Series 2013A \$2,830,000		Series 2012B \$5,525,000		Series 2012 \$4,160,000		Series 2010 \$12,200,000	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019.....	\$ 0	\$ 133,737	\$ 230,000	\$37,000	\$ 0	\$ 124,312	\$265,000	\$ 86,200	\$ 825,000	\$ 261,925
2020.....	0	133,737	235,000	32,350	0	124,313	280,000	78,250	870,000	219,550
2021.....	0	133,738	240,000	27,600	0	124,312	290,000	69,850	910,000	179,600
2022.....	0	133,738	245,000	22,750	0	124,313	300,000	61,150	950,000	142,400
2023.....	0	133,738	245,000	17,850	0	124,312	310,000	52,150	1,000,000	103,400
2024.....	0	133,738	250,000	12,900	0	124,313	315,000	42,850	1,015,000	63,100
2025.....	2,350,000	95,550	255,000	7,850	0	124,312	325,000	33,400	1,070,000	21,400
2026.....	1,765,000	28,681	265,000	2,650	0	124,313	335,000	23,650	-	-
2027.....	-	-	-	-	2,525,000	95,906	340,000	13,600	-	-
2028.....	-	-	-	-	3,000,000	33,750	-	-	-	-
2029.....	-	-	-	-	-	-	-	-	-	-
2030.....	-	-	-	-	-	-	-	-	-	-
Totals.....	<u>\$ 4,115,000</u>	<u>\$ 926,657</u>	<u>\$ 1,965,000</u>	<u>\$ 160,950</u>	<u>\$ 5,525,000</u>	<u>\$ 1,124,156</u>	<u>\$2,760,000</u>	<u>\$ 461,100</u>	<u>\$ 6,640,000</u>	<u>\$ 991,375</u>

Fiscal Year Ending June 30	Series 2009C \$10,135,000		Series 2009B \$13,090,000		Series 2009A (1) \$2,500,000		Totals		
	Principal	Interest (1)	Principal	Interest	Principal (2)	Total Principal	Total Interest (1)	Total Debt Service	
2019.....	\$ 0	\$ 508,638	\$1,810,000	\$90,500	\$ 125,000	.....	\$3,255,000	\$1,242,312	\$4,497,312
2020.....	1,900,000	508,638	-	-	125,000	.....	3,410,000	1,096,838	4,506,838
2021.....	1,960,000	419,337	-	-	125,000	.....	3,525,000	954,437	4,479,437
2022.....	2,025,000	323,297	-	-	125,000	.....	3,645,000	807,648	4,452,648
2023.....	2,090,000	221,035	-	-	125,000	.....	3,770,000	652,485	4,422,485
2024.....	2,160,000	113,400	-	-	125,000	.....	3,865,000	490,301	4,355,301
2025.....	-	-	-	-	125,000	.....	4,125,000	282,512	4,407,512
2026.....	-	-	-	-	125,000	.....	2,490,000	179,294	2,669,294
2027.....	-	-	-	-	125,000	.....	2,990,000	109,506	3,099,506
2028.....	-	-	-	-	125,000	.....	3,125,000	33,750	3,158,750
2029.....	-	-	-	-	125,000	.....	125,000	0	125,000
2030.....	-	-	-	-	125,000	.....	125,000	0	125,000
Totals.....	<u>\$ 10,135,000</u>	<u>\$ 2,094,345</u>	<u>\$ 1,810,000</u>	<u>\$ 90,500</u>	<u>\$ 1,500,000</u>	.....	<u>\$ 34,450,000</u>	<u>\$ 5,849,083</u>	<u>\$ 40,299,083</u>

(1) Does not reflect a 35% federal interest rate subsidy on the 2009C Bonds which were issued as Build America Bonds.

(2) Issued as a private placement with a 0% interest rate.

(Source: Municipal Advisor.)

Debt Service Schedule of Outstanding Sales Tax Revenue Bonds By Fiscal Year

Fiscal Year Ending June 30	Series 2019 \$26,775,000		Series 2017 \$31,940,000		Series 2015 \$11,600,000		Series 2014B \$5,375,000		Series 2014A \$6,725,000		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
	2019.....	\$ 0	\$ 323,675	\$ 1,590,000	\$ 1,178,853	\$ 665,000	\$ 333,425	\$ 0	\$ 164,912	\$ 985,000	\$ 101,700	\$ 3,240,000	\$ 2,102,565	$ 5,342,565
2020.....	1,250,000	1,145,750	1,670,000	1,099,353	680,000	320,125	0	164,912	1,025,000	62,300	4,625,000	2,792,440	7,417,440
2021.....	1,325,000	1,081,375	1,755,000	1,015,853	710,000	292,925	0	164,912	1,065,000	21,300	4,855,000	2,576,365	7,431,365
2022.....	1,400,000	1,013,250	1,780,000	989,528	735,000	264,525	605,000	164,912	-	-	4,520,000	2,432,215	6,952,215
2023.....	1,475,000	941,375	1,870,000	900,528	765,000	235,125	625,000	146,763	-	-	4,735,000	2,223,791	6,958,791
2024.....	1,550,000	865,750	1,965,000	807,028	795,000	204,525	640,000	128,013	-	-	4,950,000	2,005,316	6,955,316
2025.....	1,600,000	811,000	2,060,000	708,778	820,000	180,675	660,000	108,813	-	-	5,140,000	1,809,266	6,949,266
2026.....	1,650,000	753,750	2,165,000	605,778	845,000	156,075	680,000	89,013	-	-	5,340,000	1,604,616	6,944,616
2027.....	1,750,000	668,750	2,275,000	497,528	880,000	122,275	700,000	68,613	-	-	5,605,000	1,357,166	6,962,166
2028.....	1,825,000	579,375	2,385,000	383,778	905,000	95,875	720,000	47,613	-	-	5,835,000	1,106,641	6,941,641
2029.....	1,925,000	485,625	2,480,000	288,378	930,000	68,725	745,000	24,213	-	-	6,080,000	866,941	6,946,941
2030.....	2,025,000	386,875	2,555,000	213,978	970,000	31,525	-	-	-	-	5,550,000	632,378	6,182,378
2031.....	2,125,000	293,750	2,620,000	147,548	-	-	-	-	-	-	4,745,000	441,298	5,186,298
2032.....	2,200,000	207,250	2,695,000	76,808	-	-	-	-	-	-	4,895,000	284,058	5,179,058
2033.....	2,300,000	117,250	-	-	-	-	-	-	-	-	2,300,000	117,250	2,417,250
2034.....	<u>2,375,000</u>	<u>35,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,375,000</u>	<u>35,625</u>	<u>2,410,625</u>
Totals.....	<u>\$ 26,775,000</u>	<u>\$ 9,710,425</u>	<u>\$ 29,865,000</u>	<u>\$ 8,913,710</u>	<u>\$ 9,700,000</u>	<u>\$ 2,305,800</u>	<u>\$ 5,375,000</u>	<u>\$ 1,272,689</u>	<u>\$ 3,075,000</u>	<u>\$ 185,300</u>	<u>\$ 74,790,000</u>	<u>\$ 22,387,924</u>	<u>\$ 97,177,924</u>

(Source: Municipal Advisor.)

Overlapping And Underlying General Obligation Debt

<u>Taxing Entity</u>	<u>2019 Taxable Value (1)</u>	<u>City's Portion of Tax- able Value</u>	<u>City's Per- centage</u>	<u>Entity's G.O. Debt</u>	<u>City's Portion of G.O. Debt</u>
<i>Overlapping:</i>					
State of Utah	\$315,456,046,864	\$10,158,833,468	3.2%	\$2,452,055,000	\$78,465,760
WBWCD (2).....	67,108,730,342	9,815,279,380	14.6	11,650,000	<u>1,700,900</u>
Total overlapping.....					<u>80,166,660</u>
<i>Underlying:</i>					
CUWCD (3).....	185,917,514,880	348,353,214	0.2	193,540,000	387,080
Snyderville Basin					
Rec. Bond (4).....	9,759,184,006	868,567,377	8.9	46,875,000	4,171,875
Wasatch County	6,648,157,622	348,353,214	5.2	1,025,000	53,300
Wasatch School					
District	6,648,157,622	348,353,214	5.2	84,560,000	<u>4,397,120</u>
Total underlying.....					<u>9,009,375</u>
Total overlapping and underlying general obligation debt					<u>\$89,176,035</u>
Total <i>overlapping</i> general obligation debt (excluding the State) (5)					\$ 1,700,900
Total <i>direct</i> general obligation bonded indebtedness*.....					<u>85,895,000</u>
Total <i>direct and overlapping</i> general obligation debt* (excluding the State).....					<u>\$87,595,900</u>

This table excludes any additional principal amounts attributable to unamortized original issue bond premium.

* Preliminary; subject to change.

- (1) *Preliminary; subject to change.* Taxable value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property and valuation on semiconductor manufacturing equipment. See “Taxable, Fair Market And Market Value Of Property” below.
- (2) The Weber Basin Water Conservancy District (“WBWCD”) covers all of Morgan County, most of Davis and Weber Counties, and portions of Box Elder County and the County. Certain portions of the principal of and interest on WBWCD’s general obligation bonds are paid from sales of water.
- (3) Central Utah Water Conservancy District (“CUWCD”) outstanding general obligation bonds are limited ad valorem tax bonds. Certain portions of the principal of and interest on CUWCD’s general obligation bonds are paid from sales of water.
- (4) The City and the Snyderville Basin Special Recreation District have adjusted the District’s taxing boundaries however; certain portions of the City remain responsible for general obligation bonds previously issued by the recreation district.
- (5) The State’s general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.

(Source: Municipal Advisor.)

For the City’s presentation of Fiscal Year 2019 direct and overlapping debt, see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Statistical Information—Schedule 16. Direct and Overlapping Governmental Activities Debt as of June 30, 2019” (CAFR page 122).

Debt Ratios Regarding General Obligation Debt

The following table sets forth the ratios of general obligation debt (excluding any additional principal amounts attributable to unamortized original issue bond premium) that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the taxable value of property within the City, the estimated market value of such property and the population of the City. *The State’s general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.*

	To 2019 Taxable Value (1)	To 2019 Market Value (2)	To Population Per Capita (3)
Direct general obligation debt*	0.85%	0.75%	\$10,101
Direct and overlapping general obligation debt* ...	0.86	0.76	10,301

* Preliminary; subject to change.

(1) Based on an estimated 2019 estimated Taxable Value of \$10,158,833,468 which value *excludes* the taxable value used to determine uniform fees on tangible personal property.

(2) Based on an estimated 2019 estimated Market Value of \$11,472,124,948 which value *excludes* the taxable value used to determine uniform fees on tangible personal property.

(3) Based on 2018 estimate of 8,504 by the U.S. Census Bureau.

(Source: Municipal Advisor.)

Also, see “FINANCIAL INFORMATION REGARDING PARK CITY, UTAH—Property Tax Matters—Uniform Fees” and “—Taxable, Fair Market And Market Value Of Property” below.

For a 10–year history of debt ratios of the City regarding general obligation bonds, see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Statistical Section—Schedule 15. Ratios of General Bonded Debt Outstanding” (CAFR page 121).

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

The general obligation indebtedness of the City is limited by State law to 12% of the fair market value of taxable property in the City (4% for general purposes and an additional 8% for sewer, water and electric purposes). The legal debt limit and additional debt incurring capacity of the City (after the issuance of the 2020 Bonds) are based on the estimated fair market value for 2019 and the calculated valuation value from 2018 uniform fees, and are calculated as follows:

2019 “Fair Market Value”			\$11,472,124,948
2018 Valuation from Uniform Fees (1).....			<u>17,484,446</u>
2019 “Fair Market Value for Debt Incurring Capacity”.....			<u>\$11,489,609,394</u>
	8% Sewer, Water and Electric	4% Other Purposes	12% Total
“Fair Market Value” x 8%	\$919,168,752	\$ 0	\$ 919,168,752
“Fair Market Value” x 4%	<u>0</u>	<u>459,584,376</u>	<u>459,584,376</u>
Total debt incurring capacity	919,168,752	459,584,376	1,378,753,128
Less: current outstanding general obligation Debt*	<u>(0)</u>	<u>(95,188,555)</u>	<u>(95,188,555)</u>
Additional debt incurring capacity*	<u>\$919,168,752</u>	<u>\$364,395,821</u>	<u>\$1,283,564,573</u>

(1) For debt incurring capacity only, in computing the fair market value of taxable property in the City, the value of all motor vehicles and state–assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) will be included as a part of the fair market value of the taxable property in the City.

(2) The full 8% may be used for water, sewer and electric purposes but if it is so used, then no general obligation bonds may be issued in excess of 8% for any purpose. For legal debt limit purposes, the outstanding general obligation debt as shown above is increased by the premium associated with debt issued that is reported in the long–term debt notes of the City’s financial statements. For accounting purposes, the total unamortized bond premium was \$9,292,655 (as of June 30, 2019) and together with current outstanding debt of \$85,895,900,* results in total outstanding debt of \$95,188,555.*

* Preliminary; subject to change.

(Source: Records from the State Tax Commission, compiled by the Municipal Advisor.)

For a 10-year Fiscal Year history of the City's presentation of the legal debt capacity see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Statistical Section—Schedule 17. Legal Debt Margin Information Last Ten Fiscal Years" (CAFR page 123).

No Defaulted Obligations

The City has never failed to pay principal of and interest on any of its financial obligations when due.

FINANCIAL INFORMATION REGARDING PARK CITY, UTAH

Fund Structure; Accounting Basis

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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 charged to external parties for goods or services.

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. The remaining governmental and enterprise funds are combined into a single column and reported as other (nonmajor) funds. Internal service funds are aggregated and reported in single column on the proprietary fund financial statements.

Revenues and expenditures are recognized using the modified accrual basis of accounting in the governmental fund statements. Revenues are recognized in the accounting period in which they become both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues on cost-reimbursement grants are accrued when the related expenditures are incurred.

In the proprietary fund statements and the government-wide statements, revenues and expenses are recognized using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred.

Budgets And Budgetary Accounting

The budget and appropriation process of the City is governed by the Uniform Fiscal Procedures Act for Cities, Title 10, Chapter 6, Utah Code (the "Fiscal Procedures Act"). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the general fund, special revenue funds, debt service funds, capital project funds and proprietary funds. These budgets are to provide a complete financial plan for the budget (ensuing fiscal) year. Each budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures. Under the Fiscal Procedures Act, the total of anticipated revenues must equal the total of appropriated expenditures.

On or before the first regular meeting of the City Council of the City in May of each year, the budget officer is required to submit to the City Council tentative budgets for all funds for fiscal year commencing July 1. Various actual and estimated budget data are required to be set forth in the tentative budgets. The budget officer may revise the budget requests submitted by the heads of City departments but must file these submissions with the City Council together with the tentative budget. The budget officer is required

to estimate in the tentative budget the revenue from non–property tax sources available for each fund and the revenue from general property taxes required by each fund. The tentative budget is then tentatively adopted by the City Council, with any amendments or revisions that the City Council deems advisable prior to the public hearing on the tentative budget. After public notice and hearing, the tentative budget is adopted by the City Council, subject to further amendment or revisions by the City Council prior to adoption of the final budget.

Prior to June 30 of each year, the final budgets for all funds are adopted by the City Council. The Fiscal Procedures Act prohibits the City Council from making any appropriation in the final budget of any fund more than the estimated expendable revenue of such fund. The adopted final budget is subject to amendment by the City Council during the fiscal year. However, to increase the budget total of any fund, public notice and hearing must be provided. Intra– and inter–department transfers of appropriation balances are permitted upon compliance with the Fiscal Procedures Act. The amount set forth in the final budget as the total amount of estimated revenue from property taxes constitutes the basis for determining the property tax levy to be set by the City Council for the succeeding tax year.

Also, see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Notes to the Financial Statements—Note A. Summary of Significant Accounting Policies” (CAFR page 40).

Financial Controls

The City utilizes a computerized financial accounting system which includes a system of budgetary controls. State law requires budgets to be controlled by individual departments, but the City has also empowered the Finance Director to maintain control of major categories within departments. These controls are such that a requisition will not be entered into the purchasing system unless the appropriated funds are available. The Finance Director checks for sufficient funds again prior to the purchase order being issued and again before the payment check is issued.

Sources of General Fund Revenues

Set forth below are brief descriptions of the various sources of revenues available to the City’s general fund. The percentage of total general fund revenues represented by each source is based on the City’s Fiscal Year 2019 (total general fund revenues were \$35,202,661).

Taxes and special assessments—Approximately 76% (or \$26,658,241) of general fund revenues are from taxes and special assessments.

Licenses and permits—Approximately 11% (or \$3,899,003) of general fund revenues are collected from licenses and permits.

Charges for services—Approximately 8% (or \$2,837,729) of general fund revenues are from charges for services.

Rentals and other—Less than 1% (or \$172,703) of general fund revenues are collected from other miscellaneous items.

Investment income—Approximately 1% (or \$530,733) of general fund revenues are collected from interest income.

Intergovernmental revenue—Approximately 1% (or \$232,216) of general fund revenues are from State and federal shared grant revenues or grants.

Fines and forfeitures— Less than 1% (or \$23,108) of general fund revenues are from fines and forfeitures.

Miscellaneous— Approximately 2% (or \$848,928) of general fund revenues are from fines and forfeitures.

(Source: Compiled by the Municipal Advisor from information taken from the Fiscal Year 2019 CAFR.)

Five-Year Financial Summaries

The summaries contained herein were extracted from the City's CAFR reports. The summaries themselves have not been audited.

The City's annual financial report for Fiscal Year 2020 must be completed under State law by December 31, 2020.

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Park City

Statement of Net Position

(This summary has not been audited)

	As of June 30				
	2019	2018	2017	2016	2015
Assets and deferred outflows of resources					
Assets					
Current Assets:					
Cash, cash equivalents and investments.....	\$ 68,768,707	\$ 66,635,201	\$ 64,906,033	\$ 77,276,957	\$ 74,908,660
Receivables (net allowance for uncollectible)					
Taxes.....	28,179,289	24,009,992	23,385,693	20,740,471	20,631,203
Accounts.....	11,479,937	9,079,648	11,928,740	2,553,439	2,166,238
Notes.....	749,970	1,273,106	1,799,575	314,353	320,284
Restricted cash, cash equivalents, fiscal agent.....	30,394,766	11,398,912	6,380,142	6,690,285	10,554,094
Restricted cash, cash equivalents, other.....	7,194,635	6,604,245	6,318,540	6,312,535	7,418,529
Prepaid items.....	1,156,002	1,263,500	2,239,181	528,089	515,520
Inventories.....	864,724	794,366	825,319	772,836	927,978
Buildings held for resale.....	-	166,096	-	-	-
Net pension asset.....	-	3,365	3,713	7,661	22,838
Total current assets.....	148,788,030	121,228,431	117,786,936	115,196,626	117,465,344
Noncurrent Assets:					
Notes.....	18,386	-	-	-	-
Prepays.....	1,426,701	-	-	-	-
Land and water rights.....	264,361,177	200,070,570	170,855,021	129,838,076	130,034,390
Construction in progress.....	30,017,548	28,003,663	12,052,772	10,931,485	13,018,693
Art.....	889,333	839,333	827,833	827,833	710,570
Buildings.....	49,424,165	46,155,763	43,753,494	42,117,192	43,670,618
Improvements other than buildings.....	79,765,683	82,480,502	82,644,790	70,302,422	67,613,413
Vehicles and equipment.....	25,690,978	23,770,469	23,705,654	15,058,504	16,123,836
Infrastructure.....	22,956,314	23,161,347	25,800,212	29,114,178	25,053,552
Intangibles.....	8,486,048	8,271,741	5,608,810	5,652,891	5,691,867
Total noncurrent assets.....	483,036,333	412,753,388	365,248,586	303,842,581	301,916,939
Deferred outflows of resources					
Deferred outflows of resources related to pensions.....	7,434,656	7,335,717	6,578,882	5,277,742	1,597,998
Deferred outflows of resources—deferred charge on refunding....	-	-	-	7,477	15,227
Total deferred outflows of resources.....	7,434,656	7,335,717	6,578,882	5,285,219	1,613,225
Total assets and deferred outflows of resources.....	\$ 639,259,019	\$ 541,317,536	\$ 489,614,404	\$ 424,324,426	\$ 420,995,508
Liabilities, deferred inflows of resources and net position					
Current Liabilities:					
Accounts payable.....	\$ 5,966,218	\$ 5,395,183	\$ 10,204,455	\$ 4,243,398	\$ 4,813,660
Accrued liabilities.....	4,221,062	3,174,630	2,674,359	2,868,301	2,707,660
Revenue bonds.....	8,035,000	6,495,000	4,720,000	4,530,000	4,690,000
General obligation bonds.....	5,910,000	4,360,000	4,945,000	3,300,000	3,215,000
Compensated absences.....	913,654	525,320	534,198	431,558	391,979
Noncurrent Liabilities:					
Revenue bonds.....	102,476,579	80,928,230	54,793,151	59,904,698	64,829,343
General obligation bonds.....	85,722,655	40,913,366	45,540,922	22,709,111	26,083,159
Net pension liability.....	14,568,026	7,780,234	11,020,794	10,109,665	6,596,256
Compensated absences.....	313,404	699,776	670,641	681,413	616,886
Contract payable.....	-	-	-	-	93,024
Total liabilities.....	228,126,598	150,271,739	135,103,520	108,778,144	114,036,967
Deferred inflows of resources					
Property taxes.....	23,863,826	20,046,312	19,785,339	17,605,701	17,553,354
Deferred inflows of resources related to pensions.....	514,445	6,025,822	1,803,202	1,142,122	1,049,810
Deferred gain on refunding.....	500,262	217,783	321,672	425,561	529,450
Deferred inflows of resources—unavailable revenue.....	-	166,096	-	-	-
Total deferred outflows of resources.....	24,878,533	26,456,013	21,910,213	19,173,384	19,132,614
Net position					
Net investment in capital assets, net of related debt.....	313,830,787	294,285,169	266,635,094	226,244,026	220,380,226
Unrestricted.....	65,169,526	52,106,301	53,207,221	57,077,412	49,425,877
Restricted—expendable					
Capital projects.....	7,194,635	12,804,288	7,545,300	7,872,086	12,779,745
Debt service.....	-	5,198,869	5,153,382	5,130,734	5,192,878
Other.....	58,940	195,157	59,674	48,640	47,201
Total net position.....	386,253,888	364,589,784	332,600,671	296,372,898	287,825,927
Total liabilities, deferred outflows of resources and net position.....	\$ 639,259,019	\$ 541,317,536	\$ 489,614,404	\$ 424,324,426	\$ 420,995,508

(Source: Information extracted from the City's audited financial statements compiled by Municipal Advisor.)

Park City

Statement of Activities

Primary Government

(This summary has not been audited)

	Net (Expense) Revenues and Changes in Net Position				
	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Primary government					
Governmental activities					
General administration.....	\$ (16,996,608)	\$ (8,453,620)	(1) \$ (16,081,356)	\$ (15,890,669)	\$ (12,380,646)
Public safety.....	(6,531,558)	(6,602,184)	(6,120,140)	(5,568,527)	(5,158,422)
Public works.....	(6,442,760)	(6,599,786)	(6,579,137)	(6,614,280)	(6,399,208)
Library and recreation.....	(4,406,919)	(4,347,803)	(4,543,268)	(4,364,424)	(3,395,932)
Interest on long-term debt.....	(3,558,591)	(2,537,159)	(1,366,939)	(1,456,433)	(1,285,952)
Total governmental activities.....	<u>(37,936,436)</u>	<u>(28,540,552)</u>	<u>(34,690,840)</u>	<u>(33,894,333)</u>	<u>(28,620,160)</u>
Business-type activities					
Water.....	7,117,307	5,865,516	5,241,895	3,454,755	6,055,829
Stormwater.....	101,207	356,629	(182,783)	-	-
Golf course.....	(296,838)	(508,266)	(392,242)	(401,762)	(406,448)
Transportation and parking.....	(7,031,331)	(6,155,003)	7,714,682	(6,530,317)	(4,508,497)
Total business-type activities.....	<u>(109,655)</u>	<u>(441,124)</u>	<u>12,381,552</u>	<u>(3,477,324)</u>	<u>1,140,884</u>
Total primary government.....	<u>(38,046,091)</u>	<u>(28,981,676)</u>	<u>(22,309,288)</u>	<u>(37,371,657)</u>	<u>(27,479,276)</u>
General revenues					
Property tax, levied for general purposes.....	15,499,965	14,686,693	14,350,265	14,755,299	12,809,892
Resort tax.....	16,741,000	14,491,767	12,253,267	11,154,870	10,066,040
General sales and use tax.....	12,532,041	11,533,196	10,853,881	10,057,192	9,130,783
Property tax, levied for debt service.....	6,036,374	6,432,184	4,220,158	3,723,453	5,321,592
Franchise tax.....	3,230,881	3,147,847	3,194,392	3,185,820	3,061,207
Miscellaneous.....	3,432,176	2,251,525	5,313,379	1,787,387	1,311,103
Investment earnings.....	2,878,988	1,495,483	985,132	761,877	629,444
Gain on sale of capital assets.....	(641,230)	-	-	492,730	-
Total general revenues.....	<u>59,710,195</u>	<u>54,038,695</u>	<u>51,170,474</u>	<u>45,918,628</u>	<u>42,330,061</u>
Change in net position.....	21,664,104	25,057,019	28,861,186	8,546,971	14,850,785
Net position—beginning.....	364,589,784	332,600,671	296,372,898	287,825,927	279,943,946
Adjustment.....	-	6,932,094	7,366,587	-	(6,968,804)
Net position—ending.....	<u>\$ 386,253,888</u>	<u>\$ 364,589,784</u>	<u>\$ 332,600,671</u>	<u>\$ 296,372,898</u>	<u>\$ 287,825,927</u>

(1) Large decrease is a result of contributions received and donated assets acquired.

(2) The City received a Utah Department of Transportation capital grant in the amount of \$13.5 million.

This report is presented in summary format concerning the single item of “Net (Expense) Revenue and Changes in Net Assets” and is not intended to be complete.

(Source: Information extracted from the City’s audited financial statements compiled by Municipal Advisor.)

Park City

Balance Sheet—Governmental Funds

General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Assets					
Taxes.....	\$ 12,059,796	\$ 11,744,936	\$ 11,092,382	\$ 11,178,598	\$ 11,052,516
Accounts.....	146,657	175,599	105,597	112,234	22,341
Notes.....	-	-	10,000	10,000	10,000
Cash, cash equivalents and investments.....	8,824,487	8,061,742	7,377,755	6,697,948	6,791,627
Interfund loan.....	55,761	86,867	117,433	-	-
Other assets.....	30,226	50,719	39,212	42,463	39,941
Prepays.....	494,360	-	-	-	-
Total assets.....	\$ 21,611,287	\$ 20,119,863	\$ 18,742,379	\$ 18,041,243	\$ 17,916,425
Liabilities, deferred inflows of resources and fund balance					
Liabilities					
Accounts payable.....	\$ 988,450	\$ 1,164,803	\$ 573,508	\$ 767,260	\$ 728,737
Accrued liabilities.....	1,129,718	1,058,852	826,518	798,928	715,977
Total liabilities.....	2,118,168	2,223,655	1,400,026	1,566,188	1,444,714
Deferred inflows of resources					
Unavailable revenue—property tax.....	10,092,652	9,883,951	9,657,969	9,636,741	9,578,317
Unavailable revenue—notes.....	55,761	86,867	127,433	10,000	10,000
Total deferred outflows of resources.....	10,148,413	9,970,818	9,785,402	9,646,741	9,588,317
Fund balance					
Unassigned.....	8,705,419	7,730,233	7,497,277	6,779,674	6,836,193
Nonspendable					
Deposits.....	494,360	-	-	-	-
Interfund loan.....	55,761	86,867	-	-	-
Inventory.....	30,226	50,719	-	-	-
Restricted for					
Drug and tobacco enforcement.....	58,940	57,571	59,674	48,640	47,201
Total fund balance.....	9,344,706	7,925,390	7,556,951	6,828,314	6,883,394
Total liabilities, deferred inflows of resources and fund balance.....	\$ 21,611,287	\$ 20,119,863	\$ 18,742,379	\$ 18,041,243	\$ 17,916,425

(Source: Information extracted from the City's audited financial statements compiled by Municipal Advisor.)

Park City

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Fund—General Fund

(This summary has not been audited)

Fiscal Year Ended June 30

	2019	2018	2017	2016	2015
Revenues					
Taxes and special assessments.....	\$26,658,241	\$27,071,434	\$23,791,447	\$21,731,649	\$19,738,574
Licenses and permits.....	3,899,003	3,390,668	2,464,561	2,462,374	3,025,886
Charges for services.....	2,837,729	2,225,204	2,115,794	2,119,339	2,071,230
Rental and other miscellaneous.....	172,703	1,435,524	1,055,613	969,528	910,904
Investment income.....	530,733	256,814	150,770	102,251	67,526
Intergovernmental.....	232,216	149,575	170,243	133,437	111,775
Fines and forfeitures.....	23,108	35,327	42,834	26,902	14,206
Miscellaneous.....	848,928	-	-	-	-
Total revenues.....	<u>35,202,661</u>	<u>34,564,546</u>	<u>29,791,262</u>	<u>27,545,480</u>	<u>25,940,101</u>
Expenditures					
Current					
General government.....	16,175,897	16,235,727	15,005,872	14,604,316	13,653,938
Public safety.....	6,360,284	6,392,525	5,970,451	5,349,433	4,953,544
Public works.....	5,935,423	5,648,653	5,194,880	4,878,647	4,718,959
Library and recreation.....	4,367,960	4,237,835	4,080,211	3,824,435	3,495,302
Total expenditures.....	<u>32,839,564</u>	<u>32,514,740</u>	<u>30,251,414</u>	<u>28,656,831</u>	<u>26,821,743</u>
Excess of revenues over (under) expenditures...	<u>2,363,097</u>	<u>2,049,806</u>	<u>(460,152)</u>	<u>(1,111,351)</u>	<u>(881,642)</u>
Other financing sources (uses)					
Operating transfers in.....	2,673,664	2,577,182	2,397,547	2,256,360	2,166,534
Operating transfers out.....	<u>(3,617,445)</u>	<u>(4,258,549)</u>	<u>(1,208,758)</u>	<u>(1,200,089)</u>	<u>(1,118,616)</u>
Total other financing sources (uses).....	<u>(943,781)</u>	<u>(1,681,367)</u>	<u>1,188,789</u>	<u>1,056,271</u>	<u>1,047,918</u>
Net change in fund balances.....	1,419,316	368,439	728,637	(55,080)	166,276
Fund balance at beginning of year.....	7,925,390	7,556,951	6,828,314	6,883,394	6,717,118
Fund balance at end of year.....	<u>\$ 9,344,706</u>	<u>\$ 7,925,390</u>	<u>\$ 7,556,951</u>	<u>\$ 6,828,314</u>	<u>\$ 6,883,394</u>

(Source: Information extracted from the City's audited financial statements compiled by Municipal Advisor.)

For a 10-year financial history of various City funds see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Statistical Section” at the indicated pages as set forth below.

- (i) “Net Position by Component Last Ten Fiscal Years” (CAFR page 106);
- (ii) “Changes in Net Position Last Ten Fiscal Years” (CAFR page 107);
- (iii) “Fund Balances of Governmental Funds Last Ten Fiscal Years” (CAFR page 109);
- (iv) “Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years” (CAFR page 110); and
- (v) “Five Year Financial Summaries” (CAFR page 135).

Ad Valorem Tax Levy And Collection

The Utah State Tax Commission (the “State Tax Commission”) must assess all centrally assessed property (as defined under “Property Tax Matters” below) by May 1 of each year. County assessors must assess all locally assessed property (as defined under “Property Tax Matters” below) before May 22 of each year. The State Tax Commission apportions the value of centrally assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate before June 22; provided if the governing body has not received the taxing entity’s certified tax rate at least seven days prior to June 22, the governing body of the taxing entity must, no later than 14 days after receiving the certified tax rate from the county auditor, adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate. County auditors must forward to the State Tax Commission a statement prepared by the legislative body of each taxing entity showing the amount and purpose of each levy. Upon determination by the State Tax Commission that the tax levies comply with applicable law and do not exceed maximum permitted rates, the State Tax Commission notifies county auditors to implement the levies. If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum levy permitted by law, notify the taxing entity that the rate has been lowered and notify the county auditor (of the county in which the taxing entity is located) to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county boards of equalization will meet to hear complaints. Taxpayers owning property assessed by a county assessor may file an application within statutorily defined time limits based on the nature of the contest with the appropriate county board of equalization for contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal in the time frame prescribed by the Property Tax Act. Under certain circumstances, the county board of equalization must hold a hearing regarding the application, at which the taxpayer has the burden of proving that the property sustained a decrease in fair market value. Decisions of the county board of equalization may be appealed to the State Tax Commission, which must decide all appeals relating to real property by March 1 of the following year. Owners of centrally-assessed property or any county showing reasonable cause, may, on or before the later of August 1 or a day within 90 days of the date the notice of assessment is mailed by the State Tax Commission, apply to the State Tax Commission for a hearing to contest the assessment of centrally-assessed property. The State Tax Commission must render a written decision within 120 days after the hearing is completed and all post-hearing briefs are submitted. The county auditor makes a record of all changes, corrections and orders, and delivers before November 1 the corrected assessment rolls to the county treasurers. On or before November 1, each county treasurer furnishes each taxpayer a notice containing, among other things, the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review.

Without an extension by a County legislative body, taxes are due November 30 (and if a Saturday, Sunday or holiday, the next business day). Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay to the State and each taxing entity within the county its proportionate share of the taxes, on or before the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or \$10 whichever is greater (delinquent taxes paid on or before January 31 immediately following the delinquency date the penalty is 1% of the amount of the delinquent tax or \$10 whichever is greater). Unless the delinquent taxes and penalty are paid before January 31 of the following year, the amount of delinquent taxes and penalty bears interest at the federal funds rate target established by the Federal Open Market Committee plus 6% from the January 1 following the delinquency date until paid (said interest may not be less than 7% nor more than 10%). If delinquent taxes have not been paid by March 15 following the lapse of four years from the delinquency date, the affected county advertises and sells the property at a final tax sale held in May or June of the fifth year after assessment.

The process described above changes if a county or other taxing entity proposes a tax rate in excess of the certified tax rate (as described under “Public Hearing On Certain Tax Increases” below). If such an increase is proposed, the taxing entity must adopt a proposed tax rate before June 22. In addition, the county auditor must include certain information in the notices to be mailed by July 22, as described above, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in “Public Hearing On Certain Tax Increases” below. In most cases, notice of the public hearing must also be advertised by publication. After the public hearing is held, the taxing entity may adopt a resolution levying a tax more than the certified tax rate. A resolution levying a tax more than the certified tax rate must be forwarded to the county auditor by August 17. The final tax notice is then mailed by November 1.

Public Hearing On Certain Tax Increases

Each taxing entity that proposes to levy a tax rate that exceeds the “certified tax rate” may do so (by resolution) only after holding a properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity budgeted for the prior year, with certain exclusions. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of eligible new growth. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

Among other requirements, on or before July 22 of the year in which such an increase is proposed, the county auditor must mail to all property owners a notice of the public hearing. In most cases, the taxing entity must advertise the notice of public hearing by publication in a newspaper. Such notices must state, among other things, the value of the property, the time and place of the public hearing, and the tax impact of the proposed increase.

Property Tax Matters

The Property Tax Act provides that all taxable property is required to be assessed and taxed at a uniform and equal rate based on its “fair market value” as of January 1 of each year, unless otherwise provided by law. “Fair market value” is defined in the Property Tax Act as “the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.” Pursuant to an exemption for residential property provided for under the Property Tax Act and Article XIII of the State Constitution, the “fair market value” of residential property is reduced by 45%. The residential exemption is limited to one acre of land per residential unit and to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary residence and each residential property that is the primary residence of a tenant.

The Property Tax Act provides that the State Tax Commission shall assess certain types of property (“centrally–assessed property”), including (i) properties that operate as a unit across county lines that must be apportioned among more than one county or state, (ii) public utility (including railroad) properties, (iii) airline operating properties, (iv) geothermal resources and (v) mines, mining claims and appurtenant machinery, facilities and improvements. All other taxable property (“locally–assessed property”) is required to be assessed by the county assessor of the county in which such locally–assessed property is located. Each county assessor must update property values annually based upon a systematic review of current market data by using a State mandated mass appraisal system and must also complete a detailed review of property characteristics for each parcel of property at least once every five years. The Property Tax Act requires that the State Tax Commission conduct an annual investigation in each county to determine whether all property subject to taxation is on the assessment rolls and whether the property is being assessed at its “fair market value.”

The State Tax Commission and the county assessors utilize various valuation methods, as determined by statute, administrative regulation or accepted practice, to determine the “fair market value” of taxable property.

Uniform Fees. An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on the value of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and property subject to a fixed age–based fee. Motor vehicles weighing 12,000 pounds or less and certain other vehicles are subject to an age–based fee that is due each time the vehicle is registered. The revenues collected from the various uniform fees are distributed by the county to the taxing entity in which the property is in the same proportion in which revenue collected from ad valorem real property is distributed.

Historical Ad Valorem Tax Rates

The maximum rate of levy applicable to the City for general fund operations authorized by State law is .007000 per dollar of taxable value of taxable property within the City. *The City may levy an unlimited tax levy to pay the principal of and interest on legally issued general obligation bonds.*

	Maximum Limit	Tax Rate (Calendar Year)				
		2019	2018	2017	2016	2015
General operations	.007000	.001107	.001202	.001237	.001304	.001362
General obligation bonds	unlimited	.001018	.000732	.000822	.000580	.000610
Judgment recovery levy (1)	unlimited	<u>.000000</u>	<u>.000000</u>	<u>.000000</u>	<u>.000000</u>	<u>.000000</u>
Total levy.....		<u>.002125</u>	<u>.001934</u>	<u>.002059</u>	<u>.001884</u>	<u>.001972</u>

(1) A “judgment levy” is levied for the purpose of collecting additional revenues. The City has the legal right to levy a “judgment levy” in the succeeding tax year to make up for any tax revenue shortfall due to tax or revaluation “judgment” circumstances that the City had no control over.

(Source: Information taken from reports of the Utah State Tax Commission. Compiled by the Municipal Advisor.)

For a 10–year Calendar Year history of the City’s presentation of the taxable and estimated fair market valuation see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019–Statistical Section–Schedule 9. Direct and Overlapping Property Tax Rates” (CAFR page 115).

Comparative Ad Valorem Total Property Tax Rates Within Summit County

Tax Levying Entity (1)	Total Tax Rate Within Taxing Area (Fiscal Year)				
	2019	2018	2017	2016	2015
North Summit School District:					
Coalville City.....	.009694	.010552	.011074	.011220	.011398
Henefer Town.....	.007758	.008262	.008702	.008851	.009027
South Summit School District:					
Francis City.....	.009314	.009633	.010234	.010263	.010809
Kamas City.....	.008880	.009197	.009635	.009668	.010008
Oakley City.....	.008670	.008924	.009514	.009238	.009561
Park City School District:					
Park City.....	.008564	.008140	.008388	.008680	.009505
Unincorporated areas (2):					
North Summit School District.....	.014466	.014427	.015947	.014722	.014220
South Summit School District.....	.014409	.014365	.015923	.014479	.014065
Park City School District.....	.008584	.009196	.009117	.009567	.010223

- (1) These tax rates represent a taxing district within the city or town with the highest combined total tax rates of all overlapping taxing districts.
- (2) These tax rates represent a taxing district within the unincorporated municipalities within the County with the highest combined total tax rates of all overlapping taxing districts.
- (Source: Information taken from reports of the Utah State Tax Commission. Compiled by the Municipal Advisor.)

For a 10-year Calendar Year history of the City's presentation of the taxable and estimated fair market valuation see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Statistical Section—Schedule 9. Direct and Overlapping Property Tax Rates" (CAFR page 115).

Taxable, Fair Market And Market Value Of Property

Taxable and Fair Market values contain values from both Summit and Wasatch Counties.

Calendar Year	Taxable Value (2)	% Change Over Prior Year	Fair Market/Market Value (3)	% Change Over Prior Year
2019 (1).....	\$10,158,833,468	8.3	\$11,472,124,948	8.5
2018.....	9,380,540,970	7.9	10,573,134,432	8.2
2017.....	8,694,398,985	5.2	9,784,846,435	5.1
2016.....	8,267,457,211	5.3	9,312,023,789	5.2
2015.....	7,853,430,440	6.5	8,854,600,357	6.5

- (1) Preliminary; subject to change. Fair Market/Market Value calculated by the Municipal Advisor.
- (2) Taxable valuation includes redevelopment agency valuation but excludes semi-conductor manufacturing equipment ("SCME"). The estimated redevelopment agency valuation for Calendar Year 2018 was approximately \$665.0 million; for Calendar Year 2017 was approximately \$528.2 million; for Calendar Year 2016 was approximately \$478.2 million; and for Calendar Year 2015 was approximately \$447.5 million.
- (3) Estimated fair market values were calculated by dividing the taxable value of primary residential property by 55%, which eliminates the 45% exemption on primary residential property granted under the Utah Property Tax Act. Does not include market valuation for SCME.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Historical Summaries Of Taxable Values Of Property Of The City

	2019				2018			2017			2016			2015		
	Taxable Value*			% of T.V.	Taxable Value			Taxable Value			Taxable Value			Taxable Value		
	Summit	Wasatch	Total		Summit	Wasatch	Total	Summit	Wasatch	Total	Summit	Wasatch	Total	Summit	Wasatch	Total
<i>Set by State Tax Commission (Centrally Assessed)</i>																
Total centrally assessed...	\$ 54,822,933	\$ 457,951	\$ 55,280,884	0.5 %	\$ 52,847,867	\$ 483,268	\$ 53,331,135	\$ 46,670,829	\$ 381,051	\$ 47,051,880	\$ 39,129,955	\$ 494,158	\$ 39,624,113	\$ 32,910,732	\$ 115,742	\$ 33,026,474
<i>Set by County Assessor (Locally Assessed)</i>																
Real property:																
Primary residential.....	1,579,281,813	25,852,218	1,605,134,031	15.8	1,431,826,449	25,787,782	1,457,614,231	1,306,295,956	26,473,149	1,332,769,105	1,250,158,772	26,533,712	1,276,692,484	1,197,323,613	26,328,508	1,223,652,121
Other residential.....	7,287,571,316	305,159,820	7,592,731,136	74.7	6,637,375,419	285,202,568	6,922,577,987	5,887,183,793	271,201,146	6,158,384,939	5,568,178,533	267,711,449	5,835,889,982	5,252,895,703	264,234,249	5,517,129,952
Commercial and industrial....	812,910,477	1,339,813	814,250,290	8.0	856,517,154	1,339,813	857,856,967	779,624,177	1,339,813	780,963,990	737,734,293	1,339,813	739,074,106	688,033,805	1,339,813	689,373,618
FAA.....	19,420	0	19,420	0.0	21,864	0	21,864	23,320	0	23,320	23,320	0	23,320	20,873	0	20,873
Unimproved non FAA.....	50,514	5,754,450	5,804,964	0.1	50,514	5,754,450	5,804,964	290,343,427	5,754,450	296,097,877	292,442,800	6,192,697	298,635,497	310,302,216	6,458,088	316,760,304
Agricultural.....	153,419	0	153,419	0.0	175,819	0	175,819	175,819	0	175,819	184,851	0	184,851	305,797	0	305,797
Total real property.....	9,679,986,959	338,106,301	10,018,093,260	98.6	8,925,967,219	318,084,613	9,244,051,832	8,263,646,492	304,768,558	8,568,415,050	7,848,722,569	301,777,671	8,150,500,240	7,448,882,007	298,360,658	7,747,242,665
Personal property (1):																
Primary mobile homes.....	0	0	0	0.0	0	0	0	0	0	0	0	0	0	0	0	0
Secondary mobile homes.....	0	0	0	0.0	0	0	0	0	0	0	0	0	0	0	0	0
Other business personal.....	80,469,488	4,989,836	85,459,324	0.8	77,991,069	5,166,934	83,158,003	73,161,455	5,770,600	78,932,055	70,942,357	6,390,501	77,332,858	73,160,718	583	73,161,301
Total personal property...	80,469,488	4,989,836	85,459,324	0.8	77,991,069	5,166,934	83,158,003	73,161,455	5,770,600	78,932,055	70,942,357	6,390,501	77,332,858	73,160,718	583	73,161,301
Total locally assessed.....	9,760,456,447	343,096,137	10,103,552,584	99.5	9,003,958,288	323,251,547	9,327,209,835	8,336,807,947	310,539,158	8,647,347,105	7,919,664,926	308,168,172	8,227,833,098	7,522,042,725	298,361,241	7,820,403,966
Total taxable value.....	\$ 9,815,279,380	\$343,554,088	\$ 10,158,833,468	100.0 %	\$9,056,806,155	\$323,734,815	\$9,380,540,970	\$8,383,478,776	\$310,920,209	\$8,694,398,985	\$7,958,794,881	\$308,662,330	\$8,267,457,211	\$7,554,953,457	\$298,476,983	\$7,853,430,440

* Preliminary; subject to change.

(1) Does not include taxable valuation associated with SCME (semi-conductor manufacturing equipment).

(Source: Property Tax Division, Utah State Tax Commission.)

For a 10-year Calendar Year history of the City's presentation of the taxable and estimated fair market valuation see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Statistical Section—Schedule 6. Assessed Value of Taxable Property Excluding Fee-In-Lieu—Summit and Wasatch Counties Combined" (CAFR page 112).

Tax Collection Record

Most of the City is in Summit County with a small portion of the City overlapping into Wasatch County. Ad valorem property taxes are due on November 30 of each year. The following table shows the taxes collected as of the tax year ending December 31.

Summit County

Tax Year End 12/31	(1) Total Taxes Levied	(2) Treasurer's Relief	Net Taxes Assessed	Current Collections	(3) Delinq. Personal Property & Misc. Collections	(4) Total Collections	% Current Collections to Net Taxes Assessed	% of Total Collections to Net Taxes Assessed
2018...	\$17,525,611	\$11,256	\$17,514,355	\$16,949,876	\$622,539	\$17,572,416	96.8	100.3
2017...	17,244,613	10,892	17,233,721	16,413,292	753,078	17,166,370	95.2	99.6
2016...	15,002,232	11,327	14,990,905	14,250,202	673,431	14,923,633	95.1	99.6
2015...	11,751,506	17,281	11,734,225	11,174,672	720,769	11,895,441	95.2	101.4
2014...	14,629,136	11,205	14,617,931	13,871,018	573,991	14,445,009	94.9	98.8

- (1) Excludes redevelopment agencies valuation.
- (2) Treasurer's Relief includes abatements established by statute to low-income, elderly and for hardship situations. These Treasurer's Relief items are levied against the property but are never collected and paid to the entity.
- (3) Delinquent Collections include interest; sales of real and personal property; and miscellaneous delinquent collections.
- (4) In addition to the Total Collections indicated above, the City collected fees-in-lieu payments for tax year 2018 of \$261,752; for tax year 2017 of \$222,148; for tax year 2016 of \$222,068; for tax year 2015 of \$289,146; for and tax year 2014 of \$218,075; from tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State.

Wasatch County

Tax Year End 12/31	(1) Total Taxes Levied	(2) Treasurer's Relief	Net Taxes Assessed	Current Collections	(3) Delinq. Personal Property & Misc. Collections	(4) Total Collections	% Current Collections to Net Taxes Assessed	% of Total Collections to Net Taxes Assessed
2018...	\$626,749	\$3	\$626,746	\$608,868	\$4,761	\$613,629	97.1	97.9
2017...	639,263	6	639,257	633,356	12,350	645,706	99.1	101.0
2016...	582,082	7	582,075	570,783	8,629	579,412	98.1	99.5
2015...	588,597	1	588,596	580,842	147	580,989	98.7	98.7
2014...	611,098	1	611,097	611,160	2,936	614,096	100.0	100.5

- (1) Excludes redevelopment agencies valuation.
- (2) Treasurer's Relief includes abatements established by statute to low-income, elderly and for hardship situations. These Treasurer's Relief items are levied against the property but are never collected and paid to the entity.
- (3) Delinquent Collections include interest; sales of real and personal property; and miscellaneous delinquent collections.
- (4) In addition to the Total Collections indicated above, the City collected fees-in-lieu payments for tax year 2018 of \$515.00; tax year 2017 of \$69.00; for tax year 2016 of \$72.00; for tax year 2015 of \$304.00; for tax year 2014 of \$324.00; and for tax year 2013 of \$45.00; from tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

For a 10-year history of the City's presentation of property tax collections see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Statistical Section—Schedule 13. Property Tax Levies and Collections Last Ten Fiscal Years" (CAFR page 119).

Some Of The Largest Ad Valorem Property Taxpayers

The City's single largest property taxpayer in Fiscal Year 2019 (estimated 2019 calendar year) was Talisker Empire Pass Hotel LLC (Montage), a resort/lodging company. The company comprised approximately 1.8% of the City's total taxable valuation compared to the estimated 2019 valuation. The top 10 largest property taxpayers comprised approximately 5.0 percent of the City's estimated total taxable valuation for Calendar Year 2019.

For a list of the City's 10 largest property taxpayers for Fiscal Year 2019 and Fiscal Year 2010 see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Statistical Section—Schedule 11. Principal Taxpayers for Current Year and Nine Years Ago" (CAFR page 117) below.

Potential Impact Of The Coronavirus (COVID-19)

In December 2019, a novel strain of coronavirus disease known as COVID-19 emerged for the first time and since that date the virus has spread throughout the world, including the United States, the State, the County, and the City, and has been characterized by the World Health Organization as a pandemic.

The continued proliferation of COVID-19 throughout the State may adversely affect the City due to the economic ramifications of mandatory business, ski resorts, schools, and other closures. The County Council, County Manager, and Health Director, in collaboration with the County Board of Health and Mayors of the Cities and Towns of the County issued a temporary "stay at home" order that requires all residents to stay at home and cease non-essential travel and operations until at least May 1, 2020. The COVID-19 pandemic could negatively impact the finances and operations of the City and result in increased costs to the City and/or negative impacts on the collection of property and sales taxes within the City due to tax payment delinquencies, disruption of the collection of taxes by the State and/or the County, or other related factors that may affect the City's budget and cash flows. Significant developments regarding COVID-19 continue to occur daily and the extent to which COVID-19 will impact the City in the future is highly uncertain and cannot be predicted. *However, the City does not expect the factors described above to negatively impact the City's ability to pay the principal of and interest on the 2020 Bonds.*

LEGAL MATTERS

Absence Of Litigation Concerning The 2020 Bonds

There is no litigation pending or threatened questioning or in any manner relating to or affecting the validity of the 2020 Bonds.

On the date of the execution and delivery of the 2020 Bonds, certificates will be delivered by the City to the effect that to the knowledge of the City, there is no action, suit, proceeding or litigation pending or threatened against the City, which in any way materially questions or affects the validity or enforceability of the 2020 Bonds or any proceedings or transactions relating to their authorization, execution, authentication, marketing, sale or delivery or which materially adversely affects the existence or powers of the City.

A non-litigation opinion issued by Mark D. Harrington, City Attorney, dated the date of closing, will be provided stating, among other things, that there is not pending, or to his knowledge threatened, any action, suit, proceeding, inquiry, or any other litigation or investigation, at law or in equity, before or by any court, public board or body, challenging the creation, organization or existence of the City, or the ability of the City, or their respective officers to authenticate, execute or deliver the 2020 Bonds or such other documents as may be required in connection with the issuance and sale of the 2020 Bonds, or to comply with or perform its respective obligations thereunder, or seeking to restrain or enjoin the issuance, sale or delivery of the 2020 Bonds, or directly or indirectly contesting or affecting the proceedings or the authority by which the 2020 Bonds are issued, the legality of the purpose for which the 2020 Bonds are issued, or the validity of the 2020 Bonds or the issuance and sale thereof.

Also, see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019—Notes to the Financial Statements—Note H. Commitments and Contingencies” (CAFR page 78).

General

Certain legal matters incident to the authorization, issuance and sale of the 2020 Bonds are subject to the approving legal opinion of Farnsworth Johnson PLLC, Bond Counsel to the City. Certain legal matters will be passed upon for the City by Mark D. Harrington, City Attorney. The approving opinion of Bond Counsel will be delivered with the 2020 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL” of this OFFICIAL STATEMENT will be made available upon request from the contact persons as indicated under “INTRODUCTION—Contact Persons” above.

Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness, or sufficiency of the OFFICIAL STATEMENT or other offering material relating to the 2020 Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this OFFICIAL STATEMENT.

The various legal opinions to be delivered concurrently with the delivery of the 2020 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

Federal Income Taxation of 2020 Bonds

In the opinion of Farnsworth Johnson PLLC (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). *In the further opinion of Bond Counsel, interest on the 2020 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax.* Bond Counsel expects to deliver an opinion at the time of issuance of the 2020 Bonds substantially in the form set forth in “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL” hereto.

To the extent the issue price of any maturity of the 2020 Bonds is less than the amount to be paid at maturity of such 2020 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2020 Bonds), the difference constitutes “original issue discount,” the accrual of which, to

the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2020 Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the 2020 Bonds is the first price at which a substantial amount of such maturity of the 2020 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2020 Bonds accrues daily over the term to maturity of such 2020 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2020 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2020 Bonds. Beneficial Owners of the 2020 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2020 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2020 Bonds in the original offering to the public at the first price at which a substantial amount of such 2020 Bonds is sold to the public.

2020 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2020 Bonds. The City has made certain representations and covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that interest on the 2020 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2020 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2020 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the 2020 Bonds may adversely affect the value of, or the tax status of interest on, the 2020 Bonds.

Although Bond Counsel is of the opinion that interest on the 2020 Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the 2020 Bonds may otherwise affect a Beneficial Owner’s federal, state, or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code, or court decisions may cause interest on the 2020 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code, or court decisions may also affect the market price for, or marketability of, the 2020 Bonds. Prospective purchasers of the 2020 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the

2020 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Bond Counsel’s engagement with respect to the 2020 Bonds ends with the issuance of the 2020 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the Beneficial Owners regarding the tax-exempt status of the 2020 Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the Beneficial Owners) other than the City and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the 2020 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2020 Bonds, and may cause the City or the Beneficial Owners to incur significant expense.

Utah Income Taxation

In the opinion of Bond Counsel, under the existing laws of the State of Utah, as presently enacted and construed, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State of Utah or any other political subdivision thereof. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state or local taxes.

MISCELLANEOUS

Bond Ratings

As of the date of this OFFICIAL STATEMENT, the 2020 Bonds have been rated “AA+” by Fitch, “Aaa” by Moody’s, and “AA+” by S&P. An explanation of these ratings may be obtained from Fitch, Moody’s, and S&P.

Such ratings do not constitute a recommendation by the rating agencies to buy, sell or hold the 2020 Bonds. Such ratings reflect only the views of Fitch, Moody’s, and S&P, and any desired explanation of the significance of such ratings should be obtained from the rating agencies. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance that the ratings given the outstanding 2020 Bonds will continue for any given period or that the ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2020 Bonds.

Municipal Advisor

The City has entered an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the 2020 Bonds, timing of sale, taxable and tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2020 Bonds. The Municipal Advisor has read and participated in the

drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The basic financial statements and required supplementary information of the City as of June 30, 2019 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by Piercy Bowler Taylor & Kern, Certified Public Accountants, Salt Lake City, Utah (“Piercy Bowler”), as stated in their report in “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019” (CAFR page 2). Piercy Bowler has not been engaged to perform and has not performed, since the date of their report included in the Fiscal Year 2019 CAFR, any procedures on the financial statements addressed in the Fiscal Year 2019 CAFR.

Piercy Bowler has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non-participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs and laws of the State, court decisions and the Resolution, do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions and the Resolution for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether expressly so stated, are intended as such and not as representation of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This PRELIMINARY OFFICIAL STATEMENT is in a form deemed final for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the City.

Park City, Utah

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APPENDIX A

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2019

The CAFR for Fiscal Year 2019 is contained herein. Copies of current and prior financial reports are available upon request from the City's contact person as indicated under "INTRODUCTION—Contact Persons" above.

The City's CAFR for Fiscal Year 2020 must be completed under State law by December 31, 2020.

Government Finance Officers Association; Certificate of Achievement for Excellence in Financial Reporting

Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association of the United States and Canada ("GFOA") has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for 30 consecutive years, beginning with Fiscal Year 1987 through Fiscal Year 2018. For the Fiscal Year 2018 certificate see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF PARK CITY, UTAH FOR FISCAL YEAR 2018—Certificate of Achievement" (CAFR page xiii).

To be awarded a certificate of achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate of achievement is valid for a period of one year only. *The City has submitted its Fiscal Year 2019 CAFR to GFOA to determine its eligibility for a Certificate of Achievement. The City believes that its Fiscal Year 2019 CAFR continues to meet the Certificate of Achievement program requirements.*

Distinguished Budget Presentation Award. GFOA has awarded a Distinguished Budget Presentation Award to the City for the biennium period beginning July 1, 2009. The City also received the award for Fiscal Years 1992 and 1993 and the biennium periods beginning 1997 through 2017.

The City has submitted its Fiscal Year 2019 Budget to GFOA to determine its eligibility for a Distinguished Budget Presentation. The City believes that its Fiscal Year 2019 Budget continues to meet the Distinguished Budget Presentation program requirements.

To receive the budget award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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Park City Municipal Corporation, Utah



**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019**

PARK CITY MUNICIPAL CORPORATION, UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**(Including Internal Control and Compliance Reports
and Supplementary Information)
for fiscal year ended June 30, 2019**

**Prepared by:
Finance Department**

**Mindy Finlinson
Finance Manager**

**Sara Nagel
City Treasurer**

**Kim Atkinson
Accountant**

PARK CITY MUNICIPAL CORPORATION, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2019

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INTRODUCTORY SECTION



December 20, 2019

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

These financial statements have been prepared by the Park City Municipal Corporation Finance Department in accordance with generally accepted accounting principles in the United States (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). Utah State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2019.

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

The basic financial statements contained in this report have been audited by Piercy Bowler Taylor & Kern, a firm of licensed certified public accountants. The objective of this type of audit is for the independent auditors to render an opinion, with reasonable assurance, as to whether the basic financial statements of Park City Municipal Corporation (City) for the fiscal year ended June 30, 2019 are fairly presented and free of any material misstatement. Audit procedures included extensive testing and analysis of transactions, balances and systems. The unmodified ("clean") opinion on the basic financial statements signed by Piercy Bowler Taylor & Kern is located at the beginning of the financial section.

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

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

Profile of Park City Municipal Corporation, Utah

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



The City provides many municipal services including police, parks, recreation, library, water, stormwater, public improvements, streets, planning and zoning, golf course, transportation and parking, and administrative services. This report includes the financial statements of the funds required to report on those activities, organizations and functions which are related to the City and are controlled by or financially accountable to the City Council. The Park City Municipal Building Authority, the Park City Redevelopment Agency, 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.

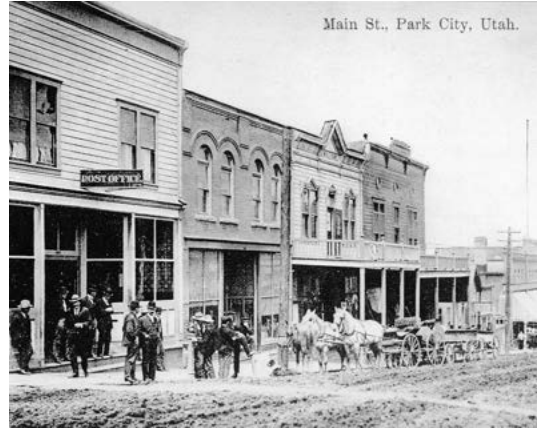
Budgetary Control

The City 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 of the City's financial planning and control. Budgets are prepared for all governmental fund types including the general fund, capital improvements funds, special revenue funds, and debt service funds. The City Council approves all City budgets at the department level (general government, public safety, public works and recreation and library). Budgetary control is maintained at the department level where expenditures may not legally exceed appropriations. Department heads may make transfers within a department. The

City Council may amend the budget by ordinance during the budget year, but must hold a public hearing to increase a governmental fund's budget before it can pass the ordinance.

Local Economy

Park City is located in Summit County, Utah, in the heart of the Wasatch Mountains, 30 miles east of Salt Lake City and 40 minutes by freeway from the Salt Lake International Airport. In 1869, silver bearing quartz was discovered in the area, of what is now Park City, and a silver mining boom began. From the 1930's through the 1950's, the mining boom subsided due to the decline of silver prices, and Park City came very close to becoming a historic ghost town. During that time, the residents began to consider an alternative to mining, and began developing Park City into a resort town. Today Park City is one of the western United States premier multi-season resort communities with an area of twenty square miles and a permanent resident population of approximately 8,280.



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

Tourism is the major industry in Park City, with skiing, lodging facilities and restaurants contributing significantly to the local economy. Park City is the home of two major ski resorts (Deer Valley Resort and Park City Mountain Resort) with a portion of the latter operating outside of municipal boundaries, formerly known as Canyons Resort. Vail Resorts acquired the Canyons Resort in 2013 and the Park City Mountain Resort in September of 2014. In July 2015, Vail linked these 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.



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

Deer Valley Resort and Park City Mountain Resort were two of three resorts that hosted the 2019 World Championships. For 21 years, Deer Valley has hosted international and world competitions. Deer Valley took second place as the best western family resort in North America in *Ski Magazine's* resort review of 2019's Top-Ranked Western Ski Resorts. Deer Valley ranked

first for best western ski resort for five consecutive years between 2007 and 2011. Additionally, Deer Valley has earned the distinction of the “Best U.S. Ski Resort by the World Ski Awards for six consecutive years.

Major employer-types in the City include accommodation and food service, arts/entertainment and recreation, retail trade, real estate, technical services and government. Unemployment data was unavailable for Park City; however, the Summit County unemployment rate is estimated at 2.7 percent. The current State of Utah rate is 2.8 percent and the national rate is 3.7 percent.

Economic Trends

Park City has seen strong growth over the years in the ski industry. Encouraging tourism and the ski industry are objectives for Park City, as well as for the State of Utah. With its close proximity to Salt Lake City and Salt Lake International Airport, Park City is a major contributor to these goals. Due to one of the best snow years on record, total statewide skier days were 5,125,441 up 23.6 percent from the 2017-2018 season and 12.0 percent higher than the state’s record of 4.58 million in 2016-2017. Skier days were up nearly 11.0 percent nationally from 53.3 million to 59.0 million.

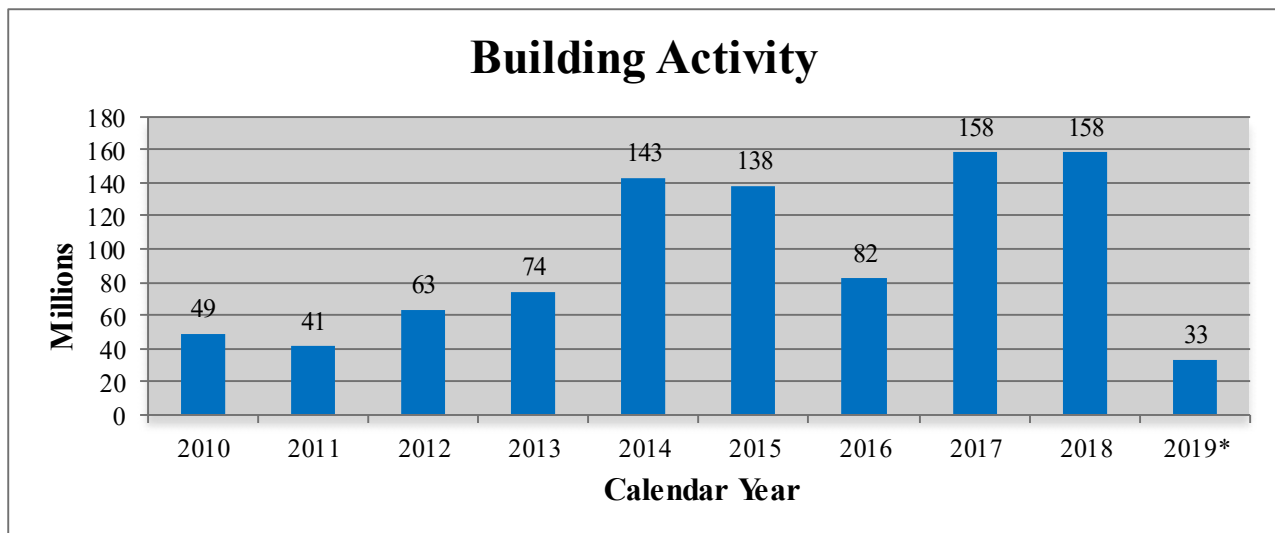
With the local economy dependent on tourism and skiing, employment in Park City tends to decline in the spring and summer months. The City has successfully mitigated this decline by diversifying recreational activities in the “off-season” and increasing special events. The City hosted the Triple Crown World Series baseball tournament for the seventeenth year. This event draws 34 teams from 9 different states. Park City is a popular venue for Tour of Utah, one of the top professional cycling events in North America. Autumn Aloft is a popular, free, two-day festival launching dozens of balloons at once, creating a rainbow of colors in the sky set against the beautiful fall colors of Park City.

The service population is significant due to the number of secondary homeowners and visitors within Park City. The City has approximately 149 restaurants, 224 shops, 35 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 27,422 guests (please see Schedule 24 of the Statistical Section of this report).

The Sundance Film Festival made its 38th annual appearance in Park City in January 2019. A recent study by Y2 Analytics revealed that the 2019 festival generated an overall economic impact of \$182.5 million GDP for the State of Utah, slightly down from the 2018 festival record of \$191.6. Sundance and Park City Municipal Corporation have formally agreed that Park City will remain festival headquarters through the 2026 film festival and, importantly, Sundance is planning to erect a new headquarters building for the Sundance Institute located in the “Arts and Culture District” of Bonanza Park. The Festival presents high quality, independent films. Nationally known actors, directors, writers and other members of the film industry conduct and attend workshops, classes, seminars, dinners and premiers that are open to the public. The cultural event attracted at least 122,000 attendees, down slightly from 2018 attendance of at least 124,000 with approximately 43,550 attendees coming from out of state.

The Kimball Arts Center sponsored its 49th annual three-day Park City Arts Festival in August 2018. The Park City Arts Festival is Utah’s oldest and the longest running arts festival in the West. This event attracted an estimated 49,921 visitors, a decrease of 6.5 percent over the previous year. The festival featured 227 of North America’s top artists. This is one of the most attended annual events in Utah and includes an art auction and gala and a 5K run for the arts. Kimball Arts Center is also planning to build a new facility in the future “Arts and Culture District” of Bonanza Park.

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 \$40.9 million in 2011, because of the recession, to a high of \$158.2 million in 2017. Building activity over the last decade has averaged \$97.4 million per year. In the first six months of calendar year 2019, 87.9 percent of the \$33.5 million in building activity has been in residential construction. The remaining 12.1 percent consists of commercial construction. The residential construction total valuation of approximately \$29.4 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 2019 number is from January 2019 through June 2019 only. For activity by fiscal year, please see Schedule 26 of the Statistical Section.

According to the latest statistics by the Park City Board of Realtors, residential lots sold in Park City range from an average of \$621,667 in the Lower Deer Valley area to an average of \$4,000,000 for lots in the Empire Pass area. Condominiums range in average sales price from \$267,978 to \$2,903,422, depending upon location. Depending upon the area, single-family homes range from an average sales price of \$1,061,887 to \$9,097,500. Overall, the volume of single-family homes sold was up 13.0 percent and the median sales price increased by 7.0 percent, over the same period last year. In contrast, condominium sales showed a volume decrease of 2.0 percent, and the median sales price decreased 4.0 percent as compared to the same period last year.

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 2019, 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 – Park 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 8.85 percent sales tax on general purchases in Park City, the municipality levies a 1.0 percent local option sales tax, a 0.25 county option sales tax, a combined 1.05 percent transit tax, a 0.1 county cultural tax, a 1.1 percent resort community tax and a 0.5 percent additional resort community sales and use tax.

Relevant Financial Policies

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.

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 percent of the assessed value while secondary residences are taxed at 100 percent of the assessed value. The budget for fiscal year 2019 was adopted with no property tax increase.

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 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. As part of the net zero goals, in October 2019, Park City hosted Mountain Towns 2030, a coalition of mountain towns committed to achieving ambitious carbon reduction goals by 2030, for the inaugural MT2030 Net Zero Summit.

Electric Bike-Share Program – In partnership with Summit County, Park City launched its third season of the electric bike-share program. Since the inception of the program in 2017, riders traveled more than 55,000 miles. To meet increasing demand, the City added 11 new docking stations and 40 bikes for a total of 19 stations and 128 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.



Electric Bus System – Park City became the first mountain resort community in the country, and the first city in the state, to operate a zero-emission, all-electric bus system. The buses are faster and more efficient than diesel-fueled buses with an operating cost of approximately \$0.19 a mile. On many routes, buses run every ten minutes from 7:00 a.m. to midnight, seven days a week during peak season. The City added five electric buses and chargers to expand electric bus service to multiple bus routes in addition to the route between Kimball Junction and Park City Old Town Transit Center.

Kamas Commuter – As part of a five-year transit plan, Park City, in partnership with Summit County, extended to bus service to Kamas Valley in the summer of 2017. Since then, the Kamas Commuter service has exceeded expectations for ridership and the route was expanded to seven days a week in November 2018. The buses run in the mornings and evenings with stops along State Road 248 and the Kamas Valley.

Affordable Housing – City Council is committed to making Park City a thriving mountain community through accessible and diverse housing with the goal of adding 800 housing units to the City’s affordable/attainable housing inventory by 2026. In 2019, the City constructed 11 units to add to the City’s inventory (seven homes with four studio units attached) located on Woodside Avenue. Substantial construction on the 11 units was completed on July 15, 2019, and sale of the units is expected by December 2019. Additionally, in March of 2019, the City approved the Master Planned Development application for Woodside Park Phase II, which will consist of 59 units, 52 of which will be affordable housing units.

Update on Major Projects

Water Projects – Water quality and delivery continue to be a top priority for Park City. With the rate of development that has occurred over the past few years, future water needs have been identified and the cost of these improvements is being fairly distributed between users and new development. Capital spending in the Water Fund is reflective of the City’s continuing commitment to secure Park City’s water needs through improvements to the City’s water infrastructure. The Water Fund Financial Model is reviewed and updated annually to assess the long-range operating and capital needs of the 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 \$5.2 million. In 2019, in order 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.

Arts & Culture District – Park City purchased a 5.25-acre parcel in Bonanza Park to create the Park City Arts & Culture District. Funds for the purchase, development, and maintenance will be generated by overnight visitors via a 1.0 percent municipal transient room tax. No additional taxes will be assessed on Park City residents. Sundance Institute and the Kimball Art Center have signed letters of intent to purchase land in the new district from the City and will participate in a joint planning process, with the goal of building venues as part of the district. Through the joint planning process, the City will strive to create a district that inspires creative expression while ensuring design compatibility and compliance with the General Plan and Land Management Code. This will allow Park City to collaboratively shape the future of the Bonanza Park area by partnering to develop a sustainable, walkable, livable and vibrant community Arts & Culture District. Redevelopment of the area is expected to begin in Spring 2020.

Pedestrian Tunnel – In May of 2019, Park City began construction of a pedestrian tunnel on SR-248 near Park City High School and Cooke Drive. The tunnel will help alleviate traffic congestion, improve circulation, provide safe access for all users and enhance access to trails and transit. Completion of the tunnel is expected in November of 2019.

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, 2018. In order to receive the 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 and, most recently, 2018. In order to qualify for the award program, the City's budget document was judged proficient in several categories, including policy documentation, financial planning, and organization.

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

Respectfully submitted,



Matt Dias, Acting City Manager



Mindy Finlinson, Finance Manager

PARK CITY MUNICIPAL CORPORATION, UTAH

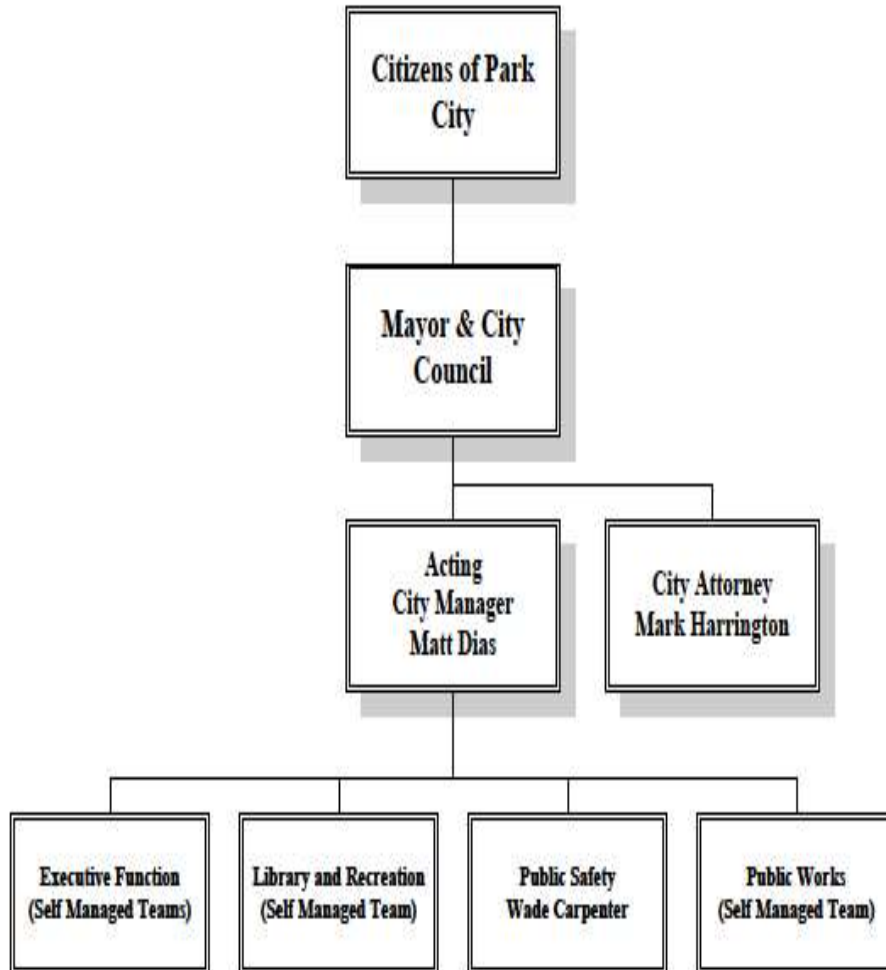
Park City Municipal Building
445 Marsac Avenue
Park City, Utah 84060

MAYOR AND CITY COUNCIL AS OF JUNE 30, 2019

Name	Term Expires
Mayor	
Andy Beerman <i>445 Marsac Avenue Park City, Utah 84060</i>	January 2022
Councilors	
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
Lynn Ware <i>2844 Holiday Ranch Loop Park City, Utah 84060</i>	January 2020
Nannette Worel <i>3412 Solamere Drive Park City, Utah 84060</i>	January 2020
Rebecca Gerber <i>PO Box 744 Park City, Utah 84060</i>	January 2020

Matt Dias, Acting City Manager
Mark Harrington, 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
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**Park City Municipal Corporation
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Members of the City Council
Park City Municipal Corporation, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park City Municipal Corporation (the City) as of and for the year ended June 30, 2019, and the budgetary comparison information for the general fund and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison information for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and on pages 4-20 and 87-89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Salt Lake City, Utah
December 23, 2019

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2019

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, 2019. When read in conjunction with the letter of transmittal and the notes to the financial statements, the financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The City's government-wide net position (the amount by which assets and deferred outflows exceed liabilities and deferred inflows) as of June 30, 2019, was \$386,253,888. Of this amount, \$65,169,526 (unrestricted net position) is available to meet ongoing financial obligations.
- The City's government-wide net position increased by \$21,664,104. Of this amount, business-type activities increased by \$5,638,453, a rise of 4.6 percent, and the governmental activities increased by \$16,025,651 a rise of 6.6 percent when compared to last fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$91,799,543 an increase of \$28.7 million (45.6 percent) compared to the beginning of this year's fund balance amount. The increase in fund balance in comparison to last fiscal year is attributable to increases in committed and restricted fund balance for capital projects. Of the combined total fund balance, \$8,705,419 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, 2019, totaled \$8,705,419 and is 24.7 percent of the General Fund total revenues for the year and 9.5 percent of total governmental fund balance.
- The City's total debt had a net increase of \$60,230,000 during fiscal year 2019. This represents a 48.2 percent increase over the prior year, which is attributable to the issuance of the 2019 Sales Tax Bonds and 2019 General Obligation Bonds combined with the effect of 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 financial statements are also an integral part of the basic financial statements. The City's basic financial statements are presented in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

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

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

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

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

There are two distinct types of activities reflected in the government-wide statements: 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. 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 22-23 of this report.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

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 26 and 28. 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 25-29. 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 90-100.

- 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 29, 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, 2019

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 31-35 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, stormwater system, public transportation system (bus and trolley system), paid parking system and golf course.
- **Internal Service Funds** are used to account for the central financing of goods or services provided to various departments of the City or other governments on a cost-reimbursement basis. The City currently has two internal service funds. The Fleet Services Fund provides vehicle storage, repair and maintenance. The Self-Insurance Fund was established to allow the City to supplement its regular insurance coverage. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The combining statements for internal service funds can be found on pages 102-104 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 37-38 of this report.

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

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position – The following table presents summary information from the Statement of Net Position for the years ended June 30, 2019 and 2018.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total % Change</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
Current and other assets	\$ 123.9	\$ 91.4	\$ 26.4	\$ 29.8	\$ 150.3	\$ 121.2	24.0%
Capital assets	341.6	279.1	139.9	133.6	481.5	412.7	16.7%
Total assets	<u>465.5</u>	<u>370.5</u>	<u>166.3</u>	<u>163.4</u>	<u>631.8</u>	<u>533.9</u>	<u>18.3%</u>
Total deferred outflows of resources	<u>5.2</u>	<u>5.3</u>	<u>2.2</u>	<u>2.1</u>	<u>7.4</u>	<u>7.4</u>	<u>0.5%</u>
Long-term debt	171.1	98.2	32.3	35.8	203.4	134.0	51.8%
Other liabilities	17.2	11.1	7.6	5.2	24.8	16.3	51.9%
Total liabilities	<u>188.3</u>	<u>109.3</u>	<u>39.9</u>	<u>41.0</u>	<u>228.2</u>	<u>150.3</u>	<u>51.8%</u>
Total deferred inflows of resources	<u>24.7</u>	<u>24.8</u>	<u>0.1</u>	<u>1.6</u>	<u>24.8</u>	<u>26.4</u>	<u>-6.1%</u>
Net position							
Net investment in capital assets	200.3	190.0	113.5	104.3	313.8	294.3	6.6%
Restricted	7.3	6.7	-	-	7.3	6.7	9.0%
Unrestricted	50.2	45.0	15.0	18.6	65.2	63.6	2.5%
Total net position	<u>\$ 257.7</u>	<u>\$ 241.7</u>	<u>\$ 128.5</u>	<u>\$ 122.9</u>	<u>\$ 386.2</u>	<u>\$ 364.6</u>	<u>5.9%</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2019, the City's assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$386.2 million (net position), compared to \$364.6 million at June 30, 2018. This would indicate an improved financial position in comparison to last fiscal year. Approximately 81.2 percent at June 30, 2019, and 80.7 percent at June 30, 2018, 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 \$19.5 million was primarily due to the purchase of Treasure Hill, combined with routine acquisitions of capital assets, repayments of the related debt and depreciation expense.

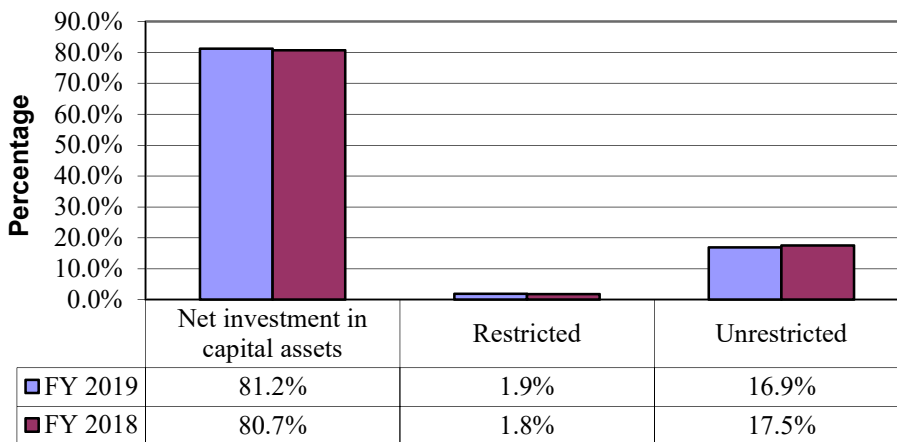
**PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019**

Restricted net position of \$7.3 million at June 30, 2019, and \$6.7 million at June 30, 2018 represents resources that are subject to external restrictions on how they may be used. The increase in restricted net position of \$0.6 million reflects an increase in the amount restricted for capital projects.

The other sub-classification of net position is unrestricted. The balance of approximately \$65.2 million at June 30, 2019, which is unrestricted, denotes that this amount may be used to meet general, on-going financial obligations without constraints established by debt covenants or other legal requirements. Unrestricted net position increased \$1.6 million from last fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

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

**Park City Municipal Corporation
Net Position Percentage
June 30, 2019 and 2018**



PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Changes in Net Position - As taken from the Statement of Activities, the following table depicts the changes in net position for fiscal years 2019 and 2018.

Park City Municipal Corporation							
Summary of Changes in Net Position							
(in millions of dollars)							
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>		Total % Change
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
Revenues							
Program Revenues							
Charges for services	\$ 7.0	\$ 6.3	\$ 32.4	\$ 30.2	\$ 39.4	\$ 36.5	7.9%
Operating grants and contributions	0.2	0.2	-	2.3	0.2	2.5	-92.0%
Capital grants and contributions	1.6	9.0	6.5	2.4	8.1	11.4	-28.9%
General Revenues							
Property Tax	21.5	21.1	-	-	21.5	21.1	1.9%
Other Taxes	26.4	23.5	6.1	5.6	32.5	29.1	11.7%
Investment earnings	2.3	1.1	0.6	0.4	2.9	1.5	93.3%
Other	3.0	1.8	(0.2)	0.5	2.8	2.3	21.7%
Total revenues	<u>62.0</u>	<u>63.0</u>	<u>45.4</u>	<u>41.4</u>	<u>107.4</u>	<u>104.4</u>	<u>2.9%</u>
Expenses							
General government	23.8	21.8	-	-	23.8	21.8	9.2%
Public safety	6.7	6.7	-	-	6.7	6.7	0.0%
Public works	6.9	7.2	-	-	6.9	7.2	-4.2%
Library and recreation	5.7	5.7	-	-	5.7	5.7	0.0%
Interest on long-term debt	3.6	2.6	-	-	3.6	2.6	38.5%
Water	-	-	13.6	13.3	13.6	13.3	2.3%
Stormwater	-	-	1.5	0.9	1.5	0.9	66.7%
Transportation and parking	-	-	22.5	19.4	22.5	19.4	16.0%
Golf course	-	-	1.5	1.7	1.5	1.7	-11.8%
Total expenses	<u>46.7</u>	<u>44.0</u>	<u>39.1</u>	<u>35.3</u>	<u>85.8</u>	<u>79.3</u>	<u>8.2%</u>
Increase in net position before transfers	15.3	19.0	6.3	6.1	21.6	25.1	-13.9%
Transfers	0.7	0.7	(0.7)	(0.7)	-	-	0.0%
Increase in net position	16.0	19.7	5.6	5.4	21.6	25.1	-13.9%
Net position beginning	241.7	222.0	122.9	117.5	364.6	339.5	7.4%
Net position ending	<u>\$ 257.7</u>	<u>\$ 241.7</u>	<u>\$ 128.5</u>	<u>\$ 122.9</u>	<u>\$ 386.2</u>	<u>\$ 364.6</u>	<u>5.9%</u>

Net position increased from governmental activities in fiscal year 2019 approximately \$16.0 million and increased \$19.7 million in fiscal year 2018. The increase is primarily from increased resort and sales taxes. Expenses for governmental activities increased \$2.7 million. The reasons for this increase are discussed in the following section for governmental activities.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Net position increased \$5.6 million in fiscal year 2019 and increased \$5.4 million in 2018 for business-type activities. The revenues for business-type activities increased \$4.0 million mostly due to an increase in capital grants and contributions. Expenses for business-type activities increased \$3.8 million. The reasons for this increase are discussed in the following section for business-type activities.

Revenues – For the year ended June 30, 2019, the City’s government-wide total revenues are approximately \$107.4 million as compared to the prior year total revenues of \$104.4 million.

Key elements of this change were as follows:

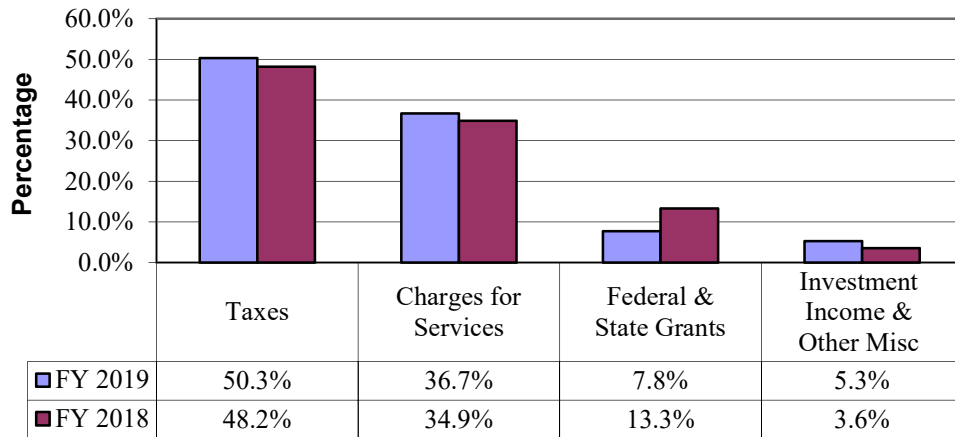
- Of the City’s total revenues, approximately 50.2 percent in fiscal year 2019 and 48.2 percent in fiscal year 2018 resulted from taxes, of which the majority was from general sales and use taxes and resort taxes as shown in the following table:

	Tax Revenues		Total % Change
	2019	2018	
Property tax, levied for general purposes	\$ 15.5	\$ 14.7	5.44%
Property tax, levied for debt service	6.0	6.4	-6.25%
General sales and use tax	12.5	11.5	8.70%
Franchise tax	3.2	3.1	3.23%
Resort tax	16.7	14.5	15.17%
Total	\$ 53.9	\$ 50.2	7.37%

- Charges for services increased in fiscal year 2019 approximately \$2.9 million and increased from 34.9 percent of total revenues in fiscal year 2018 to 36.7 percent in fiscal year 2019. The \$2.9 million increase was primarily due to an increase in water fees, stormwater fees, transportation and parking fees, and increased licensing and permit fees.
- Operating and capital contributions and grants decreased to 7.8 percent of total revenues in fiscal year 2019 as compared to 13.3 percent in fiscal year 2018. This was a result of a decrease in capital grants in governmental activities.
- Investment and other income, which is a combination of interest earnings and changes in the fair value of investments, and other miscellaneous income sources increased to 5.3 percent of total revenues in fiscal year 2019 from 3.6 percent in fiscal year 2018. The \$1.9 million increase was due to an increase in investment earnings in fiscal year 2019.

**PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019**

**Government-Wide Revenues by Source
June 30, 2019 and 2018**



Expenses – The City’s government-wide total expenses cover a range of services. For the year ended June 30, 2019, the City’s total expenses are \$85.8 million compared to the prior year of \$79.3 million. Of the \$6.5 million increase, general government expenses increased \$2.0 million, primarily due to an increase in debt service, public safety remained the same, public works decreased \$0.3 million, library and recreation remained the same and interest on long-term debt increased \$1.0 million. Business-type activities increased \$3.8 million, primarily due to an increase in salaries and benefits.

Governmental Activities:

The City’s governmental activities increased net position by \$16.0 million. Key elements of this increase were as follows:

Revenue Highlights:

- Taxes comprise the largest source of revenue for the City’s governmental activities: Approximately \$47.9 million or 77.2 percent in fiscal year 2019 and \$44.6 million or 70.8 percent in fiscal year 2018 of total revenues from governmental activities. The \$3.3 million increase is the combination of the increased receipts of sales, resort and property taxes. Of total taxes, real property taxes are approximately \$21.5 million (44.9 percent) in fiscal year 2019 and \$21.1 million (47.3 percent) in fiscal year 2018.
- Charges for services increased to \$7.0 million or 11.3 percent of total revenues in fiscal year 2019 from \$6.3 million or 10.0 percent of total revenues in fiscal year 2018. The increase in 2019 was a result of increased licensing and permit fees and recreational activity fees.
- Grant and contribution revenue represents approximately \$1.8 million or 2.9 percent in fiscal year 2019 and \$9.2 million or 14.6 percent in fiscal year 2018 of total revenues. The \$7.4 million decrease was the result of a significant prior fiscal year capital grants and contributions

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

for the purchase of the Mine Bench and Marsac 100 properties, no such contributions were made in the current fiscal year.

Expense Highlights:

- General government expenses of \$23.8 million in fiscal year 2019 and \$21.8 million in fiscal year 2018 represented 50.8 percent in fiscal year 2019 and 49.5 percent in fiscal year 2018 of total expenses from governmental activities. General government includes City Council, Mayor, City Attorney, Human Resources, Technical and Customer Services, Budget, Debt and Grants, Building, Economy, Community and Environment, Planning, Engineering, Finance, Quinns Recreation Complex, Lower Park Avenue Redevelopment Agency, Main Street Redevelopment Agency, and Non-departmental.
- Public Safety expenses were \$6.7 million or 14.4 percent in fiscal year 2019 and \$6.7 million or 15.3 percent in fiscal year 2018 of total expenses from government activities.
- Public Works expenses were \$6.9 million or 14.8 percent in fiscal year 2019 and \$7.2 million or 16.4 percent in fiscal year 2018 of total expenses from government activities.
- Library and Recreation expenses were \$5.7 million or 12.3 percent in fiscal year 2019 and \$5.7 million or 13.0 percent in fiscal year 2018 of total expenses from government activities.

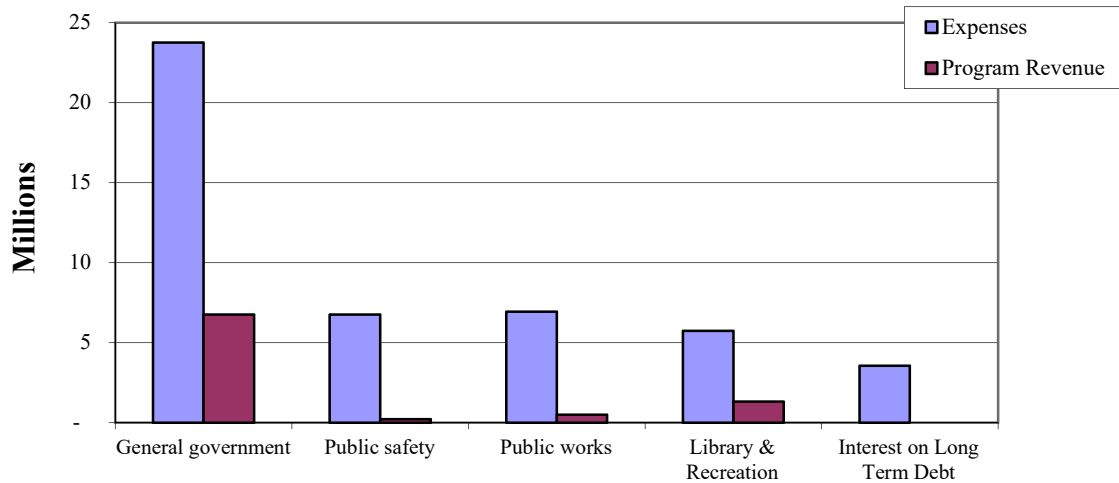
As a result, total net expenses that were funded by general revenues were \$37.9 million. Tax revenues of \$47.9 million were sufficient to fund net expenses in fiscal year 2019.

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

Park City Municipal Corporation					
Costs of Governmental Activities					
(in millions of dollars)					
	Total Cost of Services		Net Cost of Services		Total % Change
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
General government	\$ 23.8	\$ 21.8	\$ 17.0	\$ 8.5	100.0%
Public safety	6.7	6.7	6.5	6.6	-1.5%
Public works	6.9	7.2	6.4	6.6	-3.0%
Library and recreation	5.7	5.7	4.4	4.3	2.3%
Interest on long term debt	3.6	2.6	3.6	2.5	44.0%
Total	<u>\$ 46.7</u>	<u>\$ 44.0</u>	<u>\$ 37.9</u>	<u>\$ 28.5</u>	<u>33.0%</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019**

**Expense and Program Revenue-Governmental Activities*
Fiscal Year 2019**



*See page 23

Business-type Activities:

The City's business-type activities increased net position by \$5.6 million. Key elements of this increase were as follows:

Revenue Highlights:

- Charges for services for business-type activities increased approximately \$2.2 million in fiscal year 2019 primarily due to transportation and parking fees.
- Operating and capital grants and contributions increased approximately \$1.8 million from fiscal year 2018 to fiscal year 2019. The increase was primarily due to an increase in capital grants received in fiscal year 2019.
- Combined general sales and use tax and transit resort tax increased approximately \$0.5 million from fiscal year 2018 to fiscal year 2019. The increase in fiscal year 2019 is primarily attributable to a 0.25 percent increase to the transit tax in 2019.

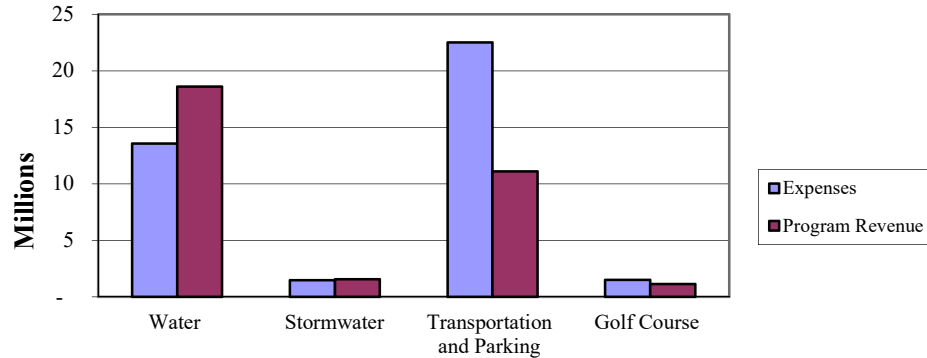
Expense Highlights:

- Salaries and benefits increased by \$2.3 million in 2019. The Transportation and Parking Fund accounted for \$1.8 million of the increase, which was due to an increase in the number of full-time benefited and part-time positions. The Storm Water Fund accounted for \$0.5 million of the increase, which was due to an increase in the number of full-time benefited and part-time positions.

**PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019**

- Supplies, maintenance and services increased by \$0.5 million in fiscal year 2019, which consisted of a \$0.9 million increase in parking system software subscriptions and a \$0.4 million decrease in capital improvement projects.
- Energy and utilities decreased \$0.3 million in fiscal year 2019.

Business-Type Funds - Program Revenues and Expenses*



*See Page 23

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 45.

As of June 30, 2019, the aggregate fund balance of the City's governmental funds was \$91.8 million, an increase of \$28.7 million in comparison with the fiscal year ended June 30, 2018. In fiscal year 2019, approximately \$8.7 million or 9.5 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 spendable form or legally or contractually required to remain intact. Nonspendable fund balance is approximately \$0.6 million in fiscal year 2019 and \$0.1 million in fiscal year 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Restricted fund balance has externally enforceable limitations on use and is not available for new spending. Restricted fund balance is approximately \$32.4 million in fiscal year 2019 and \$12.9 million in fiscal year 2018. 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 \$50.1 million is committed. Of the \$50.1 million committed fund balance, \$45.5 million is committed to capital projects, \$2.1 million is committed to debt service and \$2.5 million is committed to economic development. In fiscal year 2018 committed fund balance was approximately \$42.4 million and 38.9 million was committed to capital projects, \$1.9 million to debt service, and \$1.6 million to economic development.

The General Fund is the principal operating fund of the City. Utah State code establishes a 5.0 percent minimum (\$1,760,133) and a 25.0 percent maximum (\$8,800,665) limit to the amount that may be accumulated as the fund balance in the General Fund. As of June 30, 2019 the unassigned fund balance of the General Fund was \$8,705,419 and was \$95,246 below the 25.0 percent limit. The unassigned fund balance increased by \$975,186 in 2019. The unassigned fund balance in fiscal year 2018 increased \$232,956.

As of June 30, 2019, the restricted fund balance in the Capital Improvements Fund was \$7.1 million and the committed fund balance was \$40.5 million. In fiscal year 2018 the restricted fund balance was \$6.6 million and the committed fund balance was \$34.3 million. The \$6.2 million increase in committed fund balances resulted from a significant increase in debt issuance offset by capital outlay.

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 approximately \$128.4 million at June 30, 2019, as compared to \$122.7 million at the end of fiscal year 2018. Net position at the end of fiscal year 2019 and 2018 for each of these funds were:

Park City Municipal Corporation
Proprietary Funds

<u>Fund</u>	<u>Amount</u>		<u>Change</u>
	<u>2019</u>	<u>2018</u>	
Water	\$ 68,359,651	\$ 62,169,461	\$ 6,190,190
Stormwater	8,550,597	8,429,678	120,919
Transportation and parking	48,611,174	49,239,872	(628,698)
Golf course	2,892,126	2,866,893	25,233
Total	<u>\$ 128,413,548</u>	<u>\$ 122,705,904</u>	<u>\$ 5,707,644</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

The net increase in net position from the prior year was \$5.7 million as compared to an increase of \$5.1 million in fiscal year 2018. Operating revenues increased \$2.2 million as compared to an increase of \$5.6 million in fiscal year 2018. The Transportation and Parking Fund operating revenues increased \$1.2 million attributable to increases in parking meter and regional transit revenue. The Water and Stormwater Fund operating revenues increased \$1.0 million, collectively due to an increase in fees. The Golf Fund operating revenues remained flat.

Water Fund net investment in capital assets increased by \$7.1 million and unrestricted net position decreased by \$1.0 million resulting in a net increase of total net position of \$6.1 million. The increase in net investment in capital assets was due to the net of acquisition of capital assets, repayment of related debt, and depreciation expense.

Stormwater Fund net investment in capital assets decreased by \$0.1 million, restricted net position remained the same and unrestricted net position increased by \$0.3 million resulting in a net increase of total net position of \$0.2 million. The increase was due to an increase in fees.

Transportation and Parking Fund net investment in capital assets increased by \$2.5 million in fiscal year 2019 primarily due to the purchase of five new electric buses. Unrestricted net position decreased \$3.1 million resulting in a net decrease of total net position of \$0.6 million.

Golf Fund net investment in capital assets decreased by \$0.2 million. The decrease was due to regular depreciation expense. Unrestricted net position increased \$0.2 million resulting in a total net position that remained the same.

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 \$0.6 million (net increase) can be briefly summarized as follows:

- \$0.3 million increase in appropriations for general government was due to salaries and benefits including lump merit awards and vacancy factor allocations.
- \$0.3 million increase in public safety for parts and maintenance supplies.

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

Total actual expenditures came in \$2.0 million 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 \$1.3 million more than the actual expenditures in general government. \$0.6 million of the variance is attributable to salaries and benefits, and \$0.7 million is attributable to parts and maintenance supplies.
- The final budget in public safety was \$0.5 million more than actual expenditures. \$0.1 million is attributable to salaries and benefits, and \$0.4 million of the variance is attributable to parts and maintenance supplies.
- The final budget was \$0.1 million more than actual expenditures in public works. The variance is attributable to salaries and benefits.
- The final budget was \$0.1 million more than actual expenditures in library and recreation. The variance is attributable to parts and maintenance supplies.

Actual revenues of \$35.2 million were \$1.6 million less than the budgeted revenues of \$36.8 million. See Note L-Budget Reconciliation on page 80 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City's investment in capital assets for its governmental and business-type activities totaled \$481.5 million (net of \$218.1 million accumulated depreciation) at June 30, 2019, as compared to \$412.7 million (net of \$206.7 million accumulated depreciation) at June 30, 2018. This investment in capital assets includes land and water rights, buildings, improvements other than buildings, vehicles and equipment, art, intangibles, infrastructure and construction in progress.

Major capital asset additions during the year ended June 30, 2019 included:

Governmental Activities:

- \$4.1 million for Woodside Affordable housing project
- \$1.8 million for four parcels at 1302 Norfolk Ave.

Business-type Activities:

- \$4.6 million for Three Kings Water Treatment Plant
- \$3.7 million for five electric buses
- \$1.6 million for Golf Maintenance Building

PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>		<u>Total %</u> <u>Change</u>
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>2019</u>	<u>2018</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
Land and water rights	\$ 242.1	\$ 177.9	\$ 22.2	\$ 22.2	\$ 264.3	\$ 200.1	32.1%
Infrastructure	116.4	114.6	-	-	116.4	114.6	1.6%
Buildings	47.3	45.3	26.2	23.1	73.5	68.4	7.5%
Art	0.8	0.7	0.1	0.1	0.9	0.8	12.5%
Improvements other than buildings	41.7	41.4	112.6	111.4	154.3	152.8	1.0%
Vehicles and equipment	14.4	13.4	36.9	32.6	51.3	46.0	11.5%
Construction in progress	12.3	13.8	17.7	14.2	30.0	28.0	7.1%
Intangibles	8.8	8.6	0.1	0.1	8.9	8.7	2.3%
Accumulated depreciation	<u>(142.2)</u>	<u>(136.6)</u>	<u>(75.9)</u>	<u>(70.1)</u>	<u>(218.1)</u>	<u>(206.7)</u>	<u>5.5%</u>
Total Assets	<u>\$ 341.6</u>	<u>\$ 279.1</u>	<u>\$ 139.9</u>	<u>\$ 133.6</u>	<u>\$ 481.5</u>	<u>\$ 412.7</u>	<u>16.7%</u>

Additional information on the City's capital assets can be found in Note D-Capital Assets on pages 53-54 of this report.

Long-term Debt: At June 30, 2019, the City had \$202.1 million in bonds, an increase of 52.3 percent from fiscal year 2018. Of this amount \$91.6 million is considered to be general obligation debt and backed by the full faith and credit of the City. Debt that is secured solely by specific revenue sources is \$110.5 million.

The City's general obligation bonds 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 and 2014 Water Revenue Bonds are rated Aa2 by Moody's and AA by Standard and Poor's. The City's long-term obligations for the fiscal years 2019 and 2018 were as follows:

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>		<u>Total %</u> <u>Change</u>
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>2019</u>	<u>2018</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
General obligation bonds	\$ 91.6	\$ 45.3	\$ -	\$ -	\$ 91.6	\$ 45.3	102.2%
Revenue bonds	78.6	52.0	31.9	35.4	110.5	87.4	26.4%
Total debt	<u>\$ 170.2</u>	<u>\$ 97.3</u>	<u>\$ 31.9</u>	<u>\$ 35.4</u>	<u>\$ 202.1</u>	<u>\$ 132.7</u>	<u>52.3%</u>

**PARK CITY MUNICIPAL CORPORATION, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), Continued
June 30, 2019**

The State of Utah mandates a general obligation debt limit of 4.0 percent of total assessed value of \$9,327,209,835. The current limitation for the City is \$373,088,393 which is significantly in excess of the City's outstanding general obligation debt. The City's net debt subject to this limitation was \$82,340,000 or 0.9 percent of total assessed value, leaving the amount available for future indebtedness at \$290,748,393. See Schedule 17 on page 123 of this report.

More detailed information about the City's long-term liabilities is presented in Note E-Long-term Obligations on pages 55-65 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate for Summit County (of which Park City is the largest city) was 2.7 percent compared with the State unemployment rate of 2.8 percent, and a national rate of 3.7 percent. This compares with a rate of 2.9 percent for Summit County in 2018. (Sources: Utah Dept. of Workforce Services and Bureau of Labor Statistics)
- The fiscal year 2020 City budget does not include a property tax increase. The City Council recently adopted the certified tax rate for the General Fund. In accordance with Utah Statutes, the certified tax rate is intended to generate the same amount of property tax revenue as was received the prior year plus revenue for "new growth" occurring in the City. All other revenue sources have been estimated on a conservative basis using a multi-year trend analysis and assuming no significant changes in the local economy. The City's approach to budgeting includes preparation of a five-year capital plan. The long-term nature of the City's financial planning system allows decision makers to better understand the true effect of policy decisions. One of the most powerful aspects of the multi-year financial planning is its capability to recognize trends over time and begin at an early point to consider the necessary steps to alter the long-term forecasted position of the City.
- The rates and fees for most services remained constant for fiscal year 2020 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 13.0 percent increase to the irrigation base rate. The energy surcharge remained flat at \$0.55 per 1,000 gallons from prior year. In the Stormwater Fund the Equivalent Surface Unit (ESU) charge increased 3.0 percent, a \$0.18 increase. 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 stormwater 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, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash, cash equivalents and investments	\$ 61,639,465	\$ 7,129,242	\$ 68,768,707
Restricted cash and cash equivalents, fiscal agent	25,157,630	5,237,136	30,394,766
Restricted cash, cash equivalents and investments, other	7,194,635	-	7,194,635
Taxes	27,561,565	617,724	28,179,289
Accounts	881,074	10,598,863	11,479,937
Notes	749,970	-	749,970
Inventories	247,748	616,976	864,724
Prepays	494,360	661,642	1,156,002
Internal balances	(27,968)	27,968	-
Total current assets	<u>123,898,479</u>	<u>24,889,551</u>	<u>148,788,030</u>
Noncurrent assets:			
Notes	18,386	-	18,386
Prepays	-	1,426,701	1,426,701
Land and water rights	242,115,989	22,245,188	264,361,177
Construction in progress	12,273,993	17,743,555	30,017,548
Art	780,119	109,214	889,333
Buildings	31,029,409	18,394,756	49,424,165
Improvements other than buildings	18,853,264	60,912,419	79,765,683
Vehicles and equipment	5,174,173	20,516,805	25,690,978
Infrastructure	22,956,314	-	22,956,314
Intangibles	8,465,753	20,295	8,486,048
Total noncurrent assets	<u>341,667,400</u>	<u>141,368,933</u>	<u>483,036,333</u>
Total assets	<u>465,565,879</u>	<u>166,258,484</u>	<u>631,824,363</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	5,204,131	2,230,525	7,434,656
Total deferred outflows of resources	<u>5,204,131</u>	<u>2,230,525</u>	<u>7,434,656</u>
Total assets and deferred outflows of resources	<u>470,770,010</u>	<u>168,489,009</u>	<u>639,259,019</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,581,031	3,385,187	5,966,218
Accrued liabilities	3,933,927	287,135	4,221,062
Compensated absences	649,558	264,096	913,654
General obligation bonds	5,910,000	-	5,910,000
Revenue bonds	4,625,000	3,410,000	8,035,000
Total current liabilities	<u>17,699,516</u>	<u>7,346,418</u>	<u>25,045,934</u>
Noncurrent liabilities:			
Compensated absences	205,652	107,752	313,404
General obligation bonds	85,722,655	-	85,722,655
Revenue bonds	73,980,090	28,496,489	102,476,579
Net pension liability	10,651,769	3,916,257	14,568,026
Total noncurrent liabilities	<u>170,560,166</u>	<u>32,520,498</u>	<u>203,080,664</u>
Total liabilities	<u>188,259,682</u>	<u>39,866,916</u>	<u>228,126,598</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	23,863,826	-	23,863,826
Deferred gain on refunding	500,262	-	500,262
Deferred inflows of resources related to pensions	389,629	124,816	514,445
Total deferred inflows of resources	<u>24,753,717</u>	<u>124,816</u>	<u>24,878,533</u>
Total liabilities and deferred inflows of resources	<u>213,013,399</u>	<u>39,991,732</u>	<u>253,005,131</u>
NET POSITION			
Net investment in capital assets	200,327,763	113,503,024	313,830,787
Restricted for:			
Capital Projects	7,194,635	-	7,194,635
Other	58,940	-	58,940
Unrestricted	50,175,273	14,994,253	65,169,526
Total net position	<u>\$ 257,756,611</u>	<u>\$ 128,497,277</u>	<u>\$ 386,253,888</u>

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, 2019**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Program Revenues		Primary Government		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Primary government:						
Governmental activities:						
General government	\$ 23,755,044	\$ 15,000	\$ 1,096,250	\$ (16,996,608)	\$ -	\$ (16,996,608)
Public safety	6,747,797	10	48,524	(6,531,558)	-	(6,531,558)
Public works	6,929,871	129,171	357,940	(6,442,760)	-	(6,442,760)
Library and recreation	5,729,844	1,203,836	106,252	(4,406,919)	-	(4,406,919)
Interest on long-term debt	3,558,591	-	-	(3,558,591)	-	(3,558,591)
Total governmental activities	46,721,147	6,980,203	1,608,966	(37,936,436)	-	(37,936,436)
Business-type activities:						
Golf Course Fund	1,488,121	1,131,283	60,000	-	(296,838)	(296,838)
Stormwater Fund	1,470,837	1,572,044	-	-	101,207	101,207
Transportation and Parking Fund	22,521,490	11,113,961	4,376,198	-	(7,031,331)	(7,031,331)
Water Fund	13,578,235	18,606,759	2,088,783	-	7,117,307	7,117,307
Total business-type activities	39,058,683	32,424,047	6,524,981	-	(109,655)	(109,655)
Total primary government	\$ 85,779,830	\$ 39,404,250	\$ 8,133,947	(37,936,436)	(109,655)	(38,046,091)
General revenues:						
Property tax, levied for general purposes				15,499,965	-	15,499,965
Property tax, levied for debt service				6,036,374	-	6,036,374
General sales and use tax				6,403,710	6,128,331	12,532,041
Franchise tax				3,230,881	-	3,230,881
Resort tax				16,741,000	-	16,741,000
Investment earnings				2,297,088	581,900	2,878,988
Miscellaneous				2,963,178	468,998	3,432,176
Gain/(loss) on sale of capital assets				74,891	(716,121)	(641,230)
Transfers				715,000	(715,000)	-
Total general revenues, special items, and transfers				53,962,087	5,748,108	59,710,195
Change in net position				16,025,651	5,638,453	21,664,104
Net position - beginning				241,730,960	122,858,824	364,589,784
Net position - ending				\$ 257,756,611	\$ 128,497,277	\$ 386,253,888

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.*, police, public works, library, recreation, general government, *etc.*). The principal sources of revenue for this fund are property taxes, sales and use taxes and franchise taxes.

Debt Service - Sales Tax Revenue and Refunding Bond 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 Bond Fund - Accounts for the accumulation of money for the repayment of the 2008, 2009, 2010B, 2013A, 2014, 2017 and 2019 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, 2019**

	General Fund	Capital Improvements Fund	Sales Tax Revenue and Refunding Bonds Debt Service Fund	General Obligation Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash, cash equivalents and investments	\$ 8,824,487	\$ 40,387,119	\$ 603,823	\$ 1,526,206	\$ 7,531,362	\$ 58,872,997
Restricted cash, cash equivalents and investments, fiscal agent	-	-	25,146,087	11,543	-	25,157,630
Restricted cash, cash equivalents and investments, other	-	7,194,635	-	-	-	7,194,635
Taxes	12,059,796	667,392	-	9,279,385	4,499,773	26,506,346
Accounts	146,657	593,428	-	-	1,289	741,374
Notes	-	768,356	-	-	-	768,356
Interfund loan	55,761	-	-	-	-	55,761
Other assets	30,226	-	-	-	-	30,226
Prepays	494,360	-	-	-	-	494,360
Total assets	\$ 21,611,287	\$ 49,610,930	\$ 25,749,910	\$ 10,817,134	\$ 12,032,424	\$ 119,821,685
LIABILITIES						
Accounts payable	\$ 988,450	\$ 1,165,909	\$ -	\$ 999	\$ 49,123	\$ 2,204,481
Accrued liabilities	1,129,718	-	-	-	-	1,129,718
Total liabilities	2,118,168	1,165,909	-	999	49,123	3,334,199
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property tax	10,092,652	-	-	9,279,385	4,491,789	23,863,826
Unavailable revenue-notes	55,761	768,356	-	-	-	824,117
Total deferred inflow of resources	10,148,413	768,356	-	9,279,385	4,491,789	24,687,943
Total liabilities and deferred inflows of resources	12,266,581	1,934,265	-	9,280,384	4,540,912	28,022,142
FUND BALANCES						
Nonspendable						
Deposits	494,360	-	-	-	-	494,360
Interfund loan	55,761	-	-	-	-	55,761
Inventory	30,226	-	-	-	-	30,226
Restricted						
Capital projects	-	7,194,635	24,504,653	-	-	31,699,288
Debt service	-	-	641,434	11,543	-	652,977
Drug and tobacco enforcement	58,940	-	-	-	-	58,940
Committed						
Capital projects funds	-	40,482,030	-	-	4,974,305	45,456,335
Debt service funds	-	-	603,823	1,525,207	-	2,129,030
Economic development	-	-	-	-	2,517,207	2,517,207
Unassigned	8,705,419	-	-	-	-	8,705,419
Total fund balances	\$ 9,344,706	\$ 47,676,665	\$ 25,749,910	\$ 1,536,750	\$ 7,491,512	\$ 91,799,543
Total liabilities and fund balances	\$ 21,611,287	\$ 49,610,930	\$ 25,749,910	\$ 10,817,134	\$ 12,032,424	\$ 119,821,685

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

**Park City Municipal Corporation
Reconciliation of Balance Sheet
To the Statement of Net Position
June 30, 2019**

Fund balances of governmental funds		\$91,799,543
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		341,649,014
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:		
Taxes receivable	\$1,055,219	
Interest receivable	34,328	
		1,089,547
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		2,146,599
Certain items not accounted for as unavailable under accrual accounting.		658,022
Pollution remediation liability not reported in the funds.		(1,272,000)
Long-term liabilities, including bonds payable and net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of:		
Compensated absences	(789,792)	
Revenue bonds	(71,550,000)	
General obligation bonds	(82,340,000)	
Deferred bond premiums and discounts	(16,347,745)	
Deferred gain on debt refunding	(500,262)	
Accrued interest on the bonds	(1,346,390)	
Net pension liability	(9,964,206)	
		(182,838,395)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions	4,903,754	
Deferred inflows of resources related to pensions	(379,473)	
		4,524,281
Net position of governmental activities		\$257,756,611

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, 2019

	General Fund	Capital Improvements Fund	Sales Tax Revenue and Refunding Bonds Debt Service Fund	General Obligation Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes and special assessments	\$ 26,658,241	\$ 11,017,088	\$ -	\$ 6,036,374	\$ 927,352	\$ 44,639,055
Licenses and permits	3,899,003	-	-	-	-	3,899,003
Intergovernmental	232,216	1,009,043	-	-	3,104,614	4,345,873
Charges for services	2,837,729	-	-	-	-	2,837,729
Fines and forfeitures	23,108	-	-	-	-	23,108
Investment income	530,733	1,276,689	341,062	2,575	146,030	2,297,089
Impact fees	-	620,441	-	-	-	620,441
Rental and other	172,703	3,500	-	-	-	176,203
Miscellaneous	848,928	426,527	-	48,857	-	1,324,312
Total revenues	35,202,661	14,353,288	341,062	6,087,806	4,177,996	60,162,813
EXPENDITURES						
Current:						
General government	16,175,897	-	-	-	-	16,175,897
Public safety	6,360,284	-	-	-	-	6,360,284
Public works	5,935,423	-	-	-	-	5,935,423
Library and recreation	4,367,960	-	-	-	-	4,367,960
Economic development	-	-	-	-	878,578	878,578
Debt service:						
Interest	-	-	2,110,324	1,635,254	-	3,745,578
Principal retirement	-	-	3,240,000	8,340,000	-	11,580,000
Bond issuance costs	-	-	259,074	270,383	-	529,457
Capital outlay	-	68,571,349	-	-	1,562,155	70,133,504
Total expenditures	32,839,564	68,571,349	5,609,398	10,245,637	2,440,733	119,706,681
Excess (deficiency) of revenues over expenditures	2,363,097	(54,218,061)	(5,268,336)	(4,157,831)	1,737,263	(59,543,868)
OTHER FINANCING SOURCES (USES)						
Debt issuance	-	-	26,775,000	44,000,000	-	70,775,000
Refunding bonds issued	-	-	-	4,290,000	-	4,290,000
Premium on debt issuance	-	-	3,495,522	6,344,605	-	9,840,127
Premium on refunding bonds	-	-	-	482,659	-	482,659
Sale of capital assets	-	166,791	-	-	74,891	241,682
Transfers in	2,673,664	64,444,555	5,344,141	-	3,372,825	75,835,185
Transfers out	(3,617,445)	(3,669,062)	(11,993,364)	(50,094,149)	(3,812,501)	(73,186,521)
Total other financing sources (uses)	(943,781)	60,942,284	23,621,299	5,023,115	(364,785)	88,278,132
Net change in fund balances	1,419,316	6,724,223	18,352,963	865,284	1,372,478	28,734,264
Fund balances - beginning	7,925,390	40,952,442	7,396,947	671,466	6,119,034	63,065,279
Fund balances - ending	\$ 9,344,706	\$ 47,676,665	\$ 25,749,910	\$ 1,536,750	\$ 7,491,512	\$ 91,799,543

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 to the Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds	\$28,734,264
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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	\$67,788,292	
Depreciation expense	<u>(5,789,054)</u>	
		61,999,238

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.	(52,542)
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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	563,250	
Taxes receivable	192,161	
Interest receivable	1,236	
Unavailable revenue	<u>(701,953)</u>	
		54,694

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:

Issuance of long-term debt	(75,065,000)	
Principal repayments of long-term debt	11,580,000	
Capitalization of premiums and discounts	(10,322,786)	
Amortization of bond premiums and discounts	949,761	
Capitalization of deferred inflows-gain on debt refunding	<u>(385,000)</u>	
		(73,243,025)

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.	(750,737)
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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	(3,404,775)	
Actuarial calculated pension expense	<u>2,431,291</u>	
		(973,484)

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 income of \$188,052 less amount allocated to business-type activities of \$83,729 and reversal of prior year allocation of (\$152,920).	257,243
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Change in net position of governmental activities	<u><u>\$16,025,651</u></u>
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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 Balances – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 28,369,134	\$ 28,764,165	\$ 26,658,241	\$ (2,105,924)
Licenses and permits	3,461,000	3,565,000	3,899,003	334,003
Intergovernmental	182,000	189,955	232,216	42,261
Charges for services	3,007,000	3,425,881	2,837,729	(588,152)
Fines and forfeitures	29,000	21,000	23,108	2,108
Investment income	140,000	120,000	530,733	410,733
Rental and other	85,000	66,000	172,703	106,703
Miscellaneous	704,000	636,000	848,928	212,928
Total revenues	<u>35,977,134</u>	<u>36,788,001</u>	<u>35,202,661</u>	<u>(1,585,340)</u>
EXPENDITURES				
General government	17,048,202	17,509,543	16,175,897	1,333,646
Public safety	6,686,529	6,857,197	6,360,284	496,913
Public works	6,034,494	6,098,117	5,935,423	162,694
Library and recreation	4,546,439	4,438,359	4,367,960	70,399
Total expenditures	<u>34,315,664</u>	<u>34,903,216</u>	<u>32,839,564</u>	<u>2,063,652</u>
Excess of revenues over expenditures	<u>1,661,470</u>	<u>1,884,785</u>	<u>2,363,097</u>	<u>478,312</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,673,663	2,673,664	2,673,664	-
Transfers out	(3,617,445)	(3,617,445)	(3,617,445)	-
Total other financing sources (uses)	<u>(943,782)</u>	<u>(943,781)</u>	<u>(943,781)</u>	<u>-</u>
Net change in fund balances	717,688	941,004	1,419,316	478,312
Fund balances - beginning	8,304,966	6,930,647	7,925,390	994,743
Fund balances - ending	<u>\$ 9,022,654</u>	<u>\$ 7,871,651</u>	<u>\$ 9,344,706</u>	<u>\$ 1,473,055</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.

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

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

Park City Municipal Corporation
Statement of Net Position
Proprietary Funds
June 30, 2019

	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	\$ 4,876,235	\$ 958,797	\$ 729,636	\$ 564,574	\$ 7,129,242	\$ 2,766,468
Restricted cash, cash equivalents and investments, fiscal agent	5,237,136	-	-	-	5,237,136	-
Accounts receivable	2,265,109	158,949	12,561	8,162,244	10,598,863	97,583
Taxes receivable	-	-	-	617,724	617,724	-
Inventories	373,451	-	108,920	134,605	616,976	217,522
Prepays	-	-	-	661,642	661,642	-
Total current assets	<u>12,751,931</u>	<u>1,117,746</u>	<u>851,117</u>	<u>10,140,789</u>	<u>24,861,583</u>	<u>3,081,573</u>
Noncurrent assets:						
Prepays	-	-	-	1,426,701	1,426,701	-
Land and water rights	17,693,588	-	828,451	3,723,149	22,245,188	-
Buildings	3,660,682	-	1,671,486	20,909,160	26,241,328	-
Improvements other than buildings	87,825,861	15,410,295	1,728,630	7,617,521	112,582,307	-
Art	-	-	-	109,214	109,214	-
Vehicles and equipment	10,439,005	428,030	1,538,059	24,486,496	36,891,590	47,450
Construction in progress	16,482,252	-	-	1,261,303	17,743,555	-
Intangible	27,810	-	-	58,645	86,455	-
Accumulated depreciation and amortization	(45,169,709)	(8,006,690)	(3,458,857)	(19,322,149)	(75,957,405)	(47,450)
Total noncurrent assets	<u>90,959,489</u>	<u>7,831,635</u>	<u>2,307,769</u>	<u>40,270,040</u>	<u>141,368,933</u>	<u>-</u>
Total assets	<u>103,711,420</u>	<u>8,949,381</u>	<u>3,158,886</u>	<u>50,410,829</u>	<u>166,230,516</u>	<u>3,081,573</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources related to pensions	652,830	271,352	79,535	1,226,808	2,230,525	300,377
Total deferred outflows of resources	<u>652,830</u>	<u>271,352</u>	<u>79,535</u>	<u>1,226,808</u>	<u>2,230,525</u>	<u>300,377</u>
Total assets and deferred outflows of resources	<u>\$104,364,250</u>	<u>\$ 9,220,733</u>	<u>\$ 3,238,421</u>	<u>\$ 51,637,637</u>	<u>\$168,461,041</u>	<u>\$ 3,381,950</u>
LIABILITIES						
Current liabilities:						
Interfund loan	-	-	31,654	-	31,654	-
Accounts payable	2,530,993	12,115	92,727	749,352	3,385,187	376,551
Accrued liabilities	150,652	12,559	24,917	99,007	287,135	11,934
Revenue bonds	3,410,000	-	-	-	3,410,000	-
Compensated absences	87,071	15,635	9,562	151,828	264,096	49,687
Total current liabilities	<u>6,178,716</u>	<u>40,309</u>	<u>158,860</u>	<u>1,000,187</u>	<u>7,378,072</u>	<u>438,172</u>
Noncurrent liabilities:						
Interfund loan	-	-	24,107	-	24,107	-
Revenue bonds	28,496,489	-	-	-	28,496,489	-
Net pension liability	1,276,606	602,402	146,328	1,890,921	3,916,257	687,563
Compensated absences	16,780	17,651	12,226	61,095	107,752	15,731
Total noncurrent liabilities	<u>29,789,875</u>	<u>620,053</u>	<u>182,661</u>	<u>1,952,016</u>	<u>32,544,605</u>	<u>703,294</u>
Total liabilities	<u>35,968,591</u>	<u>660,362</u>	<u>341,521</u>	<u>2,952,203</u>	<u>39,922,677</u>	<u>1,141,466</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources related to pensions	36,008	9,774	4,774	74,260	124,816	10,156
Total deferred inflows of resources	<u>36,008</u>	<u>9,774</u>	<u>4,774</u>	<u>74,260</u>	<u>124,816</u>	<u>10,156</u>
Total liabilities and deferred inflows of resources	<u>36,004,599</u>	<u>670,136</u>	<u>346,295</u>	<u>3,026,463</u>	<u>40,047,493</u>	<u>1,151,622</u>
NET POSITION						
Net investment in capital assets	64,520,282	7,831,635	2,307,770	38,843,337	113,503,024	-
Unrestricted	3,839,369	718,962	584,356	9,767,837	14,910,524	2,230,328
Total net position	<u>\$ 68,359,651</u>	<u>\$ 8,550,597</u>	<u>\$ 2,892,126</u>	<u>\$ 48,611,174</u>	<u>\$128,413,548</u>	<u>\$ 2,230,328</u>

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

Park City Municipal Corporation
Reconciliation of Proprietary Funds Net Position
To the Government-wide Statement of Net Position
June 30, 2019

Net Position of proprietary funds	\$128,413,548
Amounts reported for proprietary funds in the statement of net position are different because:	
Certain internal service fund assets and liabilities included with business-type activities.	83,729
	<hr/>
Net position of business-type activities	<u><u>\$128,497,277</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, 2019

	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	\$ 18,606,759	\$ 1,572,044	\$ 1,131,283	\$ 11,113,961	\$ 32,424,047	\$ 4,261,216
Miscellaneous	-	-	302,014	-	302,014	-
Total operating revenues	<u>18,606,759</u>	<u>1,572,044</u>	<u>1,433,297</u>	<u>11,113,961</u>	<u>32,726,061</u>	<u>4,261,216</u>
OPERATING EXPENSES						
Salaries and benefits	2,950,635	1,071,048	713,110	10,365,571	15,100,364	1,105,619
Supplies, maintenance and services	4,372,840	117,184	403,566	7,025,551	11,919,141	1,879,130
Energy and utilities	986,418	53,631	68,535	1,166,673	2,275,257	1,088,415
Depreciation and amortization	3,494,887	155,839	222,469	2,889,259	6,762,454	-
Total operating expenses	<u>11,804,780</u>	<u>1,397,702</u>	<u>1,407,680</u>	<u>21,447,054</u>	<u>36,057,216</u>	<u>4,073,164</u>
Operating income (loss)	<u>6,801,979</u>	<u>174,342</u>	<u>25,617</u>	<u>(10,333,093)</u>	<u>(3,331,155)</u>	<u>188,052</u>
NONOPERATING REVENUES (EXPENSES)						
Taxes and special assessments	-	-	-	6,128,331	6,128,331	-
Intergovernmental	-	-	60,000	-	60,000	-
Investment income	371,806	21,577	21,933	166,584	581,900	-
Miscellaneous	166,985	-	-	-	166,985	-
Gain on sale of capital assets	(726,800)	-	-	10,679	(716,121)	-
Interest expense	(997,342)	-	(1,271)	-	(998,613)	-
Total nonoperating revenues (expenses)	<u>(1,185,351)</u>	<u>21,577</u>	<u>80,662</u>	<u>6,305,594</u>	<u>5,222,482</u>	<u>-</u>
Income (loss) before contributions and transfers	5,616,628	195,919	106,279	(4,027,499)	1,891,327	188,052
Capital contributions	2,088,783	-	-	4,376,198	6,464,981	-
Transfers in	-	-	25,000	-	25,000	-
Transfers out	(1,515,221)	(75,000)	(106,046)	(977,397)	(2,673,664)	-
Change in net position	<u>6,190,190</u>	<u>120,919</u>	<u>25,233</u>	<u>(628,698)</u>	<u>5,707,644</u>	<u>188,052</u>
Total net position - beginning	62,169,461	8,429,678	2,866,893	49,239,872	122,705,904	2,042,276
Total net position - ending	<u>\$ 68,359,651</u>	<u>\$ 8,550,597</u>	<u>\$ 2,892,126</u>	<u>\$ 48,611,174</u>	<u>\$128,413,548</u>	<u>\$ 2,230,328</u>

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

Park City Municipal Corporation
Reconciliation of the Change in Net Position of Proprietary Funds to the Statement of Activities
For the Year Ended June 30, 2019

Net changes in net position - total proprietary funds	\$5,707,644
Amounts reported for proprietary 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 income of \$188,052 less amount allocated to governmental activities of \$104,323 and reversal of prior year allocation of \$152,920.	(69,191)
Change in net position of business-type activities	<u>\$5,638,453</u>

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, 2019

	Business-type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities
	Enterprise Funds						
	Water Fund	Stormwater Fund	Golf Course Fund	Transportation and Parking Fund	Internal Service Funds		
\$	18,254,863	\$ 1,557,043	\$ 1,420,916	\$ 9,475,133	\$ 30,707,955	\$ 4,260,893	
	(2,884,391)	(865,360)	(775,140)	(10,353,642)	(14,878,533)	(1,033,900)	
	(4,915,539)	(178,143)	(507,477)	(9,236,696)	(14,837,855)	(2,988,859)	
	10,454,933	513,540	138,299	(10,115,205)	991,567	238,134	
	-	-	25,000	-	25,000	-	
	(800,221)	(75,000)	(106,046)	(977,397)	(1,958,664)	-	
	-	-	-	6,049,389	6,049,389	-	
	(800,221)	(75,000)	(81,046)	5,071,992	4,115,725	-	
	2,088,783	-	60,000	3,231,082	5,379,865	-	
	(7,684,300)	(10,695)	(14,906)	(5,354,954)	(13,064,855)	-	
	(3,255,000)	-	(31,106)	-	(3,286,106)	-	
	(1,255,251)	-	(1,271)	-	(1,256,522)	-	
	(726,800)	-	-	10,679	(716,121)	-	
	166,986	-	-	-	166,986	-	
	(10,665,582)	(10,695)	12,717	(2,113,193)	(12,776,753)	-	
	372,440	21,472	21,917	168,763	584,592	-	
	(372,440)	21,472	21,917	168,763	584,592	-	
	(638,430)	449,317	91,887	(6,987,643)	(7,084,869)	238,134	
	10,751,801	509,480	637,749	7,552,217	19,451,247	2,528,334	
	10,113,371	\$ 938,797	\$ 729,636	\$ 564,574	\$ 12,366,378	\$ 2,766,468	
\$	6,801,979	\$ 174,342	\$ 25,617	\$ (10,333,093)	\$ (3,331,155)	\$ 188,052	
	3,494,887	155,839	222,469	2,889,259	6,762,454	-	
	(715,000)	-	-	-	(715,000)	-	
	48,932	194,024	(61,181)	(50,482)	131,293	76,064	
	197,302	(15,001)	(12,382)	(2,463,833)	(2,293,914)	(323)	
	18,948	-	(9,741)	(126,105)	(116,898)	26,048	
	590,573	(7,328)	(25,636)	(93,362)	464,247	(47,362)	
	13,556	6,207	2,862	47,006	69,631	1,508	
	3,756	5,457	(3,709)	15,405	20,909	(5,853)	
	10,454,933	\$ 513,540	\$ 138,299	\$ (10,115,205)	\$ 991,567	\$ 238,134	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers
 Payments to employees
 Payments to suppliers
 Net cash provided (used) by operating activities

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers from other funds
 Transfers to other funds
 Transit and resort sales tax
 Net cash provided (used) by noncapital financing activities

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Impact fees, contributions and grants
 Acquisition and construction of capital assets
 Principal paid on capital debt and interfund loan
 Interest paid on capital debt and interfund loan
 Proceeds from sales of capital assets
 Federal subsidy on capital debt
 Net cash provided (used) by capital and related financing activities

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received by investing activities
 Net cash provided (used) by investing activities
 Net increase (decrease) in cash and cash equivalents
 Balances - beginning of year
 Balances - end of the year

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)
 Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
 Depreciation
 Non-cash water interfund transfer to general fund
 Pension Expense
 Changes in assets and liabilities:
 Accounts receivable
 Inventory
 Accounts and other payables
 Accrued liabilities
 Compensated absences
 Net cash provided (used) by operating activities

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Included in investment income is an increase of \$25,314 in fair value for the year ended June 30, 2019.

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
June 30, 2019**

	Custodial Funds
ASSETS	
Cash, cash equivalents and investments	\$ 3,329,036
Total assets	3,329,036
 LIABILITIES	
Accounts payable and other liabilities	-
Total liabilities	-
 NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	3,329,036
Total net position	\$ 3,329,036

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

Park City Municipal Corporation
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	Custodial Funds
ADDITIONS	
Contributions from individuals, organizations, and other governments	\$ 2,232,255
Total additions	2,232,255
DEDUCTIONS	
Refunds to individuals, organizations, and other governments	1,271,719
Total deductions	1,271,719
Net increase in fiduciary net position	960,536
Net Position -- beginning of the year	2,368,500
Net Position -- end of the year	\$ 3,329,036

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

**NOTES
TO THE
FINANCIAL
STATEMENTS**

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. General Information

The Park City Municipal Corporation (the City) is a municipal corporation governed by an elected mayor and five-member Council 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 FINANCIAL STATEMENTS, continued
JUNE 30, 2019

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 FINANCIAL STATEMENTS, continued
JUNE 30, 2019

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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). 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.

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

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Long-term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts and gains and losses on bond refunding, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Gains and losses on bond refunding are reported as deferred inflows and outflows. Bond issuance costs are expensed in the period in which they are incurred. The unamortized bond premiums/discounts at June 30, 2019 for governmental activities were \$16,347,745 and \$711,488 for business-type activities and proprietary funds. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

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

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

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

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

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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. The City reports the deferred charge on refunding in the government-wide statement of net position and the proprietary fund statement of net position. The deferred charge on refunding resulted from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the government-wide statement of net position and the proprietary fund statement of net position report deferred outflows of resources related to pensions.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial 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 liabilities. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the type of restrictions imposed on the use of funds. The City evaluated each of its funds at June 30, 2019, and classified fund balances into the following five categories:

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

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

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

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

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

Restricted Assets – Certain proceeds of the City's Water Revenue and Refunding Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the proprietary funds' statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

Proceeds of the City's 2004 and 2013A Series General Obligation Bonds in the amount of \$5,099,028 are classified as restricted assets as well as impact fees of \$1,885,973 and B and C road funds of \$209,634. 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, 2019 of \$11,543 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, 2019 of \$24,504,653 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, 2019 of \$641,434 is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account.

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

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 25.0 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 \$587,552 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 \$40,482,030 and non-major capital project fund budgets included \$4,974,305 for a total of \$45,456,335 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 FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

7. Implementation of New GASB Pronouncements

In November 2016 the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes standards of accounting and financial reporting for certain asset retirement obligations (AROs). A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. Statement No. 83 is effective for reporting periods beginning after June 15, 2018. Implementation of this Statement did not have a significant impact on the City's financial statements.

In January 2017 the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 is effective for periods beginning after December 15, 2019. The City adopted GASB No. 84 for the fiscal year ended June 30, 2018. Implementation of this Statement did not have a significant impact on the City's financial statements.

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 December 15, 2019. The City is currently evaluating the impact of this Statement on the financial statements when implemented.

In March 2018 the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The City adopted GASB No. 88 for the fiscal year ended June 30, 2018. Implementation of this Statement had no effect on the City's financial statements.

In June 2018 the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements of Statement No. 89 are effective for periods beginning after December 15, 2019. The City adopted GASB No. 89 for the fiscal year ended June 30, 2018. Implementation of this Statement did not have a significant impact on the City's financial statements.

In August 2018 the GASB issued Statement No. 90, *Majority Equity Interests*. This Statement addresses the reporting of a majority equity interest in a legally separate organization that requires that such majority equity interest be reported as an investment. The requirements of this Statement are effective for periods beginning after December 15, 2018. The City adopted GASB No. 90 for the fiscal year ended June 30, 2018. Implementation of this Statement had no effect on the City's financial statements.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

In May, 2019 the GASB issued Statement No. 91 *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The requirements of Statement No. 91 are effective for periods beginning after December 15, 2020. The City adopted GASB No. 91 for the fiscal year ended June 30, 2019. Implementation of this Statement had no effect on the City’s financial statements.

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Each fund type’s portion of this pool is displayed on the basic financial statements as “cash, cash equivalents and investments”. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with 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, 2019:

	Government-Wide Statement of Net Position			Fund Financials	
	Governmental Activities	Business-Type Activities	Total	Fiduciary Fund Statement of Net Position	Total
Held by city-unrestricted	\$ 61,639,465	\$ 7,129,242	\$ 68,768,707	\$ 3,329,036	\$ 72,097,743
Held by city-restricted	7,194,635	-	7,194,635	-	7,194,635
Total held by city	<u>\$ 68,834,100</u>	<u>\$ 7,129,242</u>	<u>\$ 75,963,342</u>	<u>\$ 3,329,036</u>	<u>\$ 79,292,378</u>
Held by fiscal agent	<u>\$ 25,157,630</u>	<u>\$ 5,237,136</u>	<u>\$ 30,394,766</u>	<u>\$ -</u>	<u>\$ 30,394,766</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

As of June 30, 2019, the City had the following deposits and investments, including \$3,329,036 held in a custodial capacity for others:

Held by city:	Investments maturities		
<u>Investment Type</u>	<u>Fair Value</u>	<u>1 year or less</u>	<u>1-5 years</u>
Debt securities			
Federal National Mortgage Association	\$ 449,252	\$ 449,252	\$ -
Federal Home Loan Mortgage Corporation	1,944,226	747,945	1,196,281
Federal Home Loan Bank	249,543	-	249,543
Corporate Bonds	2,488,839	1,000,082	1,488,757
	<u>5,131,860</u>	<u>\$ 2,197,279</u>	<u>\$ 2,934,581</u>
Other investments			
State treasurer's investment pool	71,697,581	<u>\$ 71,697,581</u>	
Total investments	<u>76,829,441</u>		
<u>Deposits</u>			
Cash deposits checking-net of outstanding checks	1,725,962		
Cash deposits money market/savings	727,355		
Cash on hand	9,620		
Total deposits	<u>2,462,937</u>		
Total cash, cash equivalents and investments held by city	<u>79,292,378</u>		
Held by fiscal agent:			
State treasurer's investment pool	30,394,766		
Total cash, cash equivalents and investments	<u>\$ 109,687,144</u>		

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

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and deposits are: (1) Uncollateralized, (2) Collateralized with securities held by the pledging financial institution, or (3) Collateralized with securities held by the pledging financial institution’s trust department or agent but not in the depositor government’s name. As of June 30, 2019, the City’s deposits had a carrying value of \$2,455,441 and a bank balance of \$2,548,686. Of the above bank balance, \$250,000 was covered by federal depository insurance. The City does not have a deposit policy for custodial credit risk. However, Utah State law does not require deposits to be insured or collateralized.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

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

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, 2019 the City had the following recurring fair value measurements:

<u>Investments by fair value level</u>	<u>June 30, 2019</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt securities				
Federal National Mortgage Association	\$ 449,252	\$ 449,252	\$ -	\$ -
Federal Home Loan Mortgage Corporation	1,944,226	1,944,226	-	-
Federal Home Loan Bank	249,543	249,543	-	-
Corporate Bonds	2,488,839	2,488,839	-	-
Utah Public Treasurers' Investment Fund	71,697,581	-	71,697,581	-
Total debt securities	<u>\$ 76,829,441</u>	<u>\$ 5,131,860</u>	<u>\$ 71,697,581</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, 2019 fair value factor, as calculated by the Utah State Treasurer, to the City’s average daily balance in the Fund.

Custodial Credit Risk for an investment is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either: (1) The counterparty or (2) The counterparty’s trust department or agent but not in the government’s name. For investments in U.S. government agencies and corporate bonds with combined fair value of \$5,131,860 at June 30, 2019, the City uses a qualified depository bank for safekeeping securities for the purpose of settling investment transactions, safekeeping, and collecting those investments. These

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

investments are held by the investment’s counterparty, not in the name of the City but are supported by a safekeeping receipt issued by the City’s bank. The City does not have an investment policy for custodial credit risk.

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

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

The City’s rated debt investments as of June 30, 2019, are shown in the table below:

	Fair Value	Quality Ratings		
		AAA	AA	A
<u>Primary government:</u>				
Debt securities				
Federal National Mortgage Association	\$ 449,252	\$ 449,252	\$ -	\$ -
Federal Home Loan Mortgage Corporation	1,944,226	1,944,226	-	-
Federal Home Loan Bank	249,543	249,543	-	-
Corporate Bonds	2,488,839	-	451,059	2,037,780

The Utah State Treasurer’s Investment Pool is not rated and is not registered with the U.S. Securities and Exchange Commission as an investment company. The fair value of the position of the Utah State Treasurer’s Investment Pool is approximately equal to the value of the pool shares. All investments of the Utah State Treasurer’s Investment Pool must comply with the UMMA and Rules of the State Money Management Council. The Pool invests primarily in money market securities including time certificates of deposit and top-rated domestic commercial paper. No more than 5.0 percent of the pool may be invested with a single issuer. Investment activity of the State Treasurer is reviewed periodically by the Utah Money Management Council and is audited by the Utah State Auditor. Pool

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

deposits are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy authorizes investments to be made in accordance with the UMMA and further specifies that with the exception of U.S. Treasury securities and authorized pools, no more than 50.0 percent of the City's total investment portfolio will be invested in a single security type. None of the City's investments exceed this limit.

NOTE C – NOTES RECEIVABLE

Notes receivable of the governmental fund types at June 30, 2019 include various affordable housing and employee mortgage assistance loans with interest rates ranging from 0% to 5.0%. The following is a schedule of future principal and interest payments required under the terms of the notes receivable as of June 30, 2019:

<u>Fiscal year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 749,970	\$ 1,127	\$ 751,097
2021	5,225	872	6,097
2022	5,493	604	6,097
2023	3,192	368	3,560
2024	3,059	216	3,275
2025	1,417	60	1,477
Total	<u>\$ 768,356</u>	<u>\$ 3,247</u>	<u>\$ 771,603</u>

NOTE D – CAPITAL ASSETS

Depreciation expense was charged to functions for the year ended June 30, 2019 as follows:

Governmental activities:

General government	\$ 3,077,103
Public safety	368,231
Public works	1,007,485
Library and recreation	1,336,235
Total governmental activities depreciation expense	<u>\$ 5,789,054</u>

Business-type activities:

Water	\$ 3,494,887
Stormwater	155,839
Transportation and parking	2,889,259
Golf course	222,469
Total business-type activities depreciation expense	<u>\$ 6,762,454</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE D – CAPITAL ASSETS, Continued

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Transfers	Additions	Deletions	Balance June 30, 2019
Governmental activities:					
Capital assets, not being depreciated:					
Land and water rights	\$ 177,825,381	\$ -	\$ 64,290,608	\$ -	\$ 242,115,989
Construction in progress	13,820,885	-	6,197,640	(7,744,532)	12,273,993
Art	730,119	-	50,000	-	780,119
Total capital assets, not being depreciated	<u>192,376,385</u>	<u>-</u>	<u>70,538,248</u>	<u>(7,744,532)</u>	<u>255,170,101</u>
Capital assets, being depreciated:					
Buildings	45,283,758	-	2,030,934	(695)	47,313,997
Improvements other than building	41,441,787	-	239,682	-	41,681,469
Vehicles and equipment	13,397,090	15,817	1,269,426	(313,847)	14,368,486
Infrastructure	114,648,613	-	1,794,532	-	116,443,145
Intangibles	8,604,531	-	223,250	-	8,827,781
Total capital assets, being depreciated	<u>223,375,779</u>	<u>15,817</u>	<u>5,557,824</u>	<u>(314,542)</u>	<u>228,634,878</u>
Less accumulated depreciation for:					
Buildings	(15,010,039)	-	(1,275,244)	695	(16,284,588)
Improvements other than building	(21,634,317)	-	(1,193,888)	-	(22,828,205)
Vehicles and equipment	(8,122,107)	(15,817)	(1,317,694)	261,305	(9,194,313)
Infrastructure	(91,487,266)	-	(1,999,565)	-	(93,486,831)
Intangibles	(359,365)	-	(2,663)	-	(362,028)
Total accumulated depreciation	<u>(136,613,094)</u>	<u>(15,817)</u>	<u>(5,789,054)</u>	<u>262,000</u>	<u>(142,155,965)</u>
Total capital assets, being depreciated, net	<u>86,762,685</u>	<u>-</u>	<u>(231,230)</u>	<u>(52,542)</u>	<u>86,478,913</u>
Governmental activities capital assets, net	<u>\$ 279,139,070</u>	<u>\$ -</u>	<u>\$ 70,307,018</u>	<u>\$ (7,797,074)</u>	<u>\$ 341,649,014</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land and water rights	\$ 22,245,188	\$ -	\$ -	\$ -	\$ 22,245,188
Construction in progress	14,182,778	-	8,387,244	(4,826,467)	17,743,555
Art	109,214	-	-	-	109,214
Total capital assets, not being depreciated	<u>36,537,180</u>	<u>-</u>	<u>8,387,244</u>	<u>(4,826,467)</u>	<u>40,097,957</u>
Capital assets, being depreciated:					
Buildings	23,060,646	-	3,180,682	-	26,241,328
Improvements other than building	111,445,162	-	2,185,879	(1,048,734)	112,582,307
Vehicles and equipment	32,590,801	(15,817)	4,949,088	(632,482)	36,891,590
Intangibles	86,455	-	-	-	86,455
Total capital assets, being depreciated	<u>167,183,064</u>	<u>(15,817)</u>	<u>10,315,649</u>	<u>(1,681,216)</u>	<u>175,801,680</u>
Less accumulated depreciation for:					
Buildings	(7,178,602)	-	(667,970)	-	(7,846,572)
Improvements other than building	(48,772,130)	-	(3,219,692)	321,934	(51,669,888)
Vehicles and equipment	(14,095,315)	15,817	(2,868,512)	573,225	(16,374,785)
Intangibles	(59,880)	-	(6,280)	-	(66,160)
Total accumulated depreciation	<u>(70,105,927)</u>	<u>15,817</u>	<u>(6,762,454)</u>	<u>895,159</u>	<u>(75,957,405)</u>
Total capital assets, being depreciated, net	<u>97,077,137</u>	<u>-</u>	<u>3,553,195</u>	<u>(786,057)</u>	<u>99,844,275</u>
Business-type activities capital assets, net	<u>\$ 133,614,317</u>	<u>\$ -</u>	<u>\$ 11,940,439</u>	<u>\$ (5,612,524)</u>	<u>\$ 139,942,232</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2019:

	Beginning Balance July 1, 2018	Additions	Reductions	Amortization	Ending Balance June 30, 2019	Due Within One Year
Governmental activities:						
General obligation bonds:						
2008 series-principal	\$ 4,675,000	\$ -	\$ (4,675,000)	\$ -	\$ -	\$ -
2008 series-premium/discount	22,264	-	(22,264)	-	-	-
2009 series-principal	5,400,000	-	(820,000)	-	4,580,000	850,000
2009 series-premium/discount	73,435	-	-	(12,561)	60,874	-
2010B series-principal	3,065,000	-	(400,000)	-	2,665,000	410,000
2010B series-premium	40,924	-	-	(5,977)	34,947	-
2013A series-principal	5,090,000	-	(440,000)	-	4,650,000	455,000
2013A series-premium	62,205	-	-	(6,318)	55,887	-
2014 series-principal	725,000	-	(725,000)	-	-	-
2014 series-premium	28,943	-	-	(28,943)	-	-
2017 series-principal	23,435,000	-	(1,280,000)	-	22,155,000	1,335,000
2017 series-premium	2,655,595	-	-	(195,264)	2,460,331	-
2019 series-principal	-	48,290,000	-	-	48,290,000	2,860,000
2019 series-premium	-	6,827,264	-	(146,648)	6,680,616	-
Total general obligation bonds	45,273,366	55,117,264	(8,362,264)	(395,711)	91,632,655	5,910,000
Revenue bonds:						
Sales tax revenue bonds						
2014A refunding-principal	3,075,000	-	(985,000)	-	2,090,000	1,025,000
2014A refunding-premium	227,441	-	-	(76,725)	150,716	-
2014B series-principal	5,375,000	-	-	-	5,375,000	-
2014B series-premium	123,306	-	-	(11,241)	112,065	-
2015 series-principal	9,700,000	-	(665,000)	-	9,035,000	680,000
2015 series-premium	481,458	-	-	(40,222)	441,236	-
2017 series-principal	29,865,000	-	(1,590,000)	-	28,275,000	1,670,000
2017 series-premium	3,156,628	-	-	(225,960)	2,930,668	-
2019 series-principal	-	26,775,000	-	-	26,775,000	1,250,000
2019 series-premium	-	3,495,522	-	(75,117)	3,420,405	-
Total revenue bonds	52,003,833	30,270,522	(3,240,000)	(429,265)	78,605,090	4,625,000
Compensated absences	874,157	671,240	(690,187)	-	855,210	649,558
Total governmental activities	\$ 98,151,356	\$ 86,059,026	\$ (12,292,451)	\$ (824,976)	\$ 171,092,955	\$ 11,184,558

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

	Beginning Balance July 1, 2018	Additions	Reductions	Amortization	Ending Balance June 30, 2019	Due Within One Year
Business-type activities:						
2009A water revenue	\$ 1,500,000	\$ -	\$ (125,000)	\$ -	\$ 1,375,000	\$ 125,000
2009B water revenue refunding	1,810,000	-	(1,810,000)	-	-	-
2009B water revenue-premium	147,526	-	-	(147,526)	-	-
2009C water revenue	10,135,000	-	-	-	10,135,000	1,900,000
2010 water revenue	6,640,000	-	(825,000)	-	5,815,000	870,000
2010 water revenue-premium	386,370	-	-	(59,704)	326,666	-
2012 water revenue	2,760,000	-	(265,000)	-	2,495,000	280,000
2012 water revenue-premium	186,628	-	-	(20,812)	165,816	-
2012B water revenue refunding	5,525,000	-	-	-	5,525,000	-
2012B water revenue-premium	78,068	-	-	(8,245)	69,823	-
2013A water revenue refunding	1,965,000	-	(230,000)	-	1,735,000	235,000
2013A water revenue-premium/disc.	21,855	-	-	(2,926)	18,929	-
2014 water revenue	4,115,000	-	-	-	4,115,000	-
2014 water revenue-premium	148,950	-	-	(18,695)	130,255	-
Total revenue bonds	<u>35,419,397</u>	<u>-</u>	<u>(3,255,000)</u>	<u>(257,908)</u>	<u>31,906,489</u>	<u>3,410,000</u>
Compensated absences	<u>350,939</u>	<u>297,155</u>	<u>(276,246)</u>	<u>-</u>	<u>371,848</u>	<u>264,096</u>
Total business-type activities	<u>\$ 35,770,336</u>	<u>\$ 297,155</u>	<u>\$ (3,531,246)</u>	<u>\$ (257,908)</u>	<u>\$ 32,278,337</u>	<u>\$ 3,674,096</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 \$65,418 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.

General Obligation Bonds

On June 16, 2009, the City issued General Obligation Bonds Series 2009 in the amount of \$13,500,000 plus a net premium/discount of \$186,966. A portion of the proceeds was used to refund \$1,695,000 of the City's General Obligation Bonds Series 1999, plus \$12,852 interest. Bond proceeds of approximately \$4,000,000 were issued pursuant to a bond election held on November 7, 2006 to acquire and forever preserve undeveloped park and recreational land and approximately \$7,800,000 were issued pursuant to a bond election held November 6, 2007 to acquire, construct, improve and modify pathways, roads and related improvements for use by pedestrians and cyclists. Repayments are made from property tax revenues recorded in the Park City General Obligation Debt Service Fund.

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

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

General Obligation Bonds, Continued

The debt service requirements for the bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2009 Dated June 16, 2009 \$13,500,000 @ 3.00% to 4.00% per annum paid semi- annually (Nov. & May)		Series 2010B Dated April 30, 2010 \$6,000,000 @ 1.10% to 5.25% per annum paid semi- annually (Nov. & May)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2020	\$ 850,000	\$ 173,516	\$ 410,000	$ 131,335
2021	880,000	143,340	425,000	112,475
2022	915,000	111,220	435,000	92,287
2023	950,000	76,450	450,000	71,190
2024	985,000	39,400	465,000	48,915
2025	-	-	480,000	25,200
Total	4,580,000	543,926	2,665,000	481,402
Plus unamortized premium/discount	60,874	-	34,947	-
Total	<u>\$ 4,640,874</u>	<u>\$ 543,926</u>	<u>\$ 2,699,947</u>	<u>\$ 481,402</u>

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.

The debt service requirements for the bonds at June 30, 2019 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)	
	PRINCIPAL	INTEREST
2020	\$ 455,000	\$ 129,413
2021	465,000	120,313
2022	480,000	109,850
2023	500,000	97,850
2024	515,000	84,100
2025	530,000	69,938
2026	550,000	54,036
2027	565,000	37,537
2028	590,000	19,175
Total	4,650,000	722,212
Plus unamortized premium/discount	55,887	-
Total	<u>\$ 4,705,887</u>	<u>\$ 722,212</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

General Obligation Bonds, Continued

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.

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. The proceeds of the bonds were used to currently refund \$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.

The debt service requirements for the bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2017 Dated June 6, 2017 \$25,000,000 @ 3.00% to 5.00% per annum paid semi- annually (Feb. & August)		Series 2019 Dated March 5, 2019 \$48,290,000 @ 3.00% to 5.00% per annum paid semi- annually (Feb. & August)	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2020	\$ 1,335,000	\$ 910,350	\$ 2,860,000
2021	1,385,000	843,600	2,795,000	2,081,900
2022	1,440,000	774,350	2,945,000	1,942,150
2023	1,500,000	702,350	3,090,000	1,794,900
2024	1,560,000	627,350	3,245,000	1,640,400
2025	1,625,000	549,350	3,405,000	1,478,150
2026	1,685,000	468,100	2,730,000	1,307,900
2027	1,755,000	383,850	2,870,000	1,171,400
2028	1,825,000	296,100	3,015,000	1,027,900
2029	1,900,000	241,350	3,165,000	877,150
2030	1,975,000	184,350	3,320,000	718,900
2031	2,055,000	125,100	3,490,000	552,900
2032	2,115,000	63,450	3,625,000	413,300
2033	-	-	3,810,000	232,050
2034	-	-	3,925,000	117,750
Total	22,155,000	6,169,650	48,290,000	17,371,521
Plus unamortized premium	2,460,331	-	6,680,616	-
Total	<u>\$ 24,615,331</u>	<u>\$ 6,169,650</u>	<u>\$ 54,970,616</u>	<u>\$ 17,371,521</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

Sales Tax Revenue and Refunding Bonds

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

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

The debt service requirements for the bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2014A, \$6,725,000 @ 2.00%-4.00% paid semiannually		Series 2014B, \$5,375,000 @3.00%-3.25% paid semiannually	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2020	\$ 1,025,000	\$ 62,300	\$ -	$ 164,912
2021	1,065,000	21,300	-	164,912
2022	-	-	605,000	164,912
2023	-	-	625,000	146,763
2024	-	-	640,000	128,013
2025	-	-	660,000	108,813
2026	-	-	680,000	89,013
2027	-	-	700,000	68,613
2028	-	-	720,000	47,612
2029	-	-	745,000	24,212
Total	2,090,000	83,600	5,375,000	1,107,775
Plus unamortized premium	150,716	-	112,065	-
Total	<u>\$ 2,240,716</u>	<u>\$ 83,600</u>	<u>\$ 5,487,065</u>	<u>\$ 1,107,775</u>

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.

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.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

Sales Tax Revenue and Refunding Bonds, Continued

The debt service requirements for the bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2015, \$11,600,000 @ 2.00% - 4.00% paid semiannually		Series 2017, \$31,940,000 @ 2.85% - 5.00% paid semiannually	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2020	\$ 680,000	\$ 320,125	\$ 1,670,000	\$ 1,099,352
2021	710,000	292,925	1,755,000	1,015,853
2022	735,000	264,525	1,780,000	989,527
2023	765,000	235,125	1,870,000	900,527
2024	795,000	204,525	1,965,000	807,028
2025	820,000	180,675	2,060,000	708,778
2026	845,000	156,075	2,165,000	605,777
2027	880,000	122,275	2,275,000	497,528
2028	905,000	95,875	2,385,000	383,777
2029	930,000	68,725	2,480,000	288,378
2030	970,000	31,525	2,555,000	213,977
2031	-	-	2,620,000	147,548
2032	-	-	2,695,000	76,807
Total	<u>9,035,000</u>	<u>1,972,375</u>	<u>28,275,000</u>	<u>7,734,857</u>
Plus unamortized premium	<u>441,236</u>	<u>-</u>	<u>2,930,668</u>	<u>-</u>
Total	<u>\$ 9,476,236</u>	<u>\$ 1,972,375</u>	<u>\$ 31,205,668</u>	<u>\$ 7,734,857</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

Sales Tax Revenue and Refunding Bonds, Continued

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, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2019 Dated February 21, 2019 \$26,775,000 @ 3.00% to 5.00% paid semiannually	
	PRINCIPAL	INTEREST
2020	\$ 1,250,000	\$ 1,145,750
2021	1,325,000	1,081,375
2022	1,400,000	1,013,250
2023	1,475,000	941,375
2024	1,550,000	865,750
2025	1,600,000	811,000
2026	1,650,000	753,750
2027	1,750,000	668,750
2028	1,825,000	579,375
2029	1,925,000	485,625
2030	2,025,000	386,875
2031	2,125,000	293,750
2032	2,200,000	207,250
2033	2,300,000	117,250
2034	2,375,000	35,625
Total	26,775,000	9,386,750
Plus unamortized premium/discount	3,420,405	-
Total	\$ 30,195,405	\$ 9,386,750

The Series 2014A, 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. More detailed information about pledged-revenue coverage is presented in Schedule 18 on page 124 of this report.

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 FINANCIAL STATEMENTS, continued
JUNE 30, 2019

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 bear interest at 2.25 percent paid semiannually. The bonds incurred bond issuance costs of \$100,848, which were recognized as an expense in the period incurred. Repayments on the debt are made from the net revenues of the Water Fund.

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

The debt service requirements for the water refunding bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	SERIES 2012B Dated December 14, 2012 \$5,525,000 @ 2.25%		SERIES 2013A Dated February 21, 2013 \$3,045,000 @ 2.00%	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2020	\$ -	\$ 124,313	\$ 235,000	$ 32,350
2021	-	124,312	240,000	27,600
2022	-	124,313	245,000	22,750
2023	-	124,312	245,000	17,850
2024	-	124,313	250,000	12,900
2025	-	124,312	255,000	7,850
2026	-	124,313	265,000	2,650
2027	2,525,000	95,906	-	-
2028	3,000,000	33,750	-	-
Total	5,525,000	999,844	1,735,000	123,950
Plus unamortized premium/discount	69,823	-	18,929	-
Total	<u>\$ 5,594,823</u>	<u>\$ 999,844</u>	<u>\$ 1,753,929</u>	<u>\$ 123,950</u>

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

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, 2019 is \$1,375,000.

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

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

The debt service requirements for these bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2009C Dated September 29, 2009 \$10,135,000 @ 4.70% to 5.25%		Series 2010 Dated February 10, 2010 \$12,200,000 @ 2.00% to 5.00%	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2020	\$ 1,900,000	\$ 508,637	\$ 870,000	$ 219,550
2021	1,960,000	419,338	910,000	179,600
2022	2,025,000	323,298	950,000	142,400
2023	2,090,000	221,035	1,000,000	103,400
2024	2,160,000	113,400	1,015,000	63,100
2025	-	-	1,070,000	21,400
Total	10,135,000	1,585,708	5,815,000	729,450
Plus unamortized premium	-	-	326,666	-
Total	<u>\$ 10,135,000</u>	<u>\$ 1,585,708</u>	<u>\$ 6,141,666</u>	<u>\$ 729,450</u>

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

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

Water Revenue Bonds, Continued

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

The debt service requirements for these bonds at June 30, 2019 were as follows:

Fiscal Year Ending June 30,	Series 2012 Dated May 31, 2012 \$4,160,000 @ 2.00% to 4.00%		Series 2014 Dated June 25, 2014 \$4,115,000 @ 3.25%	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	2020	\$ 280,000	\$ 78,250	\$ -	$ 133,737
2021	290,000	69,850	-	133,737
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	2,495,000	374,900	4,115,000	859,788
Plus unamortized premium	165,816	-	130,255	-
Total	\$ 2,660,816	\$ 374,900	\$ 4,245,255	\$ 859,788

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, 2019, the tax increment collected by the Main Street Redevelopment Agency was \$262,601 and the tax contributions from other governments were \$879,143. The tax increment collected by the Lower Park Avenue Redevelopment Agency was \$664,751 and the tax contributions from other governments were \$2,225,471. The tax increment paid to another taxing agency by the Main Street Redevelopment Agency and by the Lower Park Avenue Redevelopment Agency was \$240,086 and \$509,724, respectively.

During the fiscal year, the Lower Park Avenue Redevelopment Agency expended \$126,684 for site improvements and \$127,847 for economic development. The Main Street Redevelopment Agency expended \$208,223 for site improvements and \$921 for economic development.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE E – LONG-TERM OBLIGATIONS, Continued

The annual debt service requirements for all long-term debt outstanding as of June 30, 2019 by activity are as follows:

Fiscal Year ending June 30,	Governmental Activities		Business-Type Activities
	General Obligation Bonds	Revenue Bonds	
Principal			
2020	\$ 5,910,000	\$ 4,625,000	\$ 3,410,000
2021	5,950,000	4,855,000	3,525,000
2022	6,215,000	4,520,000	3,645,000
2023	6,490,000	4,735,000	3,770,000
2024	6,770,000	4,950,000	3,865,000
2025-2029	26,690,000	28,000,000	12,855,000
2030-2034	24,315,000	19,865,000	125,000
Total	82,340,000	71,550,000	31,195,000
Plus unamortized premium/discount			
	9,292,655	7,055,090	711,489
Total	\$ 91,632,655	\$ 78,605,090	\$ 31,906,489
Interest			
2020	\$ 3,359,385	\$ 2,792,440	\$ 1,096,838
2021	3,301,628	2,576,365	954,436
2022	3,029,857	2,432,215	807,648
2023	2,742,740	2,223,791	652,485
2024	2,440,165	2,005,316	490,301
2025-2029	8,007,136	6,744,624	671,932
2030-2034	2,407,800	1,510,606	-
Total	\$ 25,288,711	\$ 20,285,357	\$ 4,673,640

Defeasance of Debt

On March 5, 2019 the City issued \$4,290,000 in General Obligation Bonds Series 2019 with an average interest rate of 4.34 percent. The bond proceeds were used for a current refunding of \$4,675,000 of outstanding General Obligation Bonds Series 2008 with an average interest rate of 4.20 percent. An aggregate amount of \$4,772,659 (representing \$4,290,000 of proceeds together with a premium of \$482,659) currently refunded the General Obligation Bonds Series 2008. In addition, the City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) to the City of approximately \$322,235. The refunding also decreased the City's total debt service payments over the next five years by approximately \$257,521. For government-wide reporting the reacquisition price of the Series 2019 bonds was less than the net carrying amount of the 2008 Series bonds resulting in a gain on refunding of \$385,000. The gain on refunding was recorded as a deferred inflow of resources and amortized over the five-year life of the debt.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

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);
- Public Employees Contributory Retirement System (Contributory 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 FINANCIAL STATEMENTS, continued
JUNE 30, 2019

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 all years	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 FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

Contribution rates as of June 30, 2019 are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Contributory System			
11 Local Government Div - Tier 1	6.00	14.46	N/A
111 Local Government Div - Tier 2*	N/A	15.54	1.15
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*	N/A	23.09	0.74
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, 2019, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 1,486,998	\$ N/A
Contributory System	118,253	49,068
Public Safety System	703,630	-
Tier 2 Public Employees Systems	1,391,549	-
Tier 2 Public Safety and Firefighter	47,136	-
Tier 2 DC Only System	85,220	N/A
Tier 2 DC Public Safety and Firefighter System	8,158	N/A
Total Contributions	<u>\$ 3,840,944</u>	<u>\$ 49,068</u>

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 FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

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

At June 30, 2019, the City reported no net pension asset and a net pension liability of \$14,568,026.

	Measurement Date: December 31, 2018				Proportionate Share December 31, 2018	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share			
Noncontributory System	\$ -	\$ 8,933,726	1.2132077	%	1.1793561	0.0338516
Contributory System	-	1,791,243	4.4140715		4.2822288	0.1318427
Public Safety System	-	3,548,166	1.3792220		1.4076471	(0.0284251)
Tier 2 Public Employees System	-	291,045	0.6795699		0.6412973	0.0382726
Tier 2 Public Safety and Firefighter	-	3,846	0.1535009		0.2907906	(0.1372897)
	\$ -	\$ 14,568,026				

The net pension asset and liability were measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2018 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, 2019, the City recognized pension expense of \$5,020,343. 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	\$ 118,710	\$ 395,639
Changes in assumptions	1,681,232	5,370
Net difference between projected and actual earnings on pension plan investments	3,157,471	-
Changes in proportion and differences between contributions and proportionate share of contributions	511,079	113,432
Contributions subsequent to the measurement date	1,966,162	-
Total	<u>\$ 7,434,654</u>	<u>\$ 514,441</u>

\$1,966,162 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, 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

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>Deferred Outflows (Inflows) of Resources</u>
2019 \$	2,204,770
2020	745,014
2021	421,900
2022	1,502,915
2023	10,110
Thereafter	69,341

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

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$2,585,957. 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	\$ 114,900	\$ 166,623
Changes in assumptions	1,196,776	-
Net difference between projected and actual earnings on pension plan investments	1,859,007	-
Changes in proportion and differences between contributions and proportionate share of contributions	299,520	84,369
Contributions subsequent to the measurement date	744,235	-
Total	<u>\$ 4,214,438</u>	<u>\$ 250,992</u>

\$744,235 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, 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

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>	Deferred Outflows (Inflows) of Resources
2019 \$	1,426,838
2020	647,454
2021	264,116
2022	880,801
2023	-
Thereafter	-

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

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$414,331. 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	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	588,684	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	60,438	-
Total	<u>\$ 649,122</u>	<u>\$ -</u>

\$60,438 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, 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

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>Deferred Outflows (Inflows) of Resources</u>
2019 \$	233,177
2020	13,821
2021	59,047
2022	282,639
2023	-
Thereafter	-

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

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$1,244,451. 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	\$ -	\$ 168,858
Changes in assumptions	407,848	-
Net difference between projected and actual earnings on pension plan investments	612,292	-
Changes in proportion and differences between contributions and proportionate share of contributions	106,562	29,063
Contributions subsequent to the measurement date	353,067	-
Total	<u>\$ 1,479,769</u>	<u>\$ 197,921</u>

\$353,067 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, 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

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>Deferred Outflows (Inflows) of Resources</u>
2019	\$ 509,733
2020	57,877
2021	70,526
2022	290,645
2023	-
Thereafter	-

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

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$752,570. 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	\$ 2,043	\$ 60,153
Changes in assumptions	72,949	5,229
Net difference between projected and actual earnings on pension plan investments	94,777	-
Changes in proportion and differences between contributions and proportionate share of contributions	93,175	-
Contributions subsequent to the measurement date	780,449	-
Total	<u>\$ 1,043,393</u>	<u>\$ 65,382</u>

\$780,449 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 ate of December 31, 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

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:

<u>Year Ended December 31,</u>	Deferred Outflows (Inflows) of Resources
2019	\$ 33,286
2020	24,337
2021	26,624
2022	46,697
2023	9,042
Thereafter	57,576

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

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$23,034. 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	\$ 1,767	\$ 5
Changes in assumptions	3,659	141
Net difference between projected and actual earnings on pension plan investments	2,711	-
Changes in proportion and differences between contributions and proportionate share of contributions	11,822	-
Contributions subsequent to the measurement date	27,973	-
Total	<u>\$ 47,932</u>	<u>\$ 146</u>

\$27,973 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, 2018.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

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>	Deferred Outflows (Inflows) of Resources
2019 \$	1,736
2020	1,525
2021	1,587
2022	2,133
2023	1,068
Thereafter	11,765

Actuarial Assumptions

The total pension liability in the December 31, 2018, 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

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries. The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the five- year period ending December 31, 2016.

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:

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40.00 %	6.15 %	2.46 %
Debt securities	20.00	0.40	0.08
Real assets	15.00	5.75	0.86
Private equity	9.00	9.95	0.89
Absolute return	16.00	2.85	0.46
Cash and cash equivalents	-	-	-
Totals	100.00 %		4.75 %
	Inflation		2.50 %
	Expected arithmetic nominal return		7.25 %

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.

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 (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 18,309,316	\$ 8,933,726	\$ 1,126,336
Contributory System	3,802,515	1,791,243	98,168
Public Safety System	6,955,031	3,548,166	782,540
Tier 2 Public Employees System	1,165,983	291,045	(384,188)
Tier 2 Public Safety and Firefighter System	29,009	3,846	(15,410)
Total	\$ 30,261,854	\$ 14,568,026	\$ 1,607,446

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE F – RETIREMENT PLANS, Continued

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, 2019 were as follows:

	2019	2018	2017
401(k) Plan			
Employer Contributions	\$ 298,209	\$ 272,906	\$ 224,693
Employee Contributions	-	-	-
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	15,920	16,770	17,105
Traditional IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	-	50	1,050

NOTE G - DEFINED CONTRIBUTION PLANS

Section 401(a) defined contribution money purchase plan

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

The ICMA Retirement Corporation (ICMA) administers this plan. The City's total payroll in the fiscal year ended June 30, 2019 was \$27,218,360. Of that amount, \$6,555,251 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, 2019 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, 2019 contributions totaling \$32,086 or 0.49 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.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE G - DEFINED CONTRIBUTION PLANS, Continued

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, 2019 was \$27,218,360 and the City's covered payroll eligible for this plan totaled \$20,887,679. 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 \$363,861 or 1.74 percent of covered payroll were made by the City and voluntary contributions totaling \$888,024 or 4.25 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 ICMA for the exclusive benefit of the participants or their beneficiaries rather than as assets of the employer. As ICMA is the fiduciary of these assets, the City is no longer required to report the assets.

Loans or notes between the City and the defined contribution plans

There are no securities, loans or notes of the City included in the plans' assets.

NOTE H - COMMITMENTS AND CONTINGENCIES

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

Commitments for major construction and capital improvements projects at June 30, 2019 are as follows:

Capital Projects Funds	\$5,759,278
Enterprise Funds	\$7,057,632

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE I – INTERGOVERNMENTAL REVENUES

Intergovernmental revenues were received by governmental fund types for the year ended June 30, 2019. They consist of the following:

State of Utah Class "C" road allotments	\$	357,940
State contributions		104,338
County contributions		1,298,240
Federal contributions		3,969,045
Fire District		357,934
School District		2,153,679
Total		\$ 8,241,176

NOTE J – INTERFUND LOANS

Due to cash flow needs of the Golf Fund to purchase new golf carts, the sum of \$125,000 was advanced from the General Fund on April 1, 2017. The advance bears interest at 1.75 percent paid monthly for forty-eight months. The annual repayment requirement for the advance at June 30, 2019 was as follows:

Fiscal Year Ending June 30,	PRINCIPAL	INTEREST
2020	\$ 31,654	\$ 723
2021	24,107	176
Total	\$ 55,761	\$ 899

NOTE K – RISK MANAGEMENT

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

Unpaid claims as of June 30, 2017		28,680
Incurred claims		151,053
Claim payments		143,138
Unpaid claims as of June 30, 2018		36,595
Incurred claims		292,073
Claim payments		263,311
Unpaid claims as of June 30, 2019		\$ 65,357

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE L – BUDGET RECONCILIATION

A reconciliation of the original 2018-2019 budget, to the final legally adopted budget for all governmental fund types net of transfers approved in June 2019 is as follows:

	Original Budget		Increase (Decrease)		Budget as Revised
General Fund:					
Revenues	\$ 35,977,134	\$	810,867	\$	36,788,001
Expenditures	34,315,664		587,551		34,903,215
Special Revenue Funds:					
Revenues	\$ 3,655,792	\$	449,814	\$	4,105,606
Expenditures	1,299,041		(2,000)		1,297,041
Debt Service Funds:					
Revenues	\$ 6,088,571	\$	-	\$	6,088,571
Expenditures	11,078,100		-		11,078,100
Capital Projects Funds:					
Revenues	\$ 79,753,707	\$	25,829,608	\$	105,583,315
Expenditures	67,351,294		70,918,724		138,270,018

NOTE M – INTERFUND TRANSFERS

Fund Financial Statements

Transfers were made to and from several funds during the course of the year ended June 30, 2019. 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 \$1,073,700 to the Equipment Replacement Capital Projects Fund for future replacement of rolling stock and computer equipment. Several funds transferred a total of \$5,344,141 to the Sales Tax Revenue Bond Debt Service Fund to support principal and interest payments on debt. The Sales Tax Revenue Bond Debt Service Fund transferred \$11,993,364 of net bond proceeds to the Capital Improvements Fund for construction project costs. The General Obligation Bond Debt Service Fund transferred \$50,094,149 of net bond proceeds to the Capital Improvements Fund for capital project costs. Transfers to the General Fund were comprised of: \$1,515,221 from the Water Fund, \$75,000 from the Stormwater Fund, \$977,397 from the Transportation and Parking Fund and \$106,046 from the Golf Fund for administrative expenses for the year ended June 30, 2019.

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE M – INTERFUND TRANSFERS, Continued

	Transfers into:					Business- Type Activities	Total	
	Major Funds				Nonmajor Funds			Golf Course Fund
	General Fund	Capital Improvement Fund	Sales Tax Revenue & Refunding - DSF	Sales Tax Revenue & Refunding - DSF				
<u>Transfers out from:</u>								
Governmental activities								
Major funds:								
General fund	\$ -	\$ 2,357,042	\$ 161,703	\$ 1,073,700	\$ 25,000	\$ 3,617,445		
Capital improvement fund	-	-	3,669,062	-	-	3,669,062		
Sales tax rev & refund - DSF	-	11,993,364	-	-	-	11,993,364		
General obligation - DSF	-	50,094,149	-	-	-	50,094,149		
Nonmajor funds:								
Other funds	-	-	1,513,376	2,299,125	-	3,812,501		
Business-type activities								
Water fund	1,515,221	-	-	-	-	1,515,221		
Stormwater fund	75,000	-	-	-	-	75,000		
Transportation and parking	977,397	-	-	-	-	977,397		
Golf course fund	106,046	-	-	-	-	106,046		
Total	<u>\$ 2,673,664</u>	<u>\$ 64,444,555</u>	<u>\$ 5,344,141</u>	<u>\$ 3,372,825</u>	<u>\$ 25,000</u>	<u>\$ 75,860,185</u>		

Government-Wide Financial Statements

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

NOTE N - TAXES

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

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

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

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE O – UNAVAILABLE REVENUE

Fund Financial Statements

At June 30, 2019, 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	\$ 55,761	\$ -	\$ 768,356	\$ -	\$ 824,117
Property tax levied- not yet collected	10,092,652	9,279,385	-	4,491,789	23,863,826
	<u>\$ 10,148,413</u>	<u>\$ 9,279,385</u>	<u>\$ 768,356</u>	<u>\$ 4,491,789</u>	<u>\$ 24,687,943</u>

NOTE P – CONDUIT DEBT

On May 29, 2015, the City issued \$18,885,000 of 2015 Industrial Revenue Refunding Bonds on behalf of the United States Ski and Snowboard Association (USSA), a nonprofit corporation. The bonds refunded \$18,695,000 of the 2007 Multi-Mode Variable Rate Revenue Bonds issued on December 18, 2007, on behalf of USSA. The bonds bear interest at a variable rate and mature June 1, 2040. The bonds were used to partially finance the construction of The USSA Center of Excellence, an athletic training and office facility located in Park City. The bonds are secured by a pledge of revenues under the Bond Indenture. Neither the City’s General Fund nor the full faith and credit of the City are pledged for the payment of principal or interest on the bonds. Since the bonds do not constitute a debt of the City, they are not reported in the accompanying financial statements. The principal balance of outstanding bonds was \$16,620,876 at June 30, 2019.

NOTE Q – POLLUTION REMEDIATION

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

The Environmental Protection Agency (USEPA) and UDEQ have been investigating and evaluating mine sites within the Park City area since the early 1980’s. In 1988, pursuant to approval of USEPA, Park City Municipal Corporation enacted the Landscaping and Maintenance of Soil Cover Ordinance for lots within the City limits. In general, the landscaping and soil maintenance cover requirements mandated a 6-inch clean top soil cap in order to contain the underlying mine related material. The general objective of these measures was to isolate potentially contaminated material from the surface and minimize direct contact. On April 30, 2004, the City implemented an Environmental Management System (EMS) to further strengthen the Soils Ordinance Program on a long-term basis. The EMS Soils Ordinance Boundary contains pollution remediation obligations of Park City Municipal Corporation pursuant to this local ordinance, which is an obligating event pursuant to GASB 49. The City plans to conduct remediation of 48 acres of land in accordance with the Utah Department of Environmental

PARK CITY MUNICIPAL CORPORATION, UTAH
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019

NOTE Q – POLLUTION REMEDIATION, Continued

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.

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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 employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of its covered employee 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
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
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
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
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

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 employee payroll	Contributions as a percentage of covered employee 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
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
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
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
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
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
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

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-employee 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, 2019

Note 1. Changes in Assumptions

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

**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, 2019**

	Special Revenue Funds				Capital Projects 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	Building Authority Capital Projects Fund	Municipal Improvement Fund	Equipment Replacement Capital Fund	Total Nonmajor Capital projects funds	Total Nonmajor Governmental Funds
ASSETS										
Cash, cash equivalents and investments	\$ 1,638,303	\$ 902,043	\$ 2,540,346	\$ 1,782,012	\$ 838,599	\$ 442,400	\$ 1,928,005	\$ 4,991,016	\$ 7,531,362	
Taxes	3,194,662	1,305,111	4,499,773	-	-	-	-	-	4,499,773	
Accounts	577	182	759	308	145	77	-	530	1,289	
Total assets	\$ 4,833,542	\$ 2,207,336	\$ 7,040,878	\$ 1,782,320	\$ 838,744	\$ 442,477	\$ 1,928,005	\$ 4,991,546	\$ 12,032,424	
LIABILITIES										
Accounts payable	\$ 31,882	\$ -	\$ 31,882	\$ 1,325	\$ -	\$ -	\$ 15,916	\$ 17,241	\$ 49,123	
Total liabilities	31,882	-	31,882	1,325	-	-	15,916	17,241	49,123	
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue-property tax	3,191,789	1,300,000	4,491,789	-	-	-	-	-	4,491,789	
Total deferred inflow of resources	3,191,789	1,300,000	4,491,789	-	-	-	-	-	4,491,789	
Total liabilities and deferred inflows of resources	3,223,671	1,300,000	4,523,671	1,325	-	-	15,916	17,241	4,540,912	
FUND BALANCES										
Committed:										
Capital projects funds	-	-	-	1,780,995	838,744	442,477	1,912,089	4,974,305	4,974,305	
Economic development	1,609,871	907,336	2,517,207	-	-	-	-	-	2,517,207	
Total fund balances	\$ 1,609,871	\$ 907,336	\$ 2,517,207	\$ 1,780,995	\$ 838,744	\$ 442,477	\$ 1,912,089	\$ 4,974,305	\$ 7,491,512	
Total liabilities and fund balances	\$ 4,833,542	\$ 2,207,336	\$ 7,040,878	\$ 1,782,320	\$ 838,744	\$ 442,477	\$ 1,928,005	\$ 4,991,546	\$ 12,032,424	

Park City Municipal Corporation
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental funds
For the Year Ended June 30, 2019

	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	\$ 664,751	\$ 262,601	\$ 927,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 927,352
Intergovernmental	2,225,471	879,143	3,104,614	-	-	-	-	-	3,104,614
Investment income	44,995	26,614	71,609	39,920	23,354	11,147	-	74,421	146,030
Total revenues	<u>2,935,217</u>	<u>1,168,358</u>	<u>4,103,575</u>	<u>39,920</u>	<u>23,354</u>	<u>11,147</u>	<u>-</u>	<u>74,421</u>	<u>4,177,996</u>
EXPENDITURES									
Capital outlay	-	-	-	126,684	208,223	-	1,227,248	1,562,155	1,562,155
Economic development	637,571	241,007	878,578	-	-	-	-	-	878,578
Total expenditures	<u>637,571</u>	<u>241,007</u>	<u>878,578</u>	<u>126,684</u>	<u>208,223</u>	<u>-</u>	<u>1,227,248</u>	<u>1,562,155</u>	<u>2,440,733</u>
Excess (deficiency) of revenues over expenditures	2,297,646	927,351	3,224,997	(86,764)	(184,869)	11,147	(1,227,248)	(1,487,734)	1,737,263
OTHER FINANCING SOURCES (USES)									
Sale of capital assets	-	-	-	-	-	-	74,891	74,891	74,891
Transfers in	-	-	-	1,547,125	752,000	-	1,073,700	3,372,825	3,372,825
Transfers out	(1,547,125)	(752,000)	(2,299,125)	(708,215)	(805,161)	-	-	(1,513,376)	(3,812,501)
Total other financing sources (uses)	<u>(1,547,125)</u>	<u>(752,000)</u>	<u>(2,299,125)</u>	<u>838,910</u>	<u>(53,161)</u>	<u>-</u>	<u>1,148,591</u>	<u>1,934,340</u>	<u>(364,785)</u>
Net change in fund balances	750,521	175,351	925,872	752,146	(238,030)	11,147	(78,657)	446,606	1,372,478
Fund balances - beginning	859,350	731,985	1,591,335	1,028,849	1,076,774	431,330	1,990,746	4,527,699	6,119,034
Fund balances - ending	<u>\$ 1,609,871</u>	<u>\$ 907,336</u>	<u>\$ 2,517,207</u>	<u>\$ 1,780,995</u>	<u>\$ 838,744</u>	<u>\$ 442,477</u>	<u>\$ 1,912,089</u>	<u>\$ 4,974,305</u>	<u>\$ 7,491,512</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 341,062	\$ 341,062
Total revenues	-	-	341,062	341,062
EXPENDITURES				
Debt service:				
Interest	1,794,465	1,794,465	2,110,324	(315,859)
Principal retirement	3,240,000	3,240,000	3,240,000	-
Bond issuance costs	-	-	259,074	(259,074)
Total debt service	5,034,465	5,034,465	5,609,398	(574,933)
Total expenditures	5,034,465	5,034,465	5,609,398	(574,933)
Excess (deficiency) of revenues over expenditures	(5,034,465)	(5,034,465)	(5,268,336)	(233,871)
OTHER FINANCING SOURCES (USES)				
Debt issuance	-	-	26,775,000	26,775,000
Premium on debt issuance	-	-	3,495,522	3,495,522
Transfers in	5,020,466	4,427,841	5,344,141	916,300
Transfers out	-	-	(11,993,364)	(11,993,364)
Total other financing sources (uses)	5,020,466	4,427,841	23,621,299	19,193,458
Net change in fund balances	(13,999)	(606,624)	18,352,963	18,959,587
Fund balances - beginning	2,362,332	7,191,000	7,396,947	205,947
Fund balances - ending	<u>\$ 2,348,333</u>	<u>\$ 6,584,376</u>	<u>\$ 25,749,910</u>	<u>\$ 19,165,534</u>

**Park City Municipal Corporation
General Obligation Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 6,036,374	\$ 6,036,374	\$ 6,036,374	\$ -
Investment income	-	-	2,575	2,575
Miscellaneous	52,197	52,197	48,857	(3,340)
Total revenues	<u>6,088,571</u>	<u>6,088,571</u>	<u>6,087,806</u>	<u>(765)</u>
EXPENDITURES				
Debt service:				
Interest	1,683,635	1,683,635	1,635,254	48,381
Principal retirement	4,360,000	4,360,000	8,340,000	(3,980,000)
Bond issuance costs	-	-	270,383	(270,383)
Total debt service	<u>6,043,635</u>	<u>6,043,635</u>	<u>10,245,637</u>	<u>(4,202,002)</u>
Total expenditures	<u>6,043,635</u>	<u>6,043,635</u>	<u>10,245,637</u>	<u>(4,202,002)</u>
Excess (deficiency) of revenues over expenditures	<u>44,936</u>	<u>44,936</u>	<u>(4,157,831)</u>	<u>(4,202,767)</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance	-	-	44,000,000	44,000,000
Refunding bonds issued	-	-	4,290,000	4,290,000
Premium on debt issuance	-	-	6,344,605	6,344,605
Premium on refunding bonds	-	-	482,659	482,659
Transfers out	-	-	(50,094,149)	(50,094,149)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,023,115</u>	<u>5,023,115</u>
Net change in fund balances	44,936	44,936	865,284	820,348
Fund balances - beginning	678,567	694,322	671,466	(22,856)
Fund balances - ending	<u>\$ 723,503</u>	<u>\$ 739,258</u>	<u>\$ 1,536,750</u>	<u>\$ 797,492</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 9,540,207	\$ 9,540,207	\$ 11,017,088	\$ 1,476,881
Intergovernmental	2,040,000	8,469,000	1,009,043	(7,459,957)
Investment income	20,000	20,000	1,276,689	1,256,689
Impact fees	373,000	373,000	620,441	247,441
Rental and other	173,000	173,000	3,500	(169,500)
Miscellaneous	307,500	307,500	426,527	119,027
Total revenues	<u>12,453,707</u>	<u>18,882,707</u>	<u>14,353,288</u>	<u>(4,529,419)</u>
EXPENDITURES				
Capital outlay:				
Land and building acquisition	61,038,968	64,447,113	58,495,184	5,951,929
Street and storm drain improvements	1,261,150	1,812,463	789,787	1,022,676
Building renovation and construction	1,857,709	26,419,334	6,625,138	19,794,196
Improvements other than building	1,055,480	35,602,485	2,576,802	33,025,683
City parks and cemetery improvements	100,000	781,511	3,147	778,364
Equipment	555,387	787,715	81,291	706,424
Total capital outlay	<u>65,868,694</u>	<u>129,850,621</u>	<u>68,571,349</u>	<u>61,279,272</u>
Total expenditures	<u>65,868,694</u>	<u>129,850,621</u>	<u>68,571,349</u>	<u>61,279,272</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(53,414,987)</u>	<u>(110,967,914)</u>	<u>(54,218,061)</u>	<u>56,749,853</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance	60,300,000	79,700,608	-	(79,700,608)
Sale of capital assets	1,000,000	1,000,000	166,791	(833,209)
Transfers in	2,357,042	2,357,042	64,444,555	62,087,513
Transfers out	<u>(3,345,387)</u>	<u>(2,752,762)</u>	<u>(3,669,062)</u>	<u>(916,300)</u>
Total other financing sources (uses)	<u>60,311,655</u>	<u>80,304,888</u>	<u>60,942,284</u>	<u>(19,362,604)</u>
Net change in fund balances	6,896,668	(30,663,026)	6,724,223	37,387,249
Fund balances - beginning	<u>39,816,947</u>	<u>67,307,997</u>	<u>40,952,442</u>	<u>(26,355,555)</u>
Fund balances - ending	<u>\$ 46,713,615</u>	<u>\$ 36,644,971</u>	<u>\$ 47,676,665</u>	<u>\$ 11,031,694</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 595,212	\$ 712,032	\$ 664,751	\$ (47,281)
Intergovernmental	1,818,580	2,209,674	2,225,471	15,797
Investment income	-	-	44,995	44,995
Total revenues	<u>2,413,792</u>	<u>2,921,706</u>	<u>2,935,217</u>	<u>13,511</u>
EXPENDITURES				
Economic development	814,041	812,041	637,571	174,470
Total expenditures	<u>814,041</u>	<u>812,041</u>	<u>637,571</u>	<u>174,470</u>
Excess of revenues over expenditures	<u>1,599,751</u>	<u>2,109,665</u>	<u>2,297,646</u>	<u>187,981</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,641,125)	(1,547,125)	(1,547,125)	-
Total other financing sources (uses)	<u>(1,641,125)</u>	<u>(1,547,125)</u>	<u>(1,547,125)</u>	<u>-</u>
Net change in fund balances	(41,374)	562,540	750,521	187,981
Fund balances - beginning	216,231	287,032	859,350	572,318
Fund balances - ending	<u>\$ 174,857</u>	<u>\$ 849,572</u>	<u>\$ 1,609,871</u>	<u>\$ 760,299</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 324,160	\$ 310,797	\$ 262,601	\$ (48,196)
Intergovernmental	917,840	873,103	879,143	6,040
Investment income	-	-	26,614	26,614
Total revenues	<u>1,242,000</u>	<u>1,183,900</u>	<u>1,168,358</u>	<u>(15,542)</u>
EXPENDITURES				
Economic development	485,000	485,000	241,007	243,993
Total expenditures	<u>485,000</u>	<u>485,000</u>	<u>241,007</u>	<u>243,993</u>
Excess of revenues over expenditures	<u>757,000</u>	<u>698,900</u>	<u>927,351</u>	<u>228,451</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(752,000)	(752,000)	(752,000)	-
Total other financing sources (uses)	<u>(752,000)</u>	<u>(752,000)</u>	<u>(752,000)</u>	<u>-</u>
Net change in fund balances	5,000	(53,100)	175,351	228,451
Fund balances - beginning	270,447	465,052	731,985	266,933
Fund balances - ending	<u>\$ 275,447</u>	<u>\$ 411,952</u>	<u>\$ 907,336</u>	<u>\$ 495,384</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 39,920	\$ 39,920
Total revenues	-	-	39,920	39,920
EXPENDITURES				
Capital outlay:				
Land and building acquisition	-	16,024	9,064	6,960
Street and storm drain improvements	-	39,845	-	39,845
Building renovation and construction	-	2,500,753	43,338	2,457,415
Improvements other than building	5,000	1,827,095	72,567	1,754,528
City parks and cemetery improvements	100,000	453,941	1,715	452,226
Total capital outlay	105,000	4,837,658	126,684	4,710,974
Total expenditures	105,000	4,837,658	126,684	4,710,974
Excess (deficiency) of revenues over expenditures	(105,000)	(4,837,658)	(86,764)	4,750,894
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	6,000,000	6,000,000	-	(6,000,000)
Transfers in	1,641,125	1,547,125	1,547,125	-
Transfers out	(708,215)	(708,215)	(708,215)	-
Total other financing sources (uses)	6,932,910	6,838,910	838,910	(6,000,000)
Net change in fund balances	6,827,910	2,001,252	752,146	(1,249,106)
Fund balances - beginning	61,453	20,686,640	1,028,849	(19,657,791)
Fund balances - ending	\$ 6,889,363	\$ 22,687,892	\$ 1,780,995	\$ (20,906,897)

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 23,354	\$ 23,354
Total revenues	-	-	23,354	23,354
EXPENDITURES				
Capital outlay:				
Improvements other than building	52,000	559,903	203,477	356,426
Equipment	-	16,464	4,746	11,718
Total capital outlay	52,000	576,367	208,223	368,144
Total expenditures	52,000	576,367	208,223	368,144
Excess (deficiency) of revenues over expenditures	(52,000)	(576,367)	(184,869)	391,498
OTHER FINANCING SOURCES (USES)				
Transfers in	752,000	752,000	752,000	-
Transfers out	(805,161)	(805,161)	(805,161)	-
Total other financing sources (uses)	(53,161)	(53,161)	(53,161)	-
Net change in fund balances	(105,161)	(629,528)	(238,030)	391,498
Fund balances - beginning	598,590	676,511	1,076,774	400,263
Fund balances - ending	\$ 493,429	\$ 46,983	\$ 838,744	\$ 791,761

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 11,147	\$ 11,147
Total revenues	-	-	11,147	11,147
Excess of revenues over expenditures	-	-	11,147	11,147
Net change in fund balances	-	-	11,147	11,147
Fund balances - beginning	419,900	423,914	431,330	7,416
Fund balances - ending	\$ 419,900	\$ 423,914	\$ 442,477	\$ 18,563

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Capital outlay:				
Equipment	\$ 1,325,600	\$ 3,005,371	\$ 1,227,248	\$ 1,778,123
Total capital outlay	1,325,600	3,005,371	1,227,248	1,778,123
Total expenditures	1,325,600	3,005,371	1,227,248	1,778,123
Excess (deficiency) of revenues over expenditures	(1,325,600)	(3,005,371)	(1,227,248)	1,778,123
OTHER FINANCING SOURCES				
Sale of capital assets	-	-	74,891	74,891
Transfers in	1,073,700	1,073,700	1,073,700	-
Total other financing sources	1,073,700	1,073,700	1,148,591	74,891
Net change in fund balances	(251,900)	(1,931,671)	(78,657)	1,853,014
Fund balances - beginning	100,855	1,202,711	1,990,746	788,035
Fund balances - ending	\$ (151,045)	\$ (728,960)	\$ 1,912,089	\$ 2,641,049

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, 2019

	Fleet Services Fund	Self- Insurance Fund	Total Nonmajor Internal service funds
ASSETS			
Current assets:			
Cash, cash equivalents and investments	\$ 1,156,635	\$ 1,609,833	\$ 2,766,468
Accounts receivable	66,041	31,542	97,583
Inventories	217,522	-	217,522
Total current assets	<u>1,440,198</u>	<u>1,641,375</u>	<u>3,081,573</u>
Noncurrent assets:			
Vehicles and equipment	47,450	-	47,450
Accumulated depreciation and amortization	(47,450)	-	(47,450)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>1,440,198</u>	<u>1,641,375</u>	<u>3,081,573</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	300,377	-	300,377
Total deferred outflows of resources	<u>300,377</u>	<u>-</u>	<u>300,377</u>
Total assets and deferred outflows of resources	<u>\$ 1,740,575</u>	<u>\$ 1,641,375</u>	<u>\$ 3,381,950</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 83,740	\$ 292,811	\$ 376,551
Accrued liabilities	11,934	-	11,934
Compensated absences	49,687	-	49,687
Total current liabilities	<u>145,361</u>	<u>292,811</u>	<u>438,172</u>
Noncurrent liabilities:			
Net pension liability	687,563	-	687,563
Compensated absences	15,731	-	15,731
Total noncurrent liabilities	<u>703,294</u>	<u>-</u>	<u>703,294</u>
Total liabilities	<u>848,655</u>	<u>292,811</u>	<u>1,141,466</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	10,156	-	10,156
Total deferred inflows of resources	<u>10,156</u>	<u>-</u>	<u>10,156</u>
Total liabilities and deferred inflows of resources	<u>858,811</u>	<u>292,811</u>	<u>1,151,622</u>
NET POSITION			
Restricted for:			
Unrestricted	881,764	1,348,564	2,230,328
Total net position	<u>\$ 881,764</u>	<u>\$ 1,348,564</u>	<u>\$ 2,230,328</u>

Park City Municipal Corporation
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal service funds
For the Year Ended June 30, 2019

	Fleet Services Fund	Self- Insurance Fund	Total Internal service funds
OPERATING REVENUES			
Charges for services	\$ 2,949,000	\$ 1,312,216	\$ 4,261,216
Total operating revenues	<u>2,949,000</u>	<u>1,312,216</u>	<u>4,261,216</u>
OPERATING EXPENSES			
Salaries and benefits	1,105,619	-	1,105,619
Supplies, maintenance and services	751,834	1,127,296	1,879,130
Energy and utilities	1,088,415	-	1,088,415
Total operating expenses	<u>2,945,868</u>	<u>1,127,296</u>	<u>4,073,164</u>
Operating income	<u>3,132</u>	<u>184,920</u>	<u>188,052</u>
Change in net position	3,132	184,920	188,052
Total net position - beginning	878,632	1,163,644	2,042,276
Total net position - ending	<u>\$ 881,764</u>	<u>\$ 1,348,564</u>	<u>\$ 2,230,328</u>

**Park City Municipal Corporation
Statement of Cash Flows
Internal service funds
For the Year Ended June 30, 2019**

	Fleet Services Fund	Self- Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 2,971,536	\$ 1,289,357	\$ 4,260,893
Payments to employees	(1,033,900)	-	(1,033,900)
Payments to suppliers	(1,929,853)	(1,059,006)	(2,988,859)
Net cash provided by operating activities	<u>7,783</u>	<u>230,351</u>	<u>238,134</u>
Net increase in cash and cash equivalents	7,783	230,351	238,134
Balances - beginning of year	1,148,852	1,379,482	2,528,334
Balances - end of the year	<u>\$ 1,156,635</u>	<u>\$ 1,609,833</u>	<u>\$ 2,766,468</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating Income	\$ 3,132	\$ 184,920	\$ 188,052
Adjustments to reconcile operating income to net cash provided by operating activities:			
Pension Expense	76,064	-	76,064
Changes in assets and liabilities:			
Accounts receivable	22,536	(22,859)	(323)
Inventory	26,048	-	26,048
Accounts and other payables	(115,652)	68,290	(47,362)
Accrued liabilities	1,508	-	1,508
Compensated absences	(5,853)	-	(5,853)
Net cash provided by operating activities	<u>\$ 7,783</u>	<u>\$ 230,351</u>	<u>\$ 238,134</u>

STATISTICAL SECTION

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

Contents	Page
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									
	2010	2011	2012 (1)	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019
Governmental activities										
Net investment in capital assets	\$ 126,232,311	\$ 133,919,927	\$ 136,071,293	\$ 142,887,371	\$ 150,053,024	\$ 159,315,342	\$ 169,437,708	\$ 182,684,418	\$ 190,028,413	\$ 200,327,763
Restricted	6,608,983 (2)	3,809,948 (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 (2)
Unrestricted	41,854,555 (2)	40,012,341 (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)	50,175,273 (2)
Total governmental activities net position	\$ 174,695,849	\$ 177,742,216	\$ 180,997,268	\$ 185,768,525	\$ 188,394,431	\$ 197,545,927	\$ 211,988,819	\$ 221,983,330	\$ 241,730,960	\$ 257,756,611
Business-type activities										
Net investment in capital assets	\$ 45,544,573	\$ 51,237,710	\$ 56,867,717	\$ 57,738,180	\$ 58,889,312	\$ 61,064,884	\$ 64,172,905	\$ 91,043,049	\$ 104,256,756	\$ 113,503,024
Restricted	3,489,981 (2)	2,213,200 (2)	449,859 (2)	- (2)	- (2)	- (2)	- (2)	- (2)	- (2)	- (2)
Unrestricted	18,796,898 (2)	19,158,199 (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 (2)
Total business-type activities net position	\$ 67,831,452	\$ 72,609,109	\$ 79,596,293	\$ 81,776,146	\$ 84,580,711	\$ 90,280,000	\$ 91,750,666	\$ 117,549,435	\$ 122,858,824	\$ 128,497,277
Primary government										
Net investment in capital assets	\$ 171,776,884	\$ 185,157,637	\$ 192,939,010	\$ 200,625,551	\$ 208,942,336	\$ 220,380,226	\$ 233,610,613	\$ 273,727,467	\$ 294,285,169	\$ 313,830,787
Restricted	10,098,964	6,023,148	1,131,777	709,082	6,913,237	7,465,730	6,361,175	6,378,214	6,661,816	7,253,575
Unrestricted	60,651,453	59,170,540	66,522,774	66,210,038	57,119,569	59,979,971	63,767,697	59,427,084	63,642,799	65,169,526
Total primary government net position	\$ 242,527,301	\$ 250,351,325	\$ 260,593,561	\$ 267,544,671	\$ 272,975,142	\$ 287,825,927	\$ 303,739,485	\$ 339,532,765	\$ 364,589,784	\$ 386,253,888

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									
	2010	2011	2012 (1)	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019
Expenses										
Governmental activities:										
General government	\$ 15,424,562	\$ 13,876,694	\$ 16,418,511	\$ 15,410,428	\$ 17,971,342	\$ 19,233,343	\$ 19,676,565	\$ 21,909,746	\$ 21,793,758	\$ 23,755,044
Public safety	4,410,647	4,523,175	4,749,019	5,005,854	5,023,548	5,270,197	5,705,960	6,254,164	6,736,639	6,747,797
Public works	8,186,146	7,539,516	7,120,275	7,225,061	7,053,923	6,967,243	7,088,647	7,263,125	7,209,164	6,929,871
Library and recreation	3,252,784	3,146,783	3,707,452	4,194,025	4,408,912	4,618,338	5,671,823	5,843,178	5,729,489	5,729,844
Interest on long-term debt	2,213,998	2,039,807	1,812,222	1,588,388	1,552,101	1,285,952	1,456,433	1,366,939	2,537,159	3,558,591
Total governmental activities expenses	33,488,137	31,125,975	33,807,479	33,423,756	36,009,826	37,375,073	39,599,428	42,637,152	44,003,209	46,721,147
Business-type activities:										
Water	9,220,606	9,168,368	9,828,676	10,980,949	11,678,822	11,870,125	12,934,161	13,086,302	13,314,440	13,578,235
Stormwater	-	-	-	-	-	-	-	1,162,202	921,138	1,470,837
Transportation and parking	9,406,997	8,433,607	9,243,798	9,608,636	10,378,982	10,804,211	11,801,545	13,848,109	19,435,515	22,521,490
Golf course	1,182,865	1,291,645	1,394,404	1,415,478	1,441,498	1,512,330	1,541,601	1,546,036	1,711,826	1,488,121
Total business-type activities expenses	19,810,468	18,893,620	20,466,878	22,005,063	23,499,302	24,186,666	26,277,307	29,642,649	35,382,919	39,058,683
Total primary government expenses	\$ 53,298,605	\$ 50,019,595	\$ 54,274,357	\$ 55,428,819	\$ 59,509,128	\$ 61,561,739	\$ 65,876,735	\$ 72,279,801	\$ 79,386,128	\$ 85,779,830
Program Revenues										
Governmental activities:										
Charges for services	\$ 1,535,425	\$ 1,959,149	\$ 2,072,172	\$ 2,388,214	\$ 3,907,142	\$ 4,718,626	\$ 3,734,852	\$ 3,668,799	\$ 4,724,514	\$ 5,647,186
General government	2,550	2,700	6,593	12,313	100	-	3,996	9,685	2,880	10
Public safety	201,643	219,843	222,708	246,390	190,022	224,820	200,761	174,917	189,117	129,171
Library and recreation	1,107,536	836,328	1,142,700	1,287,791	1,309,934	1,210,362	1,295,132	1,253,491	1,356,186	1,203,836
Operating grants and contributions	88,142	126,759	151,111	350,332	165,147	121,866	145,704	187,166	161,075	195,542
Capital grants and contributions	8,827,676	649,032	1,476,472	1,073,924	1,879,881	2,479,239	3,24,650	2,652,254	9,028,885	1,608,966
Total governmental activities program revenues	11,762,972	3,793,811	5,071,756	5,338,984	7,452,226	8,754,913	5,705,095	7,946,312	15,462,657	8,784,711
Business-type activities:										
Charges for services	7,370,380	8,416,666	9,915,490	12,242,653	13,171,473	14,176,728	15,205,729	17,237,175	17,924,616	18,606,759
Water	-	-	-	-	-	-	-	979,419	1,277,767	1,572,044
Stormwater	3,842,616	3,495,838	3,487,939	3,977,883	3,895,008	4,255,752	4,497,989	5,227,316	9,789,087	11,113,961
Transportation and parking	843,621	878,237	1,033,286	1,102,133	1,056,248	1,105,882	1,139,839	1,153,794	1,203,560	1,131,283
Golf course	3,219,683	-	3,681,732	-	1,649,174	1,602,990	-	2,813,864	2,307,083	-
Operating grants and contributions	4,449,296	6,367,580	4,856,335	2,373,881	3,353,572	4,186,198	1,956,426	14,612,663	2,439,682	6,524,981
Capital grants and contributions	19,725,596	19,158,321	22,974,782	19,696,550	23,125,475	25,327,550	22,799,983	42,024,201	34,941,795	38,949,028
Total business-type activities program revenues	31,488,568	22,952,132	28,046,538	25,055,534	30,577,701	34,082,463	28,505,078	49,970,513	50,404,452	47,733,739
Net (expense)/revenue										
Governmental activities	\$ (21,725,165)	\$ (27,332,164)	\$ (28,735,723)	\$ (28,064,772)	\$ (28,557,600)	\$ (28,620,160)	\$ (33,894,333)	\$ (34,690,840)	\$ (28,540,552)	\$ (37,936,436)
Business-type activities	(84,872)	2,647,001	2,507,904	(2,308,513)	(373,827)	1,140,884	(3,477,324)	12,381,552	(441,124)	(109,655)
Total primary government net expense	\$ (21,810,037)	\$ (27,067,463)	\$ (26,227,819)	\$ (30,373,285)	\$ (28,931,427)	\$ (27,479,276)	\$ (37,371,657)	\$ (22,309,288)	\$ (28,981,676)	\$ (38,046,091)

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

	Fiscal Year									
	2010	2011	2012 (1)	2013	2014 (1)	2015	2016 (1)	2017 (1)	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property tax, levied for general purposes	\$ 11,921,879	\$ 12,442,798	\$ 13,797,851	\$ 13,587,385	\$ 12,772,297	\$ 12,809,892	\$ 14,755,299	\$ 14,350,265	\$ 14,686,693	\$ 15,499,965
Property tax, levied for debt service	4,009,000	4,570,315	4,580,904	4,577,873	5,082,714	5,321,592	3,723,453	4,220,158	6,432,184	6,036,374
General sales and use tax	3,990,274	3,966,554	4,125,435	4,187,472	4,347,534	4,731,904	5,180,094	5,620,687	5,915,331	6,403,710
Franchise tax	2,774,319	2,906,982	2,816,070	3,037,407	3,158,716	3,061,207	3,183,820	3,194,392	3,147,847	3,230,881
Resort tax	4,483,804	5,022,250	5,443,231	5,983,636	9,151,788	10,066,040	11,154,870	12,253,267	14,491,767	16,741,000
Investment earnings	753,587	399,928	283,191	258,657	348,090	261,735	434,588	582,208	1,122,856	2,297,088
Miscellaneous	1,124,367	1,022,968	944,093	1,203,599	1,594,150	804,286	492,730	4,856,960	1,776,504	2,963,178
Gain/Loss on sale of capital assets	-	215,705	-	-	-	-	1,328,784	-	-	74,891
Transfers	(1,132,821)	(168,969)	-	-	-	715,000	715,000	(7,534,613)	715,000	715,000
Total governmental activities	27,924,409	30,378,531	31,990,775	32,836,029	36,455,289	37,771,656	40,970,638	37,543,324	48,288,182	53,962,087
Business-type activities:										
General sales and use tax	3,127,767	3,503,440	3,798,125	3,868,264	4,019,133	4,398,879	4,877,098	5,233,194	5,617,865	6,128,331
Investments earnings	339,629	438,221	247,058	196,237	358,535	367,709	327,289	402,924	372,627	581,900
Miscellaneous	362,277	402,326	434,097	423,865	497,745	506,817	458,603	456,419	475,021	(247,123)
Transfers	1,132,821	168,969	-	-	-	(715,000)	(715,000)	7,534,613	(715,000)	(715,000)
Total business-type activities	4,962,494	4,512,956	4,479,280	4,488,366	4,875,413	4,558,405	4,947,990	13,027,150	5,750,513	5,748,108
Total primary government	\$ 32,886,903	\$ 34,891,487	\$ 36,470,055	\$ 37,324,395	\$ 41,330,702	\$ 42,330,061	\$ 45,918,628	\$ 51,170,474	\$ 54,038,695	\$ 59,710,195
Change in Net Position										
Governmental activities	\$ 6,199,244	(2)	\$ 3,255,052	\$ 4,771,257	\$ 7,897,689	(4)	\$ 9,151,496	\$ 2,852,484	(11)	\$ 19,747,630
Adjustment to governmental activities net position	-	-	-	-	(5,271,783)	(5)	7,366,587	(9)	7,142,027	(13)
Business-type activities	4,877,622	4,777,657	6,987,184	2,179,853	4,501,586	5,699,289	1,470,666	(8)	26,008,702	(12)
Adjustment to business-type activities net position	-	-	-	-	(1,697,021)	(5)	-	-	(209,933)	(13)
Total primary government	\$ 11,076,866	\$ 7,824,024	\$ 10,242,236	\$ 6,951,110	\$ 5,430,471	(6)	\$ 15,913,558	\$ 35,793,280	\$ 25,057,019	\$ 21,664,104

Notes:

- (1) Restated.
- (2) Increase in governmental activities net position is due to increases in capitalizable grants and contributions.
- (3) Decrease in governmental activities net position is due to decreases in capitalizable grants and contributions.
- (4) Increase in governmental activities net position is due to increases in resort tax collected.
- (5) Fiscal year 2015 - Implemented GASB 68, Accounting and Financial Reporting for Pensions, required restatement of fiscal year 2014.
- (6) Increase in total primary government net position is due to restatement of fiscal year 2014 for the implementation of GASB 68.
- (7) Decrease in governmental activities net position is due to increased expenses in general government and decreases in capital grants and contributions.
- (8) Decrease in business-type activities net position is due to increased expenses in water and transportation and decreases in capital grants and contributions.
- (9) Fiscal year 2017 - Capital asset adjustment, required restatement of fiscal year 2016.
- (10) Stormwater fund was added in fiscal year 2017.
- (11) Decrease in governmental activities net position is due to increased capital outlay.
- (12) Increase in business-type activities net position is due to increases in capitalizable grants and contributions.
- (13) Fiscal year 2018 - Capital asset adjustment, required restatement of fiscal year 2017.
- (14) Increase in governmental activities net position is due to increases in capitalizable grants and contributions and increases in tax revenues.
- (15) Decrease in business-type activities net position is due to decreases 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund	\$ 3,894,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, undesignated	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	-	-	-	-	494,360
Interfund loan	-	-	-	-	-	-	-	-	86,867	55,761
Inventory	-	-	-	-	-	-	-	-	50,719	30,226
Unassigned	-	4,209,020	4,011,625	5,515,127	6,670,716	6,836,193	6,779,674	7,497,277	7,730,233	8,705,419
Restricted - Drug and tobacco enforcement	-	31,258	36,517	47,776	46,402	47,201	48,640	59,674	57,571	58,940
Total general fund	\$ 3,894,972	\$ 4,240,278	\$ 4,048,142	\$ 5,562,903	\$ 6,717,118	\$ 6,883,394	\$ 6,828,314	\$ 7,556,951	\$ 7,925,390	\$ 9,344,706
All other governmental funds										
Reserved	\$ 6,608,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Major capital projects funds-capital projects	1,115,930	-	-	-	-	-	-	-	-	-
Major debt service funds-capital projects	3,880	-	-	-	-	-	-	-	-	-
Major debt service	680,861	-	-	-	-	-	-	-	-	-
Nonmajor debt service funds-debt service	26,618,929 (1)	-	-	-	-	-	-	-	-	-
Unreserved, designated	1,948,358	-	-	-	-	-	-	-	-	-
Major capital projects funds	1,084,351	-	-	-	-	-	-	-	-	-
Nonmajor capital projects funds	203,868	-	-	-	-	-	-	-	-	-
Major debt service funds	-	-	-	-	-	-	-	-	-	-
Nonmajor debt service funds	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	6,496,859	-	-	-	-	-	-	-	-	-
Major capital projects funds	1,215,873	-	-	-	-	-	-	-	-	-
Major debt service funds	-	-	-	-	-	-	-	-	-	-
Nonmajor capital projects funds	-	-	-	-	-	-	-	-	-	-
Restricted for:										
Capital projects	-	4,490,602 (2)	1,261,260	708,350	6,866,835	12,779,745	7,872,086	7,545,300	12,804,288	31,699,288
Debt service	-	1,489	2,410	817	952	88,037	2,496	3,816	11,900	652,977
Assigned:										
Capital projects funds	-	34,536,547	-	-	-	-	-	-	-	-
Debt service funds	-	1,537,118	-	-	-	-	-	-	-	-
Committed:										
Capital projects funds	-	-	31,635,190	31,470,751	32,340,968	29,882,740	34,849,188	28,665,290	38,875,896	45,456,335
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
Special revenue funds	-	-	-	-	-	-	516,758	785,600	1,591,335	2,517,207
Total all other governmental funds	\$ 45,977,892	\$ 40,565,756	\$ 34,612,763	\$ 33,660,551	\$ 40,766,656	\$ 44,987,036	\$ 45,057,295	\$ 38,778,083	\$ 55,139,889	\$ 82,454,837

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

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes and special assessments	\$ 27,038,657	\$ 28,939,586	\$ 30,705,261	\$ 31,399,695	\$ 34,486,284	\$ 33,269,379	\$ 35,194,462	\$ 36,830,205	\$ 41,592,343	\$ 44,639,085
Licenses and permits	808,055	1,067,438	1,166,721	1,446,142	2,611,576	3,025,886	2,462,374	2,464,561	3,390,668	3,899,003
Intergovernmental	690,912	775,791	627,433	1,404,276	1,818,822	5,346,423	3,288,064	4,044,959	6,214,905	4,345,873
Charges for services	1,705,148	1,526,455	1,910,119	2,017,593	2,194,197	2,071,230	2,119,339	2,115,794	2,225,204	2,837,729
Fines and forfeitures	40,562	28,833	29,404	35,342	21,648	14,206	26,902	42,834	35,327	23,108
Investment income	753,587	399,928	283,191	258,657	348,090	261,735	434,588	582,208	1,122,856	2,297,089
Impact fees	109,553	191,521	133,421	201,235	397,737	817,666	425,365	308,786	432,381	620,441
Rental and other miscellaneous	2,843,770	2,104,193	2,366,777	1,476,317	1,912,540	2,873,179	1,546,004	5,041,320	2,496,363	1,500,515
Total revenues	33,990,244	35,033,745	37,222,327	38,239,257	43,790,894	47,679,704	45,497,098	51,430,667	57,510,047	60,162,813
Expenditures										
General government	9,926,208	10,717,351	11,260,367	11,381,542	12,086,576	13,653,938	14,604,316	15,005,872	16,235,727	16,175,897
Public safety	4,118,458	4,266,143	4,498,776	4,687,516	4,684,672	4,953,544	5,349,433	5,970,451	6,392,525	6,360,284
Public works	4,366,909	4,422,633	4,718,003	4,835,958	4,643,828	4,718,959	4,878,647	5,194,880	5,648,653	5,935,423
Library and recreation	2,608,012	2,534,737	2,839,500	3,164,535	3,361,464	3,495,302	3,824,435	4,080,211	4,237,835	4,367,960
Debt Service										
Principal retirement	5,955,275	5,349,796	5,424,637	4,664,880	5,220,496	18,086,533	5,118,024	4,850,000	8,625,000	11,580,000
Interest	2,065,562	2,066,631	1,835,199	1,661,003	1,616,778	1,528,829	1,788,808	1,615,725	2,827,016	3,745,578
Bond issuance costs	137,262	51,663	-	-	123,931	503,979	-	155,239	223,553	529,457
Arbitrage rebate	31,874	-	-	-	-	-	-	-	-	-
Capital outlay	33,827,783	12,847,882	17,073,402	8,517,860	13,923,767	26,614,261	11,953,996	51,844,299	39,052,752	70,133,504
Economic development	-	-	-	-	-	405,435	951,268	864,697	870,588	878,578
Total expenditures	63,037,343	42,256,836	47,649,884	38,913,294	45,661,512	73,960,780	48,468,927	89,581,374	84,113,649	119,706,681
Revenues (under) expenditures	(29,047,099)	(7,223,091)	(10,427,557)	(674,037)	(1,870,618)	(26,281,076)	(2,971,829)	(38,150,707)	(26,603,602)	(59,543,868)
Other financing sources (uses)										
Debt issuance	6,092,683	-	-	-	7,170,000	16,975,000	-	25,000,000	31,940,000	75,065,000
Refunding bonds issued	2,025,000	1,525,000	-	-	1,930,000	10,110,000	-	-	-	4,290,000
Payment to refunded bondholders	-	(2,655,000)	-	-	(1,930,000)	-	-	-	-	(4,290,000)
Payment to refunded bond escrow agent	(2,055,334)	-	-	-	-	-	-	-	-	-
Premium on debt issuance	89,739	-	-	-	92,774	773,546	-	2,863,698	3,287,871	9,840,127
Premium on refunding bonds	59,922	33,592	-	-	50,769	673,841	-	-	-	482,659
Payment received on note	-	-	-	-	1,375,000	-	-	-	-	-
Discount on debt issuance	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	4,155,231	1,124,436	2,290,798	17,586	146,554	23,811	755,648	2,363,887	5,553,794	241,682
Transfers in	12,836,826	6,595,012	6,424,043	4,731,710	10,978,139	19,728,745	11,965,394	36,237,414	44,274,635	75,835,185
Transfers out	(10,706,871)	(4,466,779)	(4,432,413)	(3,512,710)	(9,682,298)	(17,617,211)	(9,734,034)	(33,864,867)	(41,722,453)	(73,186,521)
Total other financing sources	12,497,196	2,156,261	4,282,428	1,236,586	10,130,938	30,667,732	2,987,008	32,600,132	43,333,847	88,278,132
Net change in fund balances	\$(16,549,903)	\$(5,066,830)	\$(6,145,129)	\$ 562,549	\$ 8,260,320	\$ 4,386,656	\$ 15,179	\$(5,550,575)	\$ 16,730,245	\$ 28,734,264
Debt Service as a percentage of noncapital expenditures	23.7% (1)	22.5% (1)	20.5% (1)	18.9% (1)	19.0% (1)	38.3% (1)	16.9% (1)	15.9% (1)	24.4% (1)	29.5%

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)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales and Use Tax</u>	<u>Franchise Tax</u>	<u>Resort Tax (2)</u>	<u>Total</u>
2010	\$ 11,750,185	\$ 3,990,274	\$ 2,774,319	\$ 4,483,804	\$ 22,998,582
2011	13,217,398	3,966,554	2,906,982	5,022,250	25,113,184
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

Change:

2010-2019	47.5%	60.5%	16.5%	94.6%	55.2%
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Note:

- (1) Includes general fund, capital improvement fund and debt service funds.
- (2) Fiscal years 2011 through 2018 have been restated to include the full amount of the Resort Tax received.

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

<u>Calendar Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Miscellaneous Property</u>	<u>Total Assessed Value</u>	<u>Total Estimated Actual Value of Taxable Property</u>	<u>Total Direct Tax Rate</u>
2009	\$ 6,026,603	\$ 543,548	\$ 351,478	\$ 6,921,629	\$ 8,028,606	0.002148 %
2010	5,501,360	552,927	344,217	6,398,504	7,261,898	0.002130
2011	5,858,428	781,086	457,203	7,096,717	7,941,327	0.002236
2012	5,821,784	770,866	417,491	7,010,141	7,826,836	0.002197
2013	5,937,313	678,855	401,319	7,017,488	7,835,845	0.002131
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

Source: Utah State Tax Commission, Property Tax Division

Note:

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

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

<u>Calendar Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Miscellaneous Property</u>	<u>Fee-In-Lieu Value</u>	<u>Total Assessed Value</u>
2009	\$ 6,026,603	\$ 543,548	\$ 351,478	\$ 11,815	\$ 6,933,444
2010	5,501,360	552,927	344,217	13,509	6,412,013
2011	5,858,428	781,086	457,203	12,755 (1)	7,109,472
2012	5,821,784	770,866	417,491	13,179	7,023,320
2013	5,937,313	678,855	401,319	13,820	7,031,308
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

Source: Utah State Tax Commission, Property Tax Division

Notes:

- (1) The State's method of calculating the Fee-In-Lieu was changed in 2011, previous years were recalculated using the new formula.
- (2) 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Apparel stores	\$ 19,710	\$ 21,833	\$ 25,919	\$ 24,069	\$ 22,927	\$ 25,777	\$ 35,245	\$ 34,510	\$ 65,299	\$ 67,912
Food stores	60,784	60,269	64,592	67,066	56,238	57,809	60,862	64,630	67,490	65,618
Sporting goods, hobby, book and music	29,779	35,891	40,163	38,638	40,609	40,524	43,363	45,380	47,282	48,461
Home furnishings and appliances	12,363	21,785	21,745	20,849	12,394	12,730	12,735	14,806	12,250	17,707
Building materials and farm tools	4,871	2,735	2,704	2,819	3,654	3,652	5,695	6,199	4,750	5,000
Miscellaneous retail stores	23,798	26,427	26,894	27,985	25,884	29,162	30,691	31,403	13,044	16,331
All other outlets	6,953	3,698	3,484	3,674	4,452	4,329	4,283	5,240	1,989	3,314
Total	\$ 158,258	\$ 172,638	\$ 185,501	\$ 185,100	\$ 166,158	\$ 173,983	\$ 192,874	\$ 202,168	\$ 212,104	\$ 224,343
City direct sales tax rate	2.40 %	2.40 %	2.40 %	2.40 %	2.90 %	2.90 %	2.90 %	2.90 %	3.15 %	3.15 %

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

Note:

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

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

Calendar Year	City Direct Rates				Overlapping Rates							Total Levy for Park City Residents	
	General Obligation				Summit County Levy	State Assessment/Collecting	Weber Basin		Park City		Summit Co.		
	Basic Rate	Debt Service	Total Direct				Water	Fire	School	Abatement	Mosquito		

2009	0.001327	0.000821	0.002148	0.000746	0.000202	0.000188	0.000849	0.004018	0.000034	0.008185
2010	0.001389	0.000741	0.002130	0.000895	0.000228	0.000207	0.001070	0.004360	0.000040	0.008930
2011	0.001383	0.000853	0.002236	0.000924	0.000241	0.000217	0.001161	0.004405	0.000040	0.009224
2012	0.001431	0.000766	0.002197	0.000943	0.000239	0.000215	0.000987	0.004924	0.000041	0.009546
2013	0.001385	0.000746	0.002131	0.000909	0.000226	0.000210	0.000950	0.004630	0.000040	0.009096
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

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>
2010	2.40 %	0.35 %	4.70 %	7.45 %
2011	2.40	0.35	4.70	7.45
2012	2.40	0.35	4.70	7.45
2013	2.90 (1)	0.35	4.70	7.95
2014	2.90	0.35	4.70	7.95
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

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

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Talisker Empire Pass Hotel LLC (Montage)	\$ 179,040,000	1	1.95 %	\$ 42,115,280	4	0.41 %
Marriott Ownership Resorts	115,931,590	2	1.26	118,569,950	1	2.09
DVP LLC	41,000,000	3	0.45	24,398,804	-	-
SR Silver Lake LLC	38,350,000	4	0.42	-	-	-
VR CPC Holdings Inc. (Vail Resorts)	33,596,220	5	0.37	43,668,615	3	0.64
Deer Valley Resort	26,261,770	6	0.29	41,821,370	-	-
Chateaux at Silver Lake	21,900,400	7	0.24	-	-	-
Redus Park City LLC	20,461,040	8	0.22	-	-	-
Silver Lake Development Corp.	19,540,360	9	0.21	-	-	-
HA Daisy Yoonhee Trustee	16,630,000	10	0.18 (1)	-	-	-
Flagstaff Residences, LLC	-	-	-	65,201,000	2	0.28
Silver Baron Partners	-	-	-	22,497,735	5	0.19
Lookout Developers	-	-	-	18,980,000	6	0.18
Paladin Development	-	-	-	18,000,000	7	0.16
Powder Development Company	-	-	-	15,050,255	8	0.12
Totals	\$ 512,711,380		5.58 %	\$ 410,303,009		4.07 %

Source: Summit County Treasurer and Park City Finance Department.

Notes:
(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							
2009	\$ 12,401,579	\$ 12,194,585	\$ 11,379,638	\$ 93.32 %	\$ 814,947	\$ 12,194,585	100.00 %
2010	12,984,657	12,918,445	12,060,672	93.36	839,167	12,899,839	99.86
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	14,971,905	14,908,200	99.57	44,179	14,952,379	99.87
2017	17,140,149	17,267,842	17,167,415	99.42	58,523	17,225,938	99.76
2018	17,403,473	17,509,422	17,342,944	99.05	-	17,342,944	99.05
Wasatch County							
2009	\$ 346,442	\$ 287,560	\$ 287,560	\$ 100.00 %	\$ -	\$ 287,560	100.00 %
2010	723,334	711,980	711,980	100.00	-	711,980	100.00
2011	568,568	521,424	521,424	100.00	-	521,424	100.00
2012	586,238	583,467	583,467	100.00	-	583,467	100.00
2013	608,641	605,996	605,996	100.00	-	605,996	100.00
2014	611,098	611,098	611,098	100.00	-	611,098	100.00
2015	588,597	580,842	580,842	100.00	-	580,842	100.00
2016	582,082	581,989	570,597	98.04	-	570,597	98.04
2017	639,263	640,331	633,356	98.91	-	633,356	98.91
2018	626,749	624,919	608,868	97.43	-	608,868	97.43

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.

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>
2009	\$ 12,482,145	\$ 11,667,198	93.47 %	\$ 814,947	\$ 12,482,145	100.00 %
2010	13,630,425	12,772,652	93.71	839,167	13,611,819	99.86
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	15,553,894	15,478,797	99.52	44,179	15,522,976	99.80
2017	17,908,173	17,800,771	99.40	58,523	17,859,294	99.73
2018	18,134,341	17,951,812	98.99	-	17,951,812	98.99

Source: Summit and Wasatch County Annual Financial Reports, and Park City Finance Department form Schd 12.

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			
	General Obligation Bonds (1)	Redevelopment Bonds	Sales Tax Increment Bonds (1)	Municipal Building Authority	Contracts Payable	Water Bonds (1)	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2010	\$ 39,375,000 (3)	\$ 2,655,000	\$ 11,835,000	\$ 844,981	\$ 469,385	\$ 41,236,000 (4)	\$ 96,415,366	4.17 %	\$ 11,869
2011	36,135,000	-	11,915,000 (5)	244,981	404,589	39,677,000	88,376,570	3.87	11,635
2012	32,810,000	-	10,130,000	-	334,933	42,246,000 (6)	85,520,933	3.52	11,332
2013	29,385,000	-	8,965,000	-	2,760,053	44,810,000 (7)	85,920,053	3.17	11,156
2014	32,615,000 (8)	-	7,765,000	-	2,679,557	46,215,000 (9)	89,274,557	3.20	11,339
2015	28,850,000 (10)	-	23,115,000 (11)	-	93,024	43,425,000	95,483,024	3.21	11,849
2016	25,635,000	-	21,305,000	-	-	40,545,000	87,485,000	4.19	10,763
2017	47,335,000 (12)	-	19,755,000	-	-	37,565,000	104,655,000	3.93	12,611
2018	42,390,000	-	48,015,000 (13)	-	-	34,450,000	124,855,000	3.51	14,903
2019	82,340,000 (14)	-	71,550,000 (15)	-	-	31,195,000	185,085,000	2.37	22,353

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 GO Bonds Series 2010 for \$8.0 million in fiscal year 2010.
- (4) The City issued Water Revenue Bonds Series 2009 and 2010 for \$37.9 million in fiscal year 2010.
- (5) The City issued Sales Tax Bonds Series 2010 for \$1.5 million in fiscal year 2011.
- (6) The City issued Water Revenue Bonds Series 2012 for \$4.2 million in fiscal year 2012.
- (7) The City issued Water Revenue Bonds Series 2012B, 2013A and 2013B for \$8.6 million in fiscal year 2013.
- (8) The City issued GO Bonds Series 2013 for \$9.1 million in fiscal year 2014.
- (9) The City issued Water Revenue Bonds Series 2014 for \$4.1 million in fiscal year 2014.
- (10) The City issued GO Bonds Series 2014 for \$3.4 million in fiscal year 2015.
- (11) 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.
- (12) The City issued GO Bonds Series 2017 for \$27.8 million in fiscal year 2017.
- (13) The City issued Sales Tax Bonds Series 2017 for \$31.9 million, in fiscal year 2018.
- (14) The City issued GO Bonds Series 2019 for \$48.3 million in fiscal year 2019.
- (15) The City issued Sales Tax Bonds Series 2019 for \$26.8 million, in fiscal year 2019.

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

Fiscal Year	General Bonded Debt			Percentage of Actual Property Value (2)	Per Capita (3)
	General Obligation Bonds (1)	Redevelopment Bonds	Total		
2010	\$ 39,375,000	\$ 2,655,000	\$ 42,030,000	0.52 %	\$ 5,174
2011	36,135,000	-	36,135,000	0.50	4,757
2012	32,810,000	-	32,810,000	0.42	4,347
2013	29,385,000	-	29,385,000	0.38	3,815
2014	32,615,000	-	32,615,000	0.42	4,143
2015	28,850,000	-	28,850,000	0.36	3,580
2016	25,635,000	-	25,635,000	0.30	3,154
2017	47,335,000	-	47,335,000	0.55	5,704
2018	42,390,000	-	42,390,000	0.44	5,060
2019	82,340,000	-	82,340,000	0.79	9,944

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, 2019

<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	\$ 28,490,000	11.47 %	\$ 3,267,803
Wasatch County	1,345,000	3.96	53,262
Wasatch County School District	101,422,323	3.96	4,016,324
Weber Basin Water Conservancy District	11,650,000	14.63	1,704,395
Other debt			
Summit County	28,111,000	44.50	12,509,395
Wasatch County	6,985,000	3.96	276,606
Subtotal, overlapping debt			21,827,786
City direct debt			<u>153,890,000</u>
Total direct and overlapping			<u>\$ 175,717,786</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 242,939,444	\$ 273,828,091	\$ 266,103,174	\$ 269,015,017	\$ 280,699,514	\$ 293,698,934	\$ 312,816,159	\$ 329,113,324	\$ 345,893,884	\$ 373,088,393
Total net debt applicable to limit	39,375,000	36,135,000	32,810,000	29,385,000	32,615,000	28,850,000	25,635,000	47,335,000	42,390,000	82,340,000
Legal debt margin	\$ 203,564,444	\$ 237,693,091	\$ 233,293,174	\$ 239,630,017	\$ 248,084,514	\$ 264,848,934	\$ 287,181,159	\$ 281,778,324	\$ 303,503,884	\$ 290,748,393
Total net debt applicable to the limit as a percentage of debt limit	16.21%	13.20%	12.33%	10.92%	11.62%	9.82%	8.19%	14.38%	12.26%	22.07%

Legal Debt Margin Calculation for Fiscal Year 2019

Total assessed value	\$ 9,327,209,835
Debt limit - 4.0% of total assessed value	\$ 373,088,393
Amount of debt applicable to debt limits:	
General Obligation Bonds 2009, 2010B, 2013A, 2017 and 2019	82,340,000
Less: Amount available for repayment of general obligation bonds	-
Total net debt applicable to limit	82,340,000
Legal debt margin	\$ 290,748,393

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>		
2010	\$ 8,474,078	\$ 1,400,000	\$ 528,962	4.4	
2011	8,988,804	1,445,000	501,680	4.6	
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	

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, 2019

		<u>Coverage Ratio</u>	
		<u>Actual</u>	<u>Minimum</u>
Net revenues (change in net position)	\$ 6,190,191		
Add			
Excluded transfer to general fund	1,515,221		
Depreciation and amortization	3,494,887		
Bond interest expense	<u>1,144,869</u>		
Revenues pledged to debt	<u>12,345,168</u>	2.81	1.20
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009A Water Bonds-DEQ	\$ 125,000	\$ 2,500	\$ 127,500
2009B Water Revenue and Refunding Bonds	1,810,000	88,994	1,898,994
2009C Water Revenue Bonds	-	510,902	510,902
2010 Water Revenue Bonds	825,000	203,266	1,028,266
2012 Water Revenue Bonds	265,000	67,321	332,321
2012B Water Revenue and Refunding Bonds	-	118,332	118,332
2013 A and B Water Revenue and Refunding Bonds	230,000	36,147	266,147
2014 Water Revenue Bonds	<u>-</u>	<u>117,407</u>	<u>117,407</u>
	\$ 3,255,000	\$ 1,144,869	\$ 4,399,869
Less water development fees and capital contributions collected in fiscal year 2019		(2,088,783)	
Net revenues less development fees and capital contributions		<u>\$ 10,256,385</u>	2.33 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
2010	\$ (863,388)	\$ 1,544,407	\$ 849,263	1.82	\$ 2,159,954	\$ 849,263	2.54
2011	372,687	3,408,046	3,004,182	1.13	3,856,339	3,004,182	1.28
2012	928,730	4,262,970	3,000,782	1.42	4,765,325	3,000,782	1.59
2013	2,256,909	6,115,611	4,069,154	1.50	6,827,075	4,069,154	1.68
2014	3,644,383	6,603,287	4,124,483	1.60	8,314,345	4,124,483	2.02
2015	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

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>
2010	8,123	\$ 2,311,000	\$ 63,832	35.5	4,563	7.1 %
2011	7,596	2,281,691	61,719	37.4	4,351	6.6
2012	7,547	2,503,395	68,524	35.7	4,400	6.0
2013	7,702	2,730,934	72,643	37.4	4,421	4.0
2014	7,873	2,944,020	77,468	34.9	4,630	3.1
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	4,824	2.9
2019	8,280	4,380,364	108,675	40.3	4,780	2.7

Sources:

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

Note:

(1) Applies to Summit County.

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

Employer	2019 (1)			2010 (2)		
	Yearly Maximum Employees	Yearly Minimum Employees	Percentage of Total City Employment (3)	Yearly Maximum Employees	Yearly Minimum Employees	Percentage of Total City Employment (3)
Royal Street of Utah ET AL (Deer Valley Resort)	2999	2,000	12.33 %	2,300	200	17.38 %
Park City Mountain Resort	1999	1000	8.22	1250	155	8.69
Montage Hotels & Resorts, LLC	999	500	2.58	430	290	3.72
Park City School District	780	728	3.21	785	604	7.16
Stein Eriksen Lodge	627	522	2.66	487	405	4.44
Park City Municipal Corporation	647	512	4.11	-	-	-
IHC/Park City Surgical Center	499	250	2.05	-	-	-
High West Saloon, LLC	249	100	1.02	-	-	-
Hotel Park City	249	100	1.02	-	-	-
United States Ski & Snowboard Association	249	100	1.02	-	-	-
Premier Resorts of Utah	-	-	-	460	250	4.24
Park City Marriott (Olympia Park Hotel)	-	-	-	215	110	1.99
Jan's	-	-	-	190	55	1.75
Marriott Resorts	-	-	-	148	125	1.49
Fresh Market (Albertson's)	-	-	-	140	60	1.30
Total	9,297	5,812	38.23 %	6,405	2,254	52.16 %

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Full-time Equivalent Employees										
General government										
Executive	4.5	4.5	5.1	5.5	5.1	4.0	4.0	4.1	4.6	6.0 (7)
Finance	6.8	6.8	6.8	6.8	6.7	6.7	6.7	6.7	6.6	6.2
Human resources	7.0	6.9	6.9	5.3	5.1	5.1	5.1	5.1	5.1	6.3
Budget, debt and grants	2.0	2.0	2.0	1.3	3.0	3.3	3.3	3.3	3.3	3.5
Planning	7.0	6.0	7.0	7.0	8.0	9.0	9.2	9.7	10.0	10.2
Building	15.8	14.8	13.0	13.0	13.0	15.0	16.0	17.3	17.6	19.2
Engineering	3.0	3.0	2.8	2.7	2.8	2.8	4.0	4.3	4.8	5.5
Legal	7.8	7.8	7.8	7.0	7.0	7.0	7.0	7.0	7.0	7.1
Sustainability	6.0 (1)	6.0	9.8	9.7	10.9	11.3	11.3	12.3	13.8	12.8
I.T.	-	9.8 (2)	9.8	10.8	9.5	9.5	9.5	9.5	8.5	8.5
Other	14.9	5.5	5.0	5.1	5.0	6.0	6.0	6.0	6.0	7.5
Public safety										
Police	35.2	34.9	34.0	33.9	34.6	34.0	34.0	36.5	41.1	41.3
Communication center	10.0	10.0	10.0	10.4	10.4	10.4	10.4	10.4	2.5	-
Other	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Public works										
Transit	76.3	81.8	82.5	82.9	80.8	77.2	75.6	75.7	107.8 (6)	123.8 (6)
Fleet services	8.0	8.0	8.0	8.0	8.0	9.4	9.8	9.8	9.9	10.1
Parking	-	-	-	-	7.8 (3)	8.0	8.2	8.2	10.5	12.5
Street maintenance	16.7	17.5	17.5	17.5	17.4	17.3	17.0	14.8	15.3	15.3
Parks and cemetery	17.2	17.3	18.8	18.2	18.2	18.6	19.0	19.0	19.0	19.0
Administration	2.5	-	-	-	-	-	-	-	-	-
Other	10.7	9.6	9.6	9.6	9.0	9.0	9.0	9.0	9.0	9.0
Library and recreation										
Library	11.2	11.2	11.4	11.4	11.4	11.4	11.9	12.3	13.0	13.5
Golf	6.3	5.7	5.5	5.4	5.2	6.0	6.0	7.8	7.8	8.1
Recreation	28.3	27.4	27.3	29.9	29.7	28.2	28.2	29.3	27.8	27.0
Tennis	7.7	6.9	7.4	7.9	4.0	4.7	4.7	4.7	5.2	2.9
Ice	11.4	11.0	11.0	9.0	8.4	11.4	11.3	12.3	11.3	11.3
Water										
Water billing	1.0	1.0	1.0	1.0	1.0	- (4)	-	-	-	-
Water operations	17.5	17.5	17.6	21.9	21.9	23.0	24.4	26.5	27.5	29.5
Stormwater										
Stormwater operations	-	-	-	-	-	-	-	6.1 (5)	6.6	6.6
Total	336.2	334.4	339.1	342.7	345.4	349.8	353.1	369.2	403.1	423.6

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 2010 the Sustainability Department was taken out of other and listed individually.
- (2) In 2011 the IT Department was taken out of other and listed individually.
- (3) In 2014 the Parking Department was added, until that time it had been outsourced.
- (4) In 2015 Water Billing was combined with Water Operations.
- (5) In 2017 the Stormwater Operations Department was created.
- (6) Significant increase in transit operators and total route miles.
- (7) McPolin Barn FTE transferred to Executive from Recreation.

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	8,123	1.79	40,451	36.03
	2011	7,596	(6.49)	36,324	(10.20)
	2012	7,702	1.40	37,208	2.43
	2013	7,873	2.22	38,003	2.14
	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

Age distribution of 2018 population:

Age	Number	Percent
Under 5 Years	503	6.07 %
5-14	801	9.67
15-24	1,040	12.56
25-34	1,351	16.32
35-44	871	10.52
45-54	1,292	15.60
55-64	1,342	16.21
65-74	841	10.16
75 and over	239	2.89
	8,280	100.00 %

Median age: 40.3

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 (1)</u>	<u>Park City Population</u>	<u>Resort Percentage</u>
2010	26,736	8,123	329 %
2011	27,178	7,596	358
2012	27,178	7,547	360
2013	28,275	7,702	367
2014	28,275	7,873	359
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

Sources:

Park City Chamber/Visitor Bureau

Note:

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

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
	\$	%	\$	%		\$	%		\$	%		
2010	\$ 3,990,274	2.8	\$ 5,978,405	26.9	-	n/a	-	n/a	\$ 9,968,679	16.0		
2011	3,966,554	(0.6)	6,696,333	12.0	-	n/a	-	n/a	10,662,887	7.0		
2012	4,125,435	4.0	7,257,641	8.4	-	n/a	-	n/a	11,383,076	6.8		
2013	4,187,472	1.5	7,837,545 (1)	8.0	-	n/a	-	n/a	12,025,017	5.6		
2014	4,347,534	3.8	11,070,470 (2)	41.2	-	n/a	-	n/a	15,418,004	28.2		
2015	4,731,904	8.8	12,158,993	9.8	-	n/a	-	n/a	16,890,897	9.6		
2016	5,180,094	9.5	13,472,260	10.8	-	n/a	-	n/a	18,652,354	10.4		
2017	5,620,687	8.5	14,695,621	9.1	-	n/a	-	n/a	20,316,308	8.9		
2018	5,915,331	5.2	15,576,576	6.0	1,592,720 (4)	n/a	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	2,733,084	71.6	26,052,681	12.9		

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) 2010-2018 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Physical arrests	577	583	468	616	623	516	506	449	426	318
Parking citations	295	102	342	326	219	282	236	291	129	132
Traffic citations	2,044	1,984	963	950	904	454	966	712	697	608
Public works										
Street resurfacing (tons of asphalt)	3,810	5,500	4,616	4,616	5,133	5,526	6,034	5,486	6,500	6,000
Potholes repaired	250	275	235	230	240	210	380	400	200	800
Water										
Number of customers	5,122	5,161	5,171	5,180	5,203	5,226	5,230	5,276	5,331	5,450
New connections	27	26	10	22	37	42	56	56	75	82
Average daily consumption (Tgal)	4,119	4,152	4,915	4,822	4,660	4,430	4,647	4,890	3,475	3,475
Peak daily consumption (Tgal)	8,527	8,120	8,529	8,873	8,820	7,786	7,767	8,660	5,839	5,839
Average monthly billings (3/4" meter)	54.68	54.82	57.61	82.51	86.22	88	83.32	105.87	90.63	111.32
Residential billing rates										
Base rate (per 3/4" meter)	23.36	25.23	28.26	33.35	39.35	44	44.07	44.95	47.65	49.08
Base rate (per 1" meter)	31.54	34.06	45.02	45.02	53.12	59	59.49	60.68	64.32	66.25
Base rate (per 1-1/2" meter)	37.40	40.39	53.38	53.38	62.99	71	70.55	71.96	76.28	78.57
Rate per Tgal (winter months only)	4.09	4.42	5.84	5.84	6.89	8	7.72	5.60	5.94	6.12
Commercial billing rates										
Base rate (per 3/4" meter)	30.37	32.80	43.35	43.35	51.15	57	57.29	58.44	61.95	63.61
Base rate (per 1" meter)	51.39	55.50	73.35	73.35	86.55	97	96.94	98.88	104.81	107.95
Base rate (per 1-1/2" meter)	109.78	118.56	156.69	156.69	184.89	207	207.08	211.22	223.89	230.61
Base rate (per 2" meter)	228.93	247.24	326.75	326.75	385.57	432	431.84	440.48	466.91	480.92
Base rate (per 3" meter)	595.72	643.38	850.30	850.30	1,003.35	1,124	1,123.75	1,146.23	1,215.15	1,251.60
Base rate (per 4" meter)	1,081.61	1,168.14	1,543.82	1,543.82	1,821.71	2,040	2,040.32	2,081.13	2,206.00	2,272.18
Base rate (per 6" meter)	2,039.41	2,202.56	2,910.19	2,910.19	3,434.02	3,846	3,846.10	3,923.02	4,158.40	4,283.15
Base rate (per 8" meter)	3,511.17	3,792.06	5,011.59	5,011.59	5,913.67	6,623	6,623.31	6,755.78	7,161.13	7,375.96
Rate per 1,000 gallons	4.09	4.42	5.84	5.84	6.89	8	7.72	7.87	8.34	8.59
Building activity										
Building permits issued	845	903	984	1,615	1,432	1,289	1,102	999	1,422	1,252
Number of residential units	30	17	24	40	51	119	57	54	66	132
Residential value (in thousands)	13,724	9,429	15,673	21,260	40,646	64,102	30,826	36,092	48,420	97,683
Commercial value (in thousands)	-	8,929	198	173	14,420	17,951	3,663	8,912	40,266	46,236
Parks and recreation										
Racquet club passes	2,263	1,368 (1)	3,304 (2)	5,037	7,038	7,893	7,922	7,067	7,415	7,859
Golf rounds	25,912	25,852	29,282	30,151	30,887	29,269	29,537	30,731	29,484	27,382
Library										
Total volumes borrowed	85,655	89,174	93,626	91,955	79,709 (3)	54,262 (3)	98,930 (4)	111,388	155,683 (5)	193,795 (5)
Circulation per capita	11	12	12	12	10	7	12	13	13	14
Transit										
Total route miles	1,075,422	1,051,995	1,111,456	1,113,567	1,116,067	986,500	1,065,755	1,141,405	1,924,148 (6)	2,159,537
Passengers	1,857,947	1,965,455	1,934,382	1,882,533	1,823,459	1,701,758	1,798,482	2,100,455	2,288,730 (6)	2,659,826

Sources: Various City departments.

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

- (1) Significant decrease in Racquet club passes, was due to the relocation of the Racquet Club to temporary facilities, during the construction of a new facility.
- (2) New PC MARC facility opened in December 2011, resulting in a large increase in pass sales.
- (3) Significant decrease in Library total volumes borrowed and circulation per capita in 2014 and 2015, was due to the relocation of the Library to temporary facilities, during the renovation of existing facility.
- (4) Significant increase in Library total volumes borrowed and circulation per capita in 2015 and 2016, was due to the completion of the Library renovation.
- (5) 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).
- (6) Significant increase in total route miles in 2018 was due to the addition of several new routes including the Kamas circulator.

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Area (sq. miles)	18	18	18	18	18	20	20	20	20	20
Police station	1	1	1	1	1	1	1	1	1	1
Transit buses	40	37	36	36	36	37	37	38	39	47
Public works										
Streets (lane miles)	111	111	111	111	126	126	126	126	126	128
Street lights	530	530	545	545	712	712	712	964	985	985
Water										
Fire hydrants	1,056	1,100	1,105	1,105	1,105	1,081	1,090	1,091	1,104	1,131
Water mains (miles)	127	130	131	132	135	137	140	142	142	142
Storage capacity (Tgal)	14,650	14,650	14,650	13,650	13,650	13,650	13,650	13,650	18,250	18,250
Recreation and culture										
Acreage	223	223	223	223	223	223	223	1,536 (1)	1,580	1,675 (3)
Parks	40	40	40	40	40	40	40	42	42	42
Covered picnic areas	4	4	4	4	4	4	4	6	6	6
Tennis courts	9	9	13	13	14	14	14	14	14	14
Soccer fields	6	6	6	6	6	6	6	6	6	6
Baseball diamonds	10	10	10	10	10	10	10	10	10	10
Library	1	1	1	1	1	1	1	1	1	1
Volumes in library	67,626	71,164	82,291	74,071	85,138	97,160	126,999	117,482	155,683 (2)	193,795 (2)
Golf course	1	1	1	1	1	1	1	1	1	1
Ice Rink	1	1	1	1	1	1	1	1	1	1

Sources: Various City departments.

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

(1) 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.

Schedule 28
 Park City Municipal Corporation, Utah
 Schedule of Insurance in Force
 As of June 30, 2019

<u>COMPANY & COVERAGE TYPE, POLICY #</u>	<u>LIMITS</u>	<u>EXPIRATION</u>	<u>PREMIUM</u>	<u>DEDUCTIBLE</u>
LIBERTY MUTUAL (Property Coverage) YU2-Z51-292161-028	\$ 188,533,800	1/1/2020	\$ 158,157	
All other Perils				\$ 10,000
Flood				500,000
Earthquake				100,000
Data, Programs/Software & Computer Systems				500,000
ST. PAUL/TRAVELERS (Crime Policy) 105540277		1/1/2020	\$ 11,850	
Employee Theft - Per Loss Limit	\$ 525,000			\$ 10,000
Forgery or Alteration	500,000			10,000
Money & Securities (In & Outside)	25,000			10,000
Computer Fraud	500,000			10,000
Funds Transfer Fraud	500,000			10,000
WORKERS COMPENSATION FUND (Workers Compensation) 1638608	\$ 1,000,000	1/1/2020	\$ 136,122	\$ -
STATES RISK RETENTION GROUP (Liability) 3000023-1	\$ 10,000,000	1/1/2020	\$ 164,135	\$ 250,000
(General Liability, Automobile Liability, Employment Practice Liability, Law Enforcement Liability and Public Officials Errors & Omission Liability)				
BEAZLEY (Cyber Insurance) W21274180101	\$ 5,000,000	1/1/2020	\$ 32,746	\$ -
Information Security & Privacy Insurance				
GLOBAL AEROSPACE (Drone Coverage) 9007087	\$ 1,000,000	1/1/2020	\$ 630	\$ - (1)

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

(1) Drone Coverage added in FY 2019.

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

	Fiscal Year Ended June 30				
	2019	2018	2017 (1)	2016 (1)	2015
ASSETS					
Cash, cash equivalents and investments held by city	\$ 68,768,707	\$ 66,635,201	\$ 64,906,033	\$ 77,276,957	\$ 74,908,660
Cash, cash equivalents and investments held by fiscal agent	30,394,766	11,398,912	6,380,142	6,690,285	10,554,094
Restricted cash, cash equivalents and investments, other	7,194,635	6,604,245	6,318,540	6,312,535	7,418,529
Receivables:					
Taxes	28,179,289	24,009,992	23,385,693	20,740,471	20,631,203
Accounts	11,479,937	9,079,648	11,928,740	2,553,439	2,166,238
Notes receivable	768,356	1,273,106	1,799,575	314,353	320,284
Inventories	864,724	794,366	665,040	772,836	927,978
Other assets	-	-	-	-	-
Prepays	2,582,703	1,263,500	2,239,181	528,089	515,520
Assets held for resale	-	166,096	-	-	-
Capital assets not being depreciated:					
Land and water rights	264,361,177	200,070,570	178,027,967	129,838,076	130,034,390
Construction in progress	30,017,548	28,003,663	12,273,194	10,931,485	13,018,693
Art	889,333	839,333	827,833	827,833	710,570
Capital assets (net of accumulated depreciation):					
Buildings	49,424,165	46,155,763	43,758,490	42,117,192	43,670,618
Improvements other than buildings	79,765,683	82,480,502	82,274,536	77,669,009	67,613,413
Vehicles and equipment	25,690,978	23,770,469	23,909,704	15,058,504	16,123,836
Infrastructure	22,956,314	23,161,347	25,660,425	29,114,178	25,053,552
Intangibles	8,486,048	8,271,741	5,608,810	5,652,891	5,691,867
Net pension assets	-	3,365	3,713	7,661	22,838
Total assets	631,824,363	533,981,819	489,967,616	426,405,794	419,382,283
Deferred outflows of resources					
Deferred charge on refunding	-	-	-	7,477	15,227
Deferred outflows of resources related to pensions	7,434,656	7,335,717	6,578,882	5,277,742	1,597,998
Total deferred outflows of resources	7,434,656	7,335,717	6,578,882	5,285,219	1,613,225
LIABILITIES					
Accounts payable	\$ 5,966,218	\$ 5,395,183	\$ 10,204,455	\$ 4,243,398	\$ 4,813,660
Accrued liabilities	4,221,062	3,174,630	2,674,359	2,868,301	2,707,660
Long-term debt due within one year:					
Compensated absences	913,654	525,320	534,198	431,558	391,979
Contracts payable	-	-	-	-	93,024
General obligation bonds	5,910,000	4,360,000	4,945,000	3,300,000	3,215,000
Revenue bonds	8,035,000	6,495,000	4,720,000	4,530,000	4,690,000
Long-term debt due in more than one year:					
Compensated absences	313,404	699,776	670,641	681,413	616,886
General obligation bonds	85,722,655	40,913,366	45,540,922	22,709,111	26,083,159
Contracts payable	-	-	-	-	-
Revenue bonds	102,476,579	80,928,230	54,793,151	59,904,698	64,829,343
Net pension liability	14,568,026	7,780,234	11,020,794	10,109,665	6,596,256
Total liabilities	228,126,598	150,271,739	135,103,520	108,778,144	114,036,967
Deferred inflows of resources					
Property taxes	23,863,826	20,046,312	19,785,339	17,605,701	17,553,354
Deferred gain on refunding	500,262	217,783	321,672	425,561	529,450
Deferred inflows of resources related to pensions	514,445	6,025,822	1,803,202	1,142,122	1,049,810
Deferred inflows of resources - unavailable revenue	-	166,096	-	-	-
Total deferred inflows of resources	24,878,533	26,456,013	21,910,213	19,173,384	19,132,614
NET POSITION					
Net investment in capital assets	313,830,787	294,285,169	273,727,467 (3)	233,610,613 (2)	220,380,226
Restricted for:					
Capital projects	7,194,635	6,604,245 (4)	6,318,540 (4)	6,312,535 (4)	7,418,529 (4)
Other	58,940	57,571 (4)	59,674 (4)	48,640 (4)	47,201 (4)
Unrestricted	65,169,526	63,642,799 (4)	59,427,084 (4)	63,767,697 (4)	59,979,971 (4)
Total net position	386,253,888	364,589,784	339,532,765	303,739,485	287,825,927
Total liabilities and deferred inflows of resources and net position	\$ 639,259,019	\$ 541,317,536	\$ 496,546,498	\$ 431,691,013	\$ 420,995,508

Source: Information extracted from the City's fiscal years ended June 30, 2015 through 2019 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.

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

Park City Municipal Corporation, Utah
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor Agency or Pass Through Entity	Federal CFDA Number	Grant Number	2019 Expenditures
U.S. Department of Transportation			
Formula Grants for Rural Areas	20.509	UT-2016-006-00	1,972,123
Bus and Bus Facilities	20.526	UT-18-X032	1,919,736
		Subtotal	<u>3,891,859</u>
Department of Homeland Security			
Pass Through Utah Department of Public Safety			
Emergency Management Project Grant	97.042	EMPG-2018-DEM	6,250
Pass Through Summit County			
State Homeland Security Pass Through Grant FY16	97.042	PARP-16HSGP	8,028
			<u>14,278</u>
U.S. Department of Justice			
Pass Through Utah Office for Victims of Crime			
Victim of Crime Act (VOCA) Grant	16.017	16-VOCA-45	14,383
Bureau of Justice Assistance	16.835	2018-BC-BX-0018	48,524
Equitable Sharing Program	16.922	UT-0220500	56,556
		Subtotal	<u>119,463</u>
Total Federal Awards			\$ <u>4,025,600</u>

Park City Municipal Corporation, Utah
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Note 1. Reporting Entity

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

Note 2. Basis of Presentation

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

The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Park City Municipal Corporation, Utah
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019**

Section I - Summary of Auditors' Results:

Financial Statements:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Audit findings required to be reported in accordance with 2 CFR 200.516(a)	None reported

Identification of major programs:

CFDA Number	20.526
Name of Federal Program or Cluster	U.S. Department of Transportation, Bus and Bus Facilities
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	Yes

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

None reported

Section III – Findings and questioned costs for federal awards, including audit findings required by 2 CFR 200.516(a)

None reported

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

Members of the City Council
Park City Municipal Corporation, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Park City Municipal Corporation (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 23, 2019.

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

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

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

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

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

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

Salt Lake City, Utah
December 23, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Members of the City Council
Park City Municipal Corporation, Utah

We have audited the compliance of the Park City Municipal Corporation (the City) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2019. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Auditors' Responsibility. Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Major Federal Program. In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the City's major federal program for the year ended June 30, 2019.

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

A *deficiency* in internal control over compliance exists when the design or operation of a control over

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance. We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 23, 2019, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Salt Lake City, Utah
December 23, 2019

Independent Auditors' Report on Compliance and on Internal Control over Compliance as Required by the *State Compliance Audit Guide*

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

Report on Compliance

We have audited Park City Municipal Corporation's (the City) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2019.

State compliance requirements were tested for the year ended June 30, 2019 in the following areas:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Restricted Taxes and Other Related Restricted Revenue
- Open and Public Meetings Act
- Public Treasurer's Bond

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on Compliance

In our opinion, Park City Municipal Corporation complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide*.

Report On Internal Control over Compliance

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

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

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

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



Salt Lake City, Utah
December 23, 2019

PARK CITY MUNICIPAL CORPORATION
SCHEDULE OF STATE COMPLIANCE FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

State Compliance Finding – Current Year

2019-001 Budgetary Compliance

Finding:

Utah State Code Section 10-6-123 states that the entity’s total expenditures by fund or department may not exceed the amounts appropriated in the final adopted budget. Park City Municipal Corporation (the City) had interfund transfer expenses set higher than what was budgeted that caused Sales Tax Revenue Bond and Debt Service Funds to exceed the final adopted budget.

Recommendation:

We recommend that the City reinforce policies over budget review and augmentation to ensure compliance with the State compliance requirement over budgetary compliance.

Management Response:

The Park City Municipal Budget Department strives to match the allocated budget to what is anticipated to be expensed during the fiscal year. Unfortunately, the department failed to do this for two interfund transfer expenses for the last fiscal year. This was caused by using an older version of a spreadsheet used to update all the interfund transfer annual budgets. The final version did not make it into the City Council adopted budget even though the interfund transfer expenses had to happen. Oversight by budget management will be enhanced going into the next budget cycle. The Budget Department is also adding a senior analyst resource and updating software to assist in mitigating errors.

PARK CITY MUNICIPAL CORPORATION
SCHEDULE OF STATE COMPLIANCE FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

State Compliance Finding – Current Year (Continued)

2019-002 Open and Public Meetings

Finding:

Utah State Code Section 52-4-203(4)(e) states that minutes must be posted to the Utah Public Notice Website within three days of the meeting minutes being approved. The City is posting Meeting minutes to the website, but not always within the 3-day window after approval.

Recommendation:

We recommend that the City reinforce policies regarding the Open and Public Meeting Act to ensure compliance with the State compliance requirement Open and Public Meetings.

Management Response:

Management informed us that the City Recorder posts the approved minutes within three days after they are approved. At times, the City Recorder receives public comment or PowerPoint presentations after the minutes and attachments have been uploaded within the three-day time period. Appropriately and in order to ensure maximum transparency to the public, the Recorder combines the late submission items to the approved minutes and uploads the updated document. The outdated version is deleted at that time, yet the three-day provision was met as required. Unfortunately, the website does not show the date of the original upload. In the future, the City will leave all versions of the approved minutes with the associated attachments so the auditors can confirm compliance.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the disclosure document, if any, relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER PARAGRAPH (b)(5) OF RULE 15c2-12

DATED: _____, 2020

THIS CONTINUING DISCLOSURE UNDERTAKING (the “*Agreement*”) is executed and delivered by Park City, Utah (the “*Issuer*”) in connection with the issuance of \$ _____ General Obligation and Refunding Bonds, Series 2020 (the “*Bonds*”). The Bonds are being issued pursuant to a Resolution of the Issuer adopted on March 5, 2020 (the “*Resolution*”).

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

Section 1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Issuer as of the date set forth above, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Issuer represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

Section 2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in *Exhibit I*.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent’s successors and assigns.

“EMMA” means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). This term shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriter” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

“Reportable Event” means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

“Reportable Events Disclosure” means dissemination of a notice of a Reportable Event as set forth in Section 5.

“Rule” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“State” means the State of Utah.

“Undertaking” means the obligations of the Issuer pursuant to Sections 4 and 5.

Section 3.CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds maturing in each of the following years are as follows:

MAY 1 OF THE YEAR	CUSIP NUMBER
----------------------	-----------------

The Final Official Statement relating to the Bonds is dated _____, 2020 (the “Final Official Statement”). The Issuer will include the CUSIP Number in all disclosure described in Sections 4 and 5 of this Agreement.

Section 4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit D*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

Section 5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

Section 6. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

Section 7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Issuer by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Issuer or any other obligated person (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

Section 8. TERMINATION OF UNDERTAKING. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The Issuer shall give notice to EMMA in a timely manner if this Section is applicable.

Section 9. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Material Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA.

Section 11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

Section 12. RECORDKEEPING. The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 13. ASSIGNMENT. The Issuer shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

Section 14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

DATED as of the day and year first above written.

PARK CITY, UTAH

By _____
Mayor

Address: P.O. Box 1480
Park City, Utah 84060

Attest and Countersign:

By _____

City Recorder

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“*Annual Financial Information*” means financial information and operating data of the type contained in the Official Statement under the following captions:

DEBT STRUCTURE OF PARK CITY, UTAH

- Outstanding General Obligation Bonded Indebtedness
- Outstanding Sales Tax Revenue Bonded Indebtedness
- Outstanding Water Revenue Bonded Indebtedness
- Debt Service Of Outstanding General Obligation Bonds By Fiscal Year
- Debt Service Of Outstanding Sales Tax Revenue Bonds By Fiscal Year
- Debt Service Of Outstanding Water Revenue Bonds By Fiscal Year
- Overlapping and Underlying General Obligation Debt
- Debt Ratios Regarding General Obligation Debt
- General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

FINANCIAL INFORMATION REGARDING PARK CITY, UTAH

- Five-Year Financial Summaries
- Historical City Tax Rates
- Taxable and Fair Market Value of Property
- Tax Collection Record
- Some of the Largest Taxpayers in the City

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 185 days after the last day of the Issuer’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared pursuant to generally accepted accounting principles applicable to governmental units in general and Utah cities in particular. Audited Financial Statements will be submitted to EMMA within 30 days after availability to Issuer.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer*
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. The incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material
16. A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

APPENDIX D

BOOK-ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2020 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered the transaction. Transfers of ownership interests in the 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2020 Bonds, except if use of the book-entry system for the 2020 Bonds is discontinued.

To facilitate subsequent transfers, all 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2020 Bond documents. For example, Beneficial Owners of 2020 Bonds may wish to ascertain that the nominee holding the 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all the 2020 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2020 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, if a successor depository is not obtained, 2020 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2020 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

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