

PARK CITY SCHOOL DISTRICT

Financial Statements

Year Ended June 30, 2011

PARK CITY SCHOOL DISTRICT

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FINANCIAL SECTION



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Independent Auditor's Report

Board of Education
Park City School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and remaining fund information of Park City School District (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and remaining fund information of the District as of June 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Agui & Company, P.C

November 15, 2011

Management's Discussion and Analysis

This section of Park City School District's (the District) financial report presents management's discussion and analysis of the District's financial performance during the year ending June 30, 2011.

Financial Highlights

- The District is dependent on revenues generated by property taxes. Property tax revenues decreased by 2.8% in 2011 as a result of changes in tax rates and the values of taxable property within the District.
- The District's assets exceeded liabilities by \$134.2 million at the close of the most recent fiscal year.
- During the year, expenses were \$1.7 million less than the \$59.8 million generated in taxes and other revenues for governmental activities.
- District student enrollment decreased by 212 students to a total of 4,351 students as of October 1, 2010 for the 2010-2011 school year.
- The District continues to provide updated technology for enrolled students and to provide housing for the various programs throughout the District. Capital outlay expenditures in the governmental funds totaled \$4.2 million for the year.
- The District reclassified the Park City Education Foundation from a discretely presented component unit to a blended component unit; effective July 1, 2010, the Foundation is reported with the other governmental funds of the District.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

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

The government-wide financial statements of the District are reported as governmental activities. The District's basic services are included here, such as instruction, various supporting services, food services, community services, and interest on long-term liabilities. Property taxes and state and federal grants finance most of these activities.

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

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

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

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the capital projects fund, each of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the governmental funds is provided in the form of *combining and individual statements and schedules* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 13 through 17 of this report.

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

The basic proprietary fund financial statements can be found on pages 18 through 20 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 21 through 34 of this report.

Additional information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 35 through 42 of this report.

To satisfy continuing disclosure requirements for the District's general obligation bonds and to provide comparative data, selected financial, tax, and demographic information is provided as other information. This other information can be found on pages 43 through 49 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$134.2 million at the close of the most recent fiscal year.

PARK CITY SCHOOL DISTRICT'S Net Assets
June 30, 2011 and 2010
(in millions of dollars)

	Governmental activities		Total
	2011	2010	change 2011-2010
Current and other assets	\$ 87.0	\$ 85.9	\$ 1.1
Capital assets	116.2	118.4	(2.2)
Total assets	<u>203.2</u>	<u>204.3</u>	<u>(1.1)</u>
Current and other liabilities	51.6	50.5	1.1
Long-term liabilities outstanding	17.4	21.9	(4.5)
Total liabilities	<u>69.0</u>	<u>72.4</u>	<u>(3.4)</u>
Net assets:			
Invested in capital assets, net of related debt	101.0	98.3	2.7
Restricted	21.1	20.2	0.9
Unrestricted	12.1	13.4	(1.3)
Total net assets	<u>\$ 134.2</u>	<u>\$ 131.9</u>	<u>\$ 2.3</u>

- The largest portion of the District's net assets (75.3%) reflects its investment in capital assets (e.g., land, buildings and improvements, and equipment and buses net of accumulated depreciation), less any related debt (general obligation bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the District's net assets (15.7%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.
- The remaining balance of *unrestricted net assets* (9.0%) may be used to meet the District's obligations to students, employees, and creditors and to honor next year's budget.

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

- Net assets invested in capital assets, net of accumulated depreciation and related debt, increased by \$2.7 million during the year ended June 30, 2011. This net increase resulted primarily from \$5.1 million in payments of bond principal, acquisition of new capital assets of \$1.4 million, less depreciation expense of \$3.6 million.
- Restricted net assets increased by \$0.9 million during the year ended June 30, 2011. This increase resulted primarily from an increase in the amount restricted for capital projects and debt service.

The District's total net assets increased by \$2.3 million during the current year (\$1.7 million from activities plus \$0.6 million from reclassifying the Park City Education Foundation). The following discussion and analysis on governmental activities focuses on this increase:

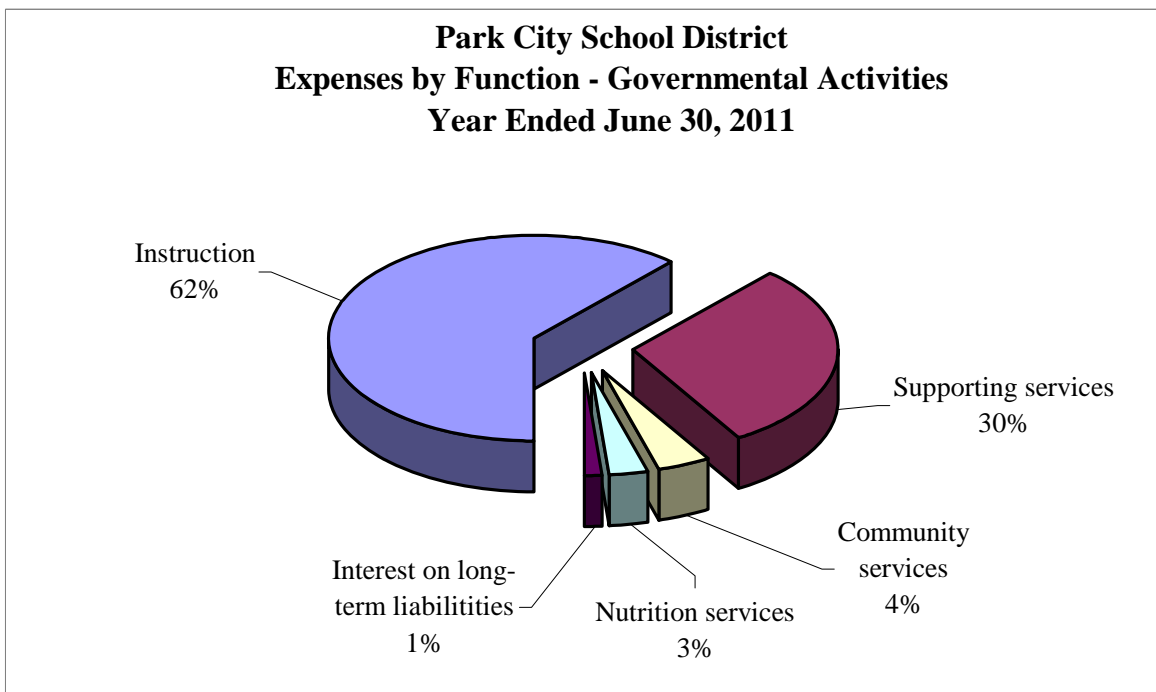
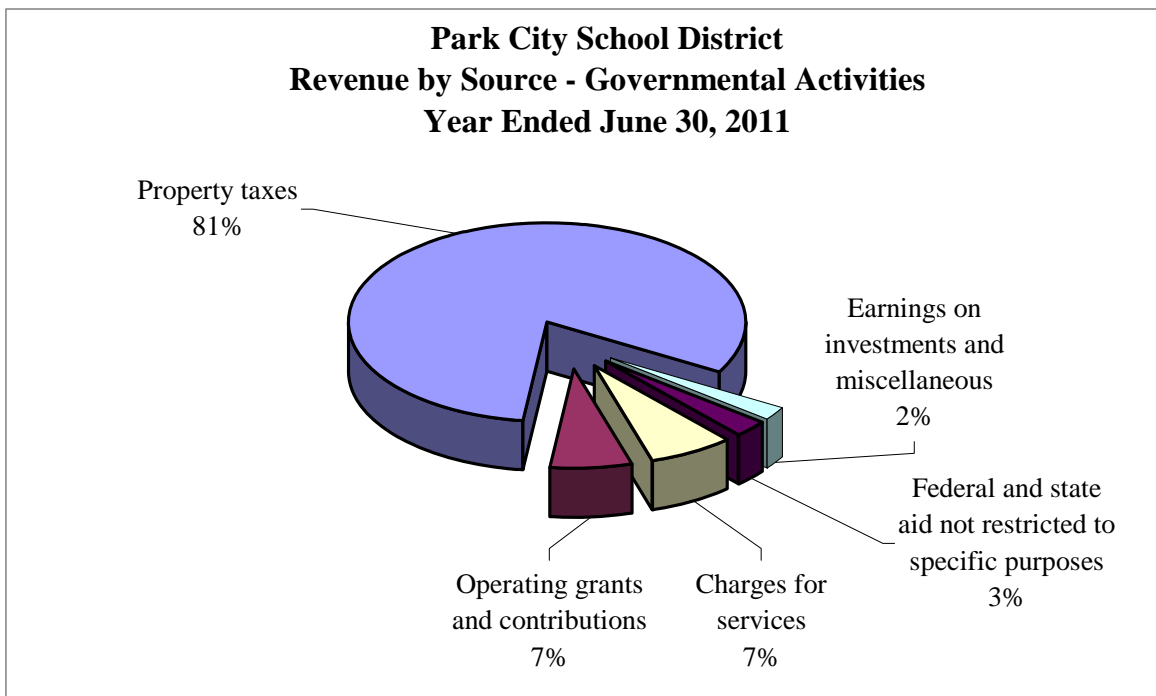
PARK CITY SCHOOL DISTRICT'S Changes in Net Assets
Years Ended June 30, 2011 and 2010
(in millions of dollars)

	Governmental activities		Total
	2011	2010	change 2011-2010
Revenues:			
Program revenues:			
Charges for services	\$ 4.2	\$ 3.6	\$ 0.6
Operating grants and contributions	4.0	4.3	(0.3)
General revenues:			
Property taxes	48.6	50.0	(1.4)
Federal and state aid not restricted to specific purposes	1.6	1.8	(0.2)
Earnings on investments	0.2	0.3	(0.1)
Miscellaneous	1.2	0.8	0.4
Total revenues	59.8	60.8	(1.0)
Expenses:			
Instructional services	36.0	36.5	(0.5)
Supporting services:			
Students	2.1	1.6	0.5
Instructional staff	2.1	1.4	0.7
General administration	0.6	1.7	(1.1)
School administration	2.6	2.3	0.3
Central	2.7	0.7	2.0
Operation and maintenance of facilities	4.6	5.8	(1.2)
Student transportation	2.5	2.2	0.3
Food services	1.8	1.7	0.1
Community services	2.3	2.1	0.2
Interest on long-term liabilities	0.8	1.0	(0.2)
Total expenses	58.1	57.0	1.1
Increase in net assets	1.7	3.8	(2.1)
Net assets - beginning, as restated*	132.5	128.1	4.4
Net assets - ending	\$ 134.2	\$ 131.9	\$ 2.3

*On July 1, 2010, the District reclassified Park City Education Foundation from a discretely presented component unit to a blended component unit reported in governmental activities. Beginning net assets have been restated to reflect this change.

- Property tax revenues decreased by \$1.4 million or 2.8% in 2011 as a result of changes in tax rates and values of taxable property within the District.
- State aid is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. Certain students receive a weighting greater than one. The state guarantees that if local taxes do not provide money equal to the WPU, the state

will make up the difference with state funding. Thus, with the decrease in property tax revenue, the amount of the state guarantee increased. The value of the WPU remained unchanged during the year ended June 30, 2011 (\$2,577 in 2010). State revenue increased by \$0.3 million as a result of an increase in the state guarantee of minimum school program funding.



- The District's total expenses increased by \$1.1 million to a total of \$58.1 million during 2011 as compared to the prior year. Also during 2011, the District changed where certain supporting services are being recorded; human resources moved from general administration to central, curriculum moved from general

administration to instructional staff, and information technology moved from operation and maintenance of facilities to central.

Financial Analysis of the District's Funds

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

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$31.7 million, \$1.2 million less than the previous year. Included in this year's change in the combined fund balance is an increase in the fund balance of the capital projects fund of \$1.1 million; this year's change also includes a decrease in the fund balance of the general fund of \$2.4 million. In addition, the following other changes in fund balances should be noted:

- Expenditures for general District purposes totaled \$44.4 million, an increase of 6.5% during the current fiscal year. This compares to a 2.6% increase in 2010. Instructional services represent 63.1% of general fund expenditures.
- General fund salaries totaled \$26.6 million while the associated employee benefits of retirement, social security, and insurance (health and accident, industrial, and unemployment) added \$12.4 million to arrive at 87.7% of total general fund expenditures.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. *Nonspendable* includes inventories that are not expected to be converted to cash. *Restricted* includes net fund resources of the District that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. Restrictions include tax revenues levied for specific purposes. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. *Committed* balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Assigned* balances in the General Fund and other governmental funds are those that do not meet the requirements of restricted or committed but that are intended to be used for specific purposes. *Unassigned* balances in the General Fund are all other available net fund resources. At June 30, 2011, the District's combined governmental fund balance is \$31.7 million (\$0.1 million in nonspendable, \$20.7 million in restricted, \$2.8 million in committed, \$1.7 million in assigned, and \$6.4 million in unassigned fund balances).

General Fund Budgetary Highlights

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding and changes in classifying certain supporting services.

Actual expenditures were \$0.9 million less than final budgeted amounts. Actual revenues were \$0.2 million less than final budgeted amounts primarily due to a positive variance in property taxes and negative variances in state and federal sources. Variances normally result from expenditure-driven federal and state grants that are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met; unspent grant amounts are carried forward and included in the succeeding year's budget. Revenue from state sources exceeded projections in part from the results of the minimum school program guaranteed funding that is impacted inversely by the amount of basic property taxes collected.

Capital Asset and Debt Administration

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

Capital assets at June 30, 2011 and 2010 are outlined below:

PARK CITY SCHOOL DISTRICT'S Capital Assets
June 30, 2011 and 2010
(net of accumulated depreciation, in millions of dollars)

	Governmental activities		Total change 2011-2010
	2011	2010	
Land	\$ 4.9	\$ 4.9	\$ -
Construction in progress	0.1	-	0.1
Buildings and improvements	108.5	110.5	(2.0)
Equipment and buses	2.7	3.0	(0.3)
Total capital assets	<u>\$ 116.2</u>	<u>\$ 118.4</u>	<u>\$ (2.2)</u>

Instruction expense includes \$2.9 million of costs related to instruction equipment and technology.

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

Debt Administration. The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2011 is about \$548 million. Net general obligation debt at June 30, 2011 is \$15 million, resulting in a legal debt margin of about \$536 million.

PARK CITY SCHOOL DISTRICT'S Outstanding Debt
June 30, 2011 and 2010
(in millions of dollars)

	Governmental activities		Total change 2011-2010
	2011	2010	
Net general obligation bonds	<u>\$ 15.3</u>	<u>\$ 20.2</u>	<u>\$ (4.9)</u>

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

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

Enrollment

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

PARK CITY SCHOOL DISTRICT'S Enrollment October 1 Count

<u>School Year</u>	<u>Enrollment</u>	<u>Change</u>
2011-12	4,400	1.1%
2010-11	4,351	-4.6%
2009-10	4,563	1.9%
2008-09	4,477	0.8%
2007-08	4,443	2.5%
2006-07	4,336	-0.7%
2005-06	4,367	3.7%
2004-05	4,212	3.8%
2003-04	4,059	2.6%
2002-03	3,957	0.9%
2001-02	3,923	0.1%
2000-01	3,921	2.9%

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

Requests for Information

This financial report is designed to provide a general overview of the Park City School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Park City School District, 2700 Kearns Blvd., Park City, UT 84060.

BASIC FINANCIAL STATEMENTS

PARK CITY SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	Governmental Activities
Assets:	
Cash and investments	\$ 38,180,218
Receivables:	
Property taxes	47,596,799
Other local	87,900
State of Utah	91,173
Federal government	946,417
Inventories	60,228
Bond issuance costs, nets of accumulated amortization	59,886
Capital assets:	
Land and construction in progress	5,052,295
Other capital assets, net of accumulated depreciation	111,156,439
Total assets	203,231,355
Liabilities:	
Accounts and contracts payable	1,558,394
Accrued interest	227,576
Accrued payroll and related benefits	4,646,246
Unearned revenue:	
Property taxes	44,790,493
Other local	40,142
State of Utah	343,214
Long-term liabilities:	
Portion due or payable within one year	5,940,763
Portion due or payable after one year	11,505,163
Total liabilities	69,051,991
Net Assets:	
Invested in capital assets, net of related debt	101,017,257
Restricted for:	
Debt service	992,008
Capital projects	18,763,380
Community recreation	296,532
Nutrition services	605,495
Foundation	294,365
Other purposes	154,752
Unrestricted	12,055,575
Total net assets	\$ 134,179,364

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

PARK CITY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2011

Activities / Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Total Governmental Activities
Governmental activities:				
Instruction	\$ 35,912,200	\$ 2,550,822	\$ 1,947,057	\$ (31,414,321)
Supporting services:				
Student	2,073,213	-	299,258	(1,773,955)
Instructional staff	2,138,141	-	239,045	(1,899,096)
General administration	642,079	-	35,941	(606,138)
School administration	2,590,827	-	-	(2,590,827)
Central	2,689,605	-	217	(2,689,388)
Operation and maintenance of facilities	4,640,074	15,674	-	(4,624,400)
Student transportation	2,501,816	7,986	490,203	(2,003,627)
Nutrition services	1,806,719	746,604	853,264	(206,851)
Community services	2,324,759	901,450	118,687	(1,304,622)
Interest on long-term liabilities	818,300	-	-	(818,300)
Total school district	<u>\$ 58,137,733</u>	<u>\$ 4,222,536</u>	<u>\$ 3,983,673</u>	<u>(49,931,524)</u>
General revenues:				
Property taxes levied for:				
Basic state supported program for K-12 instruction				16,670,064
Voted leeway program for K-12 instruction				16,725,818
School board leeway program for improvement of reading skills				724,785
Student transportation				1,025,850
Tort liability				44,602
Community recreation				992,399
Debt service of general obligation bonds				6,077,047
Capital outlay for buildings and other capital needs				4,738,982
Ten percent additional basic program for capital assets, textbooks, and supplies				<u>1,616,829</u>
Total property tax revenue				48,616,376
Federal and state aid not restricted to specific purposes				1,611,711
Earnings on investments				202,416
Miscellaneous				<u>1,223,382</u>
Total general revenues				<u>51,653,885</u>
Change in net assets				1,722,361
Net assets - beginning, as restated				<u>132,457,003</u>
Net assets - ending				<u>\$ 134,179,364</u>

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

PARK CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

	<u>Major Funds</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
Assets:					
Cash and investments	\$ 14,460,456	\$ 941,735	\$ 19,680,073	\$ 1,919,152	\$ 37,001,416
Receivables:					
Property taxes	37,328,859	4,513,939	4,635,706	1,118,295	47,596,799
Other local	5,650	-	-	82,250	87,900
State of Utah	20,483	-	-	70,690	91,173
Federal government	863,567	-	-	82,850	946,417
Inventories	-	-	-	60,228	60,228
Due from other funds	133,747	-	-	-	133,747
Total assets	<u>\$ 52,812,762</u>	<u>\$ 5,455,674</u>	<u>\$ 24,315,779</u>	<u>\$ 3,333,465</u>	<u>\$ 85,917,680</u>
Liabilities and fund balances:					
Liabilities:					
Accounts and contracts payable	\$ 318,688	\$ -	\$ 1,190,046	\$ 49,660	\$ 1,558,394
Accrued payroll and related benefits	4,646,246	-	-	-	4,646,246
Deferred revenue:					
Property taxes	37,263,454	4,486,410	4,625,557	1,117,666	47,493,087
Other local	-	-	-	40,142	40,142
State of Utah	343,214	-	-	-	343,214
Due to other funds	-	-	-	133,747	133,747
Total liabilities	<u>42,571,602</u>	<u>4,486,410</u>	<u>5,815,603</u>	<u>1,341,215</u>	<u>54,214,830</u>
Fund Balances:					
Nonspendable:					
Inventories	-	-	-	60,228	60,228
Restricted for:					
Debt service	-	969,264	-	-	969,264
Capital projects	-	-	18,500,176	-	18,500,176
Community recreation	-	-	-	237,020	237,020
Nutrition services	-	-	-	545,267	545,267
Foundation	-	-	-	294,365	294,365
Other purposes	110,578	-	-	-	110,578
Committed to:					
Economic stabilization	2,150,000	-	-	-	2,150,000
Self insurance	440,000	-	-	-	440,000
Voluntary retirement incentive	197,414	-	-	-	197,414
Assigned to:					
Compensated absences	755,861	-	-	-	755,861
Basic levy recapture	200,000	-	-	-	200,000
Adult education	-	-	-	15,516	15,516
Students	-	-	-	385,103	385,103
Foundation	-	-	-	454,751	454,751
Unassigned	6,387,307	-	-	-	6,387,307
Total fund balances	<u>10,241,160</u>	<u>969,264</u>	<u>18,500,176</u>	<u>1,992,250</u>	<u>31,702,850</u>
Total liabilities and fund balances	<u>\$ 52,812,762</u>	<u>\$ 5,455,674</u>	<u>\$ 24,315,779</u>	<u>\$ 3,333,465</u>	<u>\$ 85,917,680</u>

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

PARK CITY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2011

Total fund balances for governmental funds \$ 31,702,850

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

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

Land	\$ 4,928,568	
Construction in progress	123,727	
Buildings and improvements, net of \$33,787,566 accumulated depreciation	108,491,826	
Equipment and busses, net of \$4,363,685 accumulated depreciation	2,664,613	116,208,734

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. 2,702,594

Bond issuance costs are reported as expenditures in the governmental funds. These costs are reported net of \$201,075 of accumulated amortization on the statement of net assets. 59,886

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is: (227,576)

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

General obligation bonds payable	(15,305,000)	
Bond premium, net of \$40,085 accumulated amortization	(20,009)	
Deferred amounts on refunding, net of \$1,104,748 accumulated amortization	73,646	
Unpaid vacation	(186,917)	
Accrued sick leave	(631,430)	
Voluntary retirement incentive payable	(197,414)	(16,267,124)

Total net assets of governmental activities \$ 134,179,364

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

PARK CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2011

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Revenues:					
Local sources:					
Property taxes	\$ 36,746,476	\$ 6,097,562	\$ 4,741,624	\$ 1,067,214	\$ 48,652,876
Earnings on investments	85,865	4,418	106,733	5,400	202,416
Lunch sales	-	-	-	664,878	664,878
Other local	721,390	21,096	424,563	3,609,834	4,776,883
State of Utah	2,829,958	-	55,003	241,449	3,126,410
Federal government	1,738,472	-	-	730,502	2,468,974
Total revenues	<u>42,122,161</u>	<u>6,123,076</u>	<u>5,327,923</u>	<u>6,319,277</u>	<u>59,892,437</u>
Expenditures:					
Current:					
Instruction	28,062,142	-	-	2,661,459	30,723,601
Supporting services:					
Student	2,051,855	-	-	-	2,051,855
Instructional staff	2,138,141	-	-	-	2,138,141
General administration	578,178	-	-	-	578,178
School administration	2,452,000	-	-	-	2,452,000
Central	2,641,250	-	-	-	2,641,250
Operation and maintenance of facilities	4,389,673	-	-	-	4,389,673
Student transportation	2,134,663	-	-	-	2,134,663
Community services	-	-	-	2,288,257	2,288,257
Nutrition services	-	-	-	1,661,216	1,661,216
Capital outlay	-	-	4,230,219	-	4,230,219
Debt service:					
Principal retirement	-	5,050,000	-	-	5,050,000
Interest and fiscal charges	-	749,190	-	-	749,190
Total expenditures	<u>44,447,902</u>	<u>5,799,190</u>	<u>4,230,219</u>	<u>6,610,932</u>	<u>61,088,243</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,325,741)</u>	<u>323,886</u>	<u>1,097,704</u>	<u>(291,655)</u>	<u>(1,195,806)</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	14,735	-	-	-	14,735
Transfers	(124,170)	-	-	124,170	-
Total other financing sources (uses)	<u>(109,435)</u>	<u>-</u>	<u>-</u>	<u>124,170</u>	<u>14,735</u>
Net change in fund balances	(2,435,176)	323,886	1,097,704	(167,485)	(1,181,071)
Fund balances - beginning, as restated	<u>12,676,336</u>	<u>645,378</u>	<u>17,402,472</u>	<u>2,159,735</u>	<u>32,883,921</u>
Fund balances - ending	<u>\$ 10,241,160</u>	<u>\$ 969,264</u>	<u>\$ 18,500,176</u>	<u>\$ 1,992,250</u>	<u>\$ 31,702,850</u>

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

PARK CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2011

Net change in fund balances-total governmental funds \$ (1,181,071)

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

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

Capital outlays	\$ 1,351,633	
Proceeds from sales of capital assets	(14,735)	
Gain on sale of capital assets	4,157	
Depreciation expense	(3,580,406)	(2,239,351)

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

Principal repayment of general obligation bonds	5,050,000	
Amortization of bond premium	5,584	
Amortization of deferred refunding costs	(126,257)	
Amortization of bond issuance costs	(26,133)	
Interest expense	77,696	4,980,890

Property taxes that are collected several months after the District's fiscal year end are not considered available revenues in the governmental funds and are, instead, counted as deferred revenues at year end. They are, however, recorded as revenues in the statement of activities. Delinquent property taxes receivable increased this year. (36,500)

In the statement of activities, certain operating expenses - compensated absences (vacation and sick leave) and termination benefits (voluntary retirement incentive) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, unpaid vacation and sick leave increased by \$9,093 and voluntary retirement incentive payable decreased by \$207,576. 198,393

Change in net assets of governmental activities \$ 1,722,361

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

PARK CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Property taxes	\$ 36,318,569	\$ 36,241,918	\$ 36,746,476	\$ 504,558
Earnings on investments	69,683	144,814	85,865	(58,949)
Other local revenue	487,161	852,565	721,390	(131,175)
State of Utah	2,181,172	3,280,694	2,829,958	(450,736)
Federal government	1,486,963	1,812,702	1,738,472	(74,230)
Total revenues	<u>40,543,548</u>	<u>42,332,693</u>	<u>42,122,161</u>	<u>(210,532)</u>
Expenditures:				
Current:				
Instruction	27,870,888	28,030,515	28,062,142	(31,627)
Supporting services:				
Student	1,674,062	2,075,203	2,051,855	23,348
Instructional staff	2,066,762	2,101,490	2,138,141	(36,651)
General administration	1,825,514	542,361	578,178	(35,817)
School administration	2,064,762	2,313,104	2,452,000	(138,896)
Central	538,776	2,436,981	2,641,250	(204,269)
Operation and maintenance of facilities	5,469,911	4,306,588	4,389,673	(83,085)
Student transportation	1,748,692	1,742,500	2,134,663	(392,163)
Total expenditures	<u>43,259,367</u>	<u>43,548,742</u>	<u>44,447,902</u>	<u>(899,160)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,715,819)</u>	<u>(1,216,049)</u>	<u>(2,325,741)</u>	<u>(1,109,692)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	14,735	14,735
Transfers out	-	(218,566)	(124,170)	94,396
Total other financing sources (uses)	<u>-</u>	<u>(218,566)</u>	<u>(109,435)</u>	<u>109,131</u>
Net change in fund balances	<u>(2,715,819)</u>	<u>(1,434,615)</u>	<u>(2,435,176)</u>	<u>(1,000,561)</u>
Fund balances - beginning	<u>11,395,041</u>	<u>12,676,336</u>	<u>12,676,336</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,679,222</u>	<u>\$ 11,241,721</u>	<u>\$ 10,241,160</u>	<u>\$ (1,000,561)</u>

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

PARK CITY SCHOOL DISTRICT
Statement of Fund Net Assets
Proprietary Fund
June 30, 2011

	Governmental Activities - Internal Service Fund
Assets:	
Cash and investments	\$ 1,178,802
Liabilities:	
Claims payable	<u>1,178,802</u>
Net Assets:	
Unrestricted	<u>-</u>
Total net assets	<u><u>\$ -</u></u>

PARK CITY SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
Year Ended June 30, 2011

	Governmental Activities - Internal Service Fund
Operating revenues:	
Premiums	\$ 5,790,729
Operating expenses:	
Medical claims	(5,107,506)
Administrative expenses	<u>(683,223)</u>
Total operating expenses	<u>(5,790,729)</u>
Total operating income / change in fund net assets	-
Net assets - beginning	<u>-</u>
Net assets - ending	<u><u>\$ -</u></u>

PARK CITY SCHOOL DISTRICT
Statement of Fund Cash Flows
Proprietary Fund
Year Ended June 30, 2011

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Insurance premiums received	\$ 5,790,729
Insurance benefits paid	<u>(5,071,391)</u>
Net cash provided by operating activities	719,338
Cash and cash equivalents - beginning	<u>459,464</u>
Cash and cash equivalents - ending (displayed as <i>cash and investments</i> on the statement of fund net assets)	<u><u>\$ 1,178,802</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in claims payable	<u>719,338</u>
Total adjustments / net cash provided by operating activities	<u><u>\$ 719,338</u></u>

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting entity – The Board of Education, comprised of five elected individuals, is the primary governing authority for the District. As required by GAAP, these financial statements present the District and its blended component unit, Park City Education Foundation (Foundation), for which the District is considered to be financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the District’s operations.

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for “shared” capital assets (for example, a school building is used primarily for instruction, school administration, operation and maintenance of facilities, and nutrition services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

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

The District reports the following major governmental funds:

- The *general fund* is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.
- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Additionally, the District also reports the following fund:

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

Classifications of expenditures/expenses are reported by function. The function describes the activity for which a service or material object is acquired. The functions of the District are classified into six broad areas: instruction, supporting services, community services, nutrition services, capital outlay, and debt service. Functions are further classified into subfunctions.

- **Instruction.** Instruction includes the activities dealing directly with the interaction between teachers and students. This function includes teachers, aides, textbooks, and classroom supplies.
- **Supporting Services.** Supporting services provide administrative, technical (such as guidance and curriculum development), and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services, and nutrition services, rather than as entities within themselves.
 - *Student* – Activities designed to assess and improve the well-being of students and to supplement the teaching process. This subfunction includes attendance, guidance, health, and therapy services.
 - *Instructional staff* – Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students. This subfunction includes improvement of instruction, instruction and curriculum development, instructional staff training, library and media, instruction-related technology, and academic student assessment services.
 - *General administration* – Activities concerned with establishing and administering policy for operating the District. This subfunction includes Board of Education, superintendent, and community relation services.
 - *School administration* – Activities concerned with overall administrative responsibility for a school. This subfunction includes principals, assistants, records, and clerical services.
 - *Central* – Activities that support other administrative and instructional functions, including fiscal services, purchasing, printing, human resources, planning, and administrative information technology.
 - *Operation and maintenance of facilities* – Activities concerned with keeping physical facilities open, comfortable, and safe for use and with keeping grounds, buildings, and equipment in effective working conditions and state of repair.
 - *Student transportation* – Activities concerned with conveying students to and from school, as provided by state and federal law. These include trips between home and school and trips to school activities as well as vehicle acquisition, operation, and maintenance.

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

- **Community Services.** Community services include activities concerned with providing services to the community. Examples of this function would be offering preschool and adult education, after school, operating a swimming pool, and other community recreation programs.
- **Nutrition Services.** Nutrition services include activities concerned with providing food to students and staff in a school as part of the National School Lunch Program. Program revenues include federal and state reimbursements, federal donated commodities, and lunch sales.
- **Capital Outlay.** Capital outlay includes activities concerned with acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, initially installing or extending service systems and other built-in equipment, and improving sites. This service area also includes acquiring equipment for most of the other functions.
- **Debt Service.** Debt service includes the activities related to servicing long-term debt of the District. This function accounts for general obligation bond interest payments and retirement of bonded debt.

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

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

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

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

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

- By June 1 of each year, the District business administrator prepares a proposed annual budget (for the fiscal year beginning July 1st) for all applicable funds. The budget is presented to the Board of Education by the superintendent. This budget includes proposed expenditures and the means of financing them. Also included is a final budget for the current fiscal year ending June 30th.
- Copies of the proposed budget are made available for public inspection and review by the District's patrons.
- If the District does not exceed the certified tax rate, a public hearing is held prior to June 22 at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative budget reallocation from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2011 have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

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

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

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

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

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

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized. Buildings and improvements and equipment and buses of the District are depreciated using the straight-line method over the estimated useful lives as indicated in the chart on below:

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

Vacation, Sick Leave, and Termination Benefits – Under terms of association agreements, employees are granted vacation leave in amounts varying with tenure. Under Board policy, the District provides employees a sick leave incentive available to all employees upon their separation from the District. The benefit is up to 25% (based on years of service within the District) of the amount of unused sick leave days allowed to be accumulated using the daily rate of pay at the time of separation. The District records expenditures in the governmental funds for vacation and sick pay benefits at the time of separation. An expense and related liability are recorded in the governmental-wide financial statements as these benefits are earned.

Under Board policy, the District provided a voluntary retirement incentive program. Eligibility was restricted to those employees with a minimum of ten years of service in the District who could retire under the provisions of the Utah Retirement Systems (see Note 5). Those qualifying under this program received benefits for up to four years. Benefits were determined by taking a percentage of the difference between the employee's lane and step at the time of retirement and the current lane and step six using contracted amounts. Health insurance coverage was also available to retiring employees qualifying under this program. The District records expenditures for this program in the governmental funds when paid. The District records an expense and related liability in the government-wide financial statements for these obligations at the time an eligible employee retires. The District paid \$209,508 to retirees during the year ended June 30, 2011. Effective March 26, 2008, the voluntary retirement incentive program is no longer available to employees retiring after June 30, 2009.

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

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

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Fund Balance Classifications – Beginning with fiscal year 2011, the District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. Implementation of the new statement had no effect on the total fund balance amounts.

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

- **Nonspendable.** This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories are classified as nonspendable.

- **Restricted.** This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include the following:
 - a) Unspent tax revenues for specific purposes (debt service, capital projects, community recreation, tort liability, and reading program,).
 - b) Donations held in the *Park City Education Foundation fund*.
 - c) Remaining fund balances in the *food services fund*.

- **Committed.** This category includes amounts that can only be used for specific purposes established by formal action of the District’s Board of Education. Fund balance commitments can only be removed or changed by the same type of action (e.g. resolution) of the Board of Education. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Education has approved to commit fund balance amounts for the following purposes:
 - a) Economic stabilization (\$2,150,000). As defined in Utah law as an “undistributed reserve,” the District maintains for economic stabilization up to five percent of *general fund* budgeted expenditures. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). Also defined by state law, the commitment is not to be used “in the negotiation or settlement of contract salaries for school district employees.”
 - b) Voluntary retirement incentive (\$197,414). The District will pay benefits to 12 remaining retirees who retired prior to July 1, 2009 under a voluntary retirement incentive program.
 - c) Self insurance (\$440,000). The District maintains a self insurance reserve up to 25 percent of *self insurance fund* annual expenditures.

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

- **Assigned.** This category includes *general fund* and other governmental fund balance amounts that the District intends to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by written approval of the District’s administration
- **Unassigned.** Residual balances in the *general fund* are classified as unassigned.

2. DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2011 as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 3,171,456
Carrying amount of investments	<u>35,008,762</u>
Total cash and investments	<u><u>\$ 38,180,218</u></u>
Governmental funds cash and investments	\$ 37,001,416
Internal service fund cash and investments	<u>1,178,802</u>
Total cash and investments	<u><u>\$ 38,180,218</u></u>

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

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

Deposits – At June 30, 2011, the District and Foundation have the following deposits with financial institutions:

	Carrying Amount	Bank Balance	Amount Insured
Park City School District	\$ 2,327,856	\$ 2,443,714	\$ 2,443,714
Park City Education Foundation	<u>843,600</u>	<u>868,090</u>	<u>633,190</u>
	<u><u>\$ 3,171,456</u></u>	<u><u>\$ 3,311,804</u></u>	<u><u>\$ 3,076,904</u></u>

- **Custodial credit risk** – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government’s deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. At June 30, 2011, the uninsured amount of the District’s bank deposits was uncollateralized nor is it required by state law.

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Investments – The District invests with the PTIF and the Foundation invests private funds through brokers. The PTIF is an external local government investment pool managed by the Utah State Treasurer. The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the State of Utah. Participants in the PTIF share proportionally in the income, costs, gains and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio. At June 30, 2011, the District has the following investments summarized by investment type and maturities:

Investment Type	Fair Value	Investment Maturities (in Years) <u>Less Than 1</u>
Park City School District:		
Utah Public Treasurers' Investment Fund (PTIF)	\$ 34,967,467	\$ 34,967,467
Park City Education Foundation:		
Certificate of deposit	34,875	34,875
Equity securities mutual fund	6,420	6,420
Total investments	\$ 35,008,762	\$ 35,008,762

- **Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments to not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term to maturity on all investments in commercial paper and bankers’ acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding two years. The Foundation can invest private funds in fixed-income securities with a dollar-weighted average maturity not to exceed ten years.

- **Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District’s policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody’s Investors Service or by Standard & Poor’s. The District has no investment policy that would further limit its investment choices. At June 30, 2011, the District’s investment in the PITF is unrated.

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

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Also, for the Foundation's investments in private funds, no more than 75% may be invested in equity securities and no more than 5% in collateralized mortgage obligations.

- Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's policy for managing this risk is to comply with the Act and related rules. The District places no other limit on the amount of investments to be held by counterparties. The Act requires the Foundation's public treasurer to have custody of all securities purchased or held or deposit these securities with a bank or trust company to be held in safekeeping by that custodian. The Foundation's investments held in a brokerage account are covered by Securities Investor Protection Corporation up to \$500,000.

3. PROPERTY TAXES

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

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

As of June 30, 2011, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2010 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion.

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 4,928,568	\$ -	\$ -	\$ 4,928,568
Constuction in progress	-	957,283	(833,556)	123,727
Total capital assets, not being depreciated	4,928,568	957,283	(833,556)	5,052,295
Capital assets, being depreciated:				
Buildings and improvements	141,445,836	833,556	-	142,279,392
Equipment and buses	6,705,437	394,350	(71,489)	7,028,298
Total capital assets, being depreciated	148,151,273	1,227,906	(71,489)	149,307,690
Accumulated depreciation for:				
Buildings and improvements	(30,915,845)	(2,871,721)	-	(33,787,566)
Equipment and buses	(3,715,911)	(708,685)	60,911	(4,363,685)
Total accumulated depreciation	(34,631,756)	(3,580,406)	60,911	(38,151,251)
Total capital assets, being depreciated, net	113,519,517	(2,352,500)	(10,578)	111,156,439
Governmental activity capital assets, net	\$ 118,448,085	\$ (1,395,217)	\$ (844,134)	\$ 116,208,734

For the year ended June 30, 2011, depreciation expense was charged to functions of the District as follows:

Governmental activities:	
Instruction	\$ 2,508,406
Supporting services:	
Student support	21,358
General administration	63,901
School administration	138,827
Central	48,355
Operation and maintenance of facilities	250,401
Student transportation	367,153
Nutrition services	145,503
Community services	36,502
Total depreciation expense, governmental activities	\$ 3,580,406

5. RETIREMENT PLANS

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

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

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

Plan members in the State and School Contributory Retirement System are required to contribute 6.00% of their annual covered salary (5.00% paid by the District for the employee) and the District is required to contribute 11.83% of their annual covered salary. In the State and School Noncontributory Retirement System, the District is required to contribute 16.32% of their annual covered salary. The District contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board.

The District's contributions to the State and School Contributory Retirement System for the years ended June 30, 2011, 2010, and 2009 were \$76,041, \$64,893, and \$83,930, respectively, and for the State and School Noncontributory Retirement System the contributions for the years ended June 30, 2011, 2010, and 2009 were \$4,171,922, \$3,628,351, and \$3,455,392, respectively. Employee contributions to the State and School Contributory Retirement System for the years ended June 30, 2011, 2010, and 2009 were \$4,405, \$4,406, and \$5,698, respectively. The contributions were equal to the required contributions for each year.

The District participates in a deferred compensation plan – under Internal Revenue Code Section 401(k) – to supplement retirement benefits accrued by participants in the Systems. Employees covered by the noncontributory plan have a contribution of 1.5% of salary automatically made by the District. During the years ended June 30, 2011, 2010, and 2009, employer contributions were \$453,439, \$461,923, and \$448,119, respectively. Employees, who are participants in the Systems, can make additional contributions to the 401(k) plan. These employee contributions were \$972,812, \$908,270, and \$965,868, for the same periods. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are held by the Systems.

The District also offers its employees a deferred compensation plan under Internal Revenue Code Section 457 allowing employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employee contributions to the Section 457 plan totaled \$143,622, \$97,293, and \$83,452, for the years ended June 30, 2011, 2010, and 2009, respectively. Section 457 plan assets are held by the Systems.

Voluntary Retirement Incentive – The District will pay benefits to 12 remaining retirees who retired prior to July 1, 2009 under the voluntary retirement incentive program, \$156,141 in 2012 and \$41,273 in 2013. The District's direct payments to retirees under the voluntary retirement incentive program in the years ended June 30, 2011 and 2010 were \$209,508 and \$236,503, respectively. This liability is paid primarily from the *general fund*.

6. RISK MANAGEMENT

The *self-insurance fund*, an internal service fund, was established to pay self-insurance claims for health and accident and dental coverage provided to qualified District employees. The District carries commercial insurance, which covers catastrophic claims. The fund collects premiums, as established by the District and the plan administrator, from other District funds. The District has recorded an estimate of claims incurred

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

but not reported of \$1,178,802 as of June 30, 2011. This liability is based on experience and information provided by the plan administrator. The following table shows a history of accrued claims payable for the years ended June 30, 2011 and 2010 (self-insurance began January 1, 2010):

	2011	2010
Accrued claims payable (beginning of year)	\$ 459,464	\$ -
Claims (including incurred but not reported)	5,790,729	2,876,479
Payments of claims and administrative costs	(5,071,391)	(2,417,015)
Accrued claims payable (ending of year)	\$ 1,178,802	\$ 459,464

The District also maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10,000,000 per occurrence through policies administered by the Utah State Risk Management Fund. The District pays an annual premium to the Fund. The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Utah State Risk Management Fund. This all-risk insurance coverage provides for repair or replacement of damaged property at a replacement cost basis subject to a deductible of \$1,000 per occurrence. Settled claims have not exceeded the District's insurance coverage for any of the past three years. The District also maintains a public treasurer's fidelity bond of \$1,500,000 with a private carrier.

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

7. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2011 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 20,355,000	\$ -	\$ (5,050,000)	\$ 15,305,000	\$ 4,330,000
Bond premium	25,593	-	(5,584)	20,009	-
Deferred amounts on refunding	(199,903)	-	126,257	(73,646)	-
Net bonds payable	20,180,690	-	(4,929,327)	15,251,363	4,330,000
Unpaid vacation	230,548	189,686	(233,317)	186,917	149,534
Claims payable	459,464	5,790,729	(5,071,391)	1,178,802	1,178,802
Accrued sick leave	578,706	139,031	(86,307)	631,430	126,286
Voluntary retirement incentive payable	404,990	1,932	(209,508)	197,414	156,141
Total long term liabilities	\$ 21,854,398	\$ 6,121,378	\$ (10,529,850)	\$ 17,445,926	\$ 5,940,763

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

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2011, including interest payments are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 4,330,000	\$ 552,398	\$ 4,882,398
2013	3,525,000	385,193	3,910,193
2014	3,655,000	259,255	3,914,255
2015	3,795,000	126,263	3,921,263
	<u>\$ 15,305,000</u>	<u>\$ 1,323,109</u>	<u>\$ 16,628,109</u>

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2011 is about \$548 million. With net general obligation debt outstanding of \$15,251,363, the District's legal debt margin is about \$536 million.

General obligation school building bonds payable at June 30, 2011, with their outstanding balances are comprised of the individual issues as follows:

Purpose	Remaining Interest Rates	Outstanding Amount
\$9,460,000 general and refunding school building bonds, issued May 1, 2001, maturing August 1, 2014	4.40% to 4.70%	\$ 2,455,000
\$19,605,000 general obligation refunding bonds, issued October 1, 2002, maturing February 1, 2012	4.00%	2,920,000
\$10,000,000 general obligation school building bonds, issued March 15, 2004, maturing February 1, 2015	2.80% to 3.25%	5,530,000
\$5,000,000 general obligation school building bonds, issued April 1, 2005, maturing February 1, 2015	3.50% to 3.85%	<u>4,400,000</u>
Total general obligation bonds		<u>\$ 15,305,000</u>

8. LITIGATION AND LEGAL COMPLIANCE

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

All funds balances are positive at June 30, 2011. Total expenditures exceeded budgeted amounts by \$899,160 or 2.1% for the *general fund*, \$151,258 or 7.1% for the *non K-12 programs fund*, and \$428,363 or 25.5% for the *student activities fund* for the year ended June 30, 2011.

PARK CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

9. GRANTS

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

10. RESTATEMENT

Certain beginning net assets / fund balances have been restated to reflect the effects of Park City Education Foundation being reclassified from a discretely presented component unit to a blended component unit within the governmental funds of the District effective July 1, 2010.

	Government-wide Financial Statements	Governmental Funds
	Governmental Activities	Other Governmental
Net assets / fund balance, as originally stated, July 1, 2010	\$ 131,866,064	\$ 32,294,135
Reclassify Park City Education Foundation as blended component unit	590,939	589,786
Net assets / fund balance, as restated, July 1, 2010	\$ 132,457,003	\$ 32,883,921

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

PARK CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2011
With Comparative Totals for 2010

	<u>2011</u>			<u>2010</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Local sources:				
Property taxes	\$ 36,241,918	\$ 36,746,476	\$ 504,558	\$ 36,171,247
Earnings on investments	144,814	85,865	(58,949)	116,925
Other local revenue	852,565	721,390	(131,175)	846,642
State of Utah	3,280,694	2,829,958	(450,736)	2,545,958
Federal government	1,812,702	1,738,472	(74,230)	2,546,189
Total revenues	<u>42,332,693</u>	<u>42,122,161</u>	<u>(210,532)</u>	<u>42,226,961</u>
Expenditures:				
Current:				
Instruction	28,030,515	28,062,142	(31,627)	27,055,772
Supporting services:				
Students	2,075,203	2,051,855	23,348	1,607,057
Instructional staff	2,101,490	2,138,141	(36,651)	1,368,343
General administration	542,361	578,178	(35,817)	1,664,714
School administration	2,313,104	2,452,000	(138,896)	2,112,394
Central	2,436,981	2,641,250	(204,269)	604,821
Operation and maintenance of facilities	4,306,588	4,389,673	(83,085)	5,520,607
Student transportation	1,742,500	2,134,663	(392,163)	1,810,447
Total expenditures	<u>43,548,742</u>	<u>44,447,902</u>	<u>(899,160)</u>	<u>41,744,155</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,216,049)</u>	<u>(2,325,741)</u>	<u>(1,109,692)</u>	<u>482,806</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	14,735	14,735	4,486
Transfers	(218,566)	(124,170)	94,396	(105,448)
Total other financing sources (uses)	<u>(218,566)</u>	<u>(109,435)</u>	<u>109,131</u>	<u>(100,962)</u>
Net change in fund balances	(1,434,615)	(2,435,176)	(1,000,561)	381,844
Fund balances - beginning	<u>12,676,336</u>	<u>12,676,336</u>	-	<u>12,294,492</u>
Fund balances - ending	<u>\$ 11,241,721</u>	<u>\$ 10,241,160</u>	<u>\$ (1,000,561)</u>	<u>\$ 12,676,336</u>

PARK CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service Fund
Year Ended June 30, 2011
With Comparative Totals for 2010

	<u>2011</u>			<u>2010</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Property taxes	\$ 6,020,892	\$ 6,097,562	\$ 76,670	\$ 6,481,121
Earnings on investments	5,845	4,418	(1,427)	4,375
Other local	21,096	21,096	-	26,584
Total revenues	<u>6,047,833</u>	<u>6,123,076</u>	<u>75,243</u>	<u>6,512,080</u>
Expenditures:				
Debt service:				
Principal retirement	5,050,000	5,050,000	-	5,535,000
Interest and fiscal charges	749,690	749,190	500	960,224
Total expenditures	<u>5,799,690</u>	<u>5,799,190</u>	<u>500</u>	<u>6,495,224</u>
Net change in fund balances	248,143	323,886	75,743	16,856
Fund balances - beginning	<u>645,378</u>	<u>645,378</u>	<u>-</u>	<u>628,522</u>
Fund balances - ending	<u>\$ 893,521</u>	<u>\$ 969,264</u>	<u>\$ 75,743</u>	<u>\$ 645,378</u>

PARK CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects Fund
Year Ended June 30, 2011
With Comparative Totals for 2010

	<u>2011</u>			<u>2010</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Local sources:				
Property taxes	\$ 4,695,191	\$ 4,741,624	\$ 46,433	\$ 5,921,485
Earnings on investments	40,920	106,733	65,813	123,044
Other local revenue	442,161	424,563	(17,598)	374,130
State sources	20,000	55,003	35,003	54,707
Total revenues	<u>5,198,272</u>	<u>5,327,923</u>	<u>129,651</u>	<u>6,473,366</u>
Expenditures:				
Capital outlay:				
Buildings and improvements	4,859,402	1,557,593	3,301,809	1,098,096
Repairs and maintenance	1,825,793	617,591	1,208,202	921,110
Supplies and software	115,999	159,112	(43,113)	200,078
Furniture	149,864	123,588	26,276	79,229
Vehicles and buses	179,269	49,077	130,192	259,830
Technology equipment	480,687	1,360,952	(880,265)	2,397,144
Other equipment	261,682	362,306	(100,624)	903,855
Total expenditures	<u>7,872,696</u>	<u>4,230,219</u>	<u>3,642,477</u>	<u>5,859,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,674,424)</u>	<u>1,097,704</u>	<u>3,772,128</u>	<u>614,024</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	300	-	(300)	277
Net change in fund balances	<u>(2,674,124)</u>	<u>1,097,704</u>	<u>3,771,828</u>	<u>614,301</u>
Fund balances - beginning	<u>17,402,472</u>	<u>17,402,472</u>	<u>-</u>	<u>16,788,171</u>
Fund balances - ending	<u>\$ 14,728,348</u>	<u>\$ 18,500,176</u>	<u>\$ 3,771,828</u>	<u>\$ 17,402,472</u>

PARK CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Non K-12 Programs	Food Services	Student Activities	Park City Education Foundation	
Assets:					
Cash and investments	\$ 149,069	\$ 500,086	\$ 385,103	\$ 884,894	\$ 1,919,152
Receivables:					
Property taxes	1,118,295	-	-	-	1,118,295
Other local	82,250	-	-	-	82,250
State of Utah	-	70,690	-	-	70,690
Federal government	59,149	23,701	-	-	82,850
Inventories	-	60,228	-	-	60,228
Total assets	<u>\$ 1,408,763</u>	<u>\$ 654,705</u>	<u>\$ 385,103</u>	<u>\$ 884,894</u>	<u>\$ 3,333,465</u>
Liabilities:					
Accounts payable	\$ 38,561	\$ 9,068	\$ -	\$ 2,031	\$ 49,660
Deferred revenue:					
Property taxes	1,117,666	-	-	-	1,117,666
Other local	-	40,142	-	-	40,142
Due to other funds	-	-	-	133,747	133,747
Total liabilities	<u>1,156,227</u>	<u>49,210</u>	<u>-</u>	<u>135,778</u>	<u>1,341,215</u>
Fund balances:					
Nonspendable:					
Inventories	-	60,228	-	-	60,228
Restricted for:					
Community recreation	237,020	-	-	-	237,020
Nutrition services	-	545,267	-	-	545,267
Foundation	-	-	-	294,365	294,365
Assigned to:					
Adult education	15,516	-	-	-	15,516
Students	-	-	385,103	-	385,103
Foundation	-	-	-	454,751	454,751
Total fund balances	<u>252,536</u>	<u>605,495</u>	<u>385,103</u>	<u>749,116</u>	<u>1,992,250</u>
Total liabilities and fund balances	<u>\$ 1,408,763</u>	<u>\$ 654,705</u>	<u>\$ 385,103</u>	<u>\$ 884,894</u>	<u>\$ 3,333,465</u>

PARK CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2011

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Non K-12 Programs	Food Services	Student Activities	Park City Education Foundation	
Revenues:					
Local sources:					
Property taxes	\$ 1,067,214	\$ -	\$ -	\$ -	\$ 1,067,214
Earnings on investments	1,198	3,073	-	1,129	5,400
Lunch sales	-	664,878	-	-	664,878
Other local revenue	901,450	81,726	1,987,861	638,797	3,609,834
State of Utah	46,648	194,801	-	-	241,449
Federal government	72,039	658,463	-	-	730,502
Total revenues	<u>2,088,549</u>	<u>1,602,941</u>	<u>1,987,861</u>	<u>639,926</u>	<u>6,319,277</u>
Expenditures:					
Current:					
Instruction	-	-	2,107,636	553,823	2,661,459
Community services	2,288,257	-	-	-	2,288,257
Nutrition services	-	1,661,216	-	-	1,661,216
Total expenditures	<u>2,288,257</u>	<u>1,661,216</u>	<u>2,107,636</u>	<u>553,823</u>	<u>6,610,932</u>
Excess (deficiency) of revenues over (under) expenditures	(199,708)	(58,275)	(119,775)	86,103	(291,655)
Other financing sources (uses):					
Transfers	-	-	50,943	73,227	124,170
Net change in fund balances	(199,708)	(58,275)	(68,832)	159,330	(167,485)
Fund balances - beginning, as restated	<u>452,244</u>	<u>663,770</u>	<u>453,935</u>	<u>589,786</u>	<u>2,159,735</u>
Fund balances - ending	<u>\$ 252,536</u>	<u>\$ 605,495</u>	<u>\$ 385,103</u>	<u>\$ 749,116</u>	<u>\$ 1,992,250</u>

PARK CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Non K-12 Programs
Nonmajor Special Revenue Fund
Year Ended June 30, 2011
With Comparative Totals for 2010

	<u>2011</u>			<u>2010</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Local sources:				
Property taxes	\$ 983,228	\$ 1,067,214	\$ 83,986	\$ 1,015,114
Earnings on investments	2,086	1,198	(888)	1,803
Other local sources	824,790	901,450	76,660	914,344
State of Utah	76,616	46,648	(29,968)	94,164
Federal government	170,443	72,039	(98,404)	109,614
Total revenues	<u>2,057,163</u>	<u>2,088,549</u>	<u>31,386</u>	<u>2,135,039</u>
Expenditures:				
Current:				
Salaries	1,259,363	1,422,153	(162,790)	1,248,085
Employee benefits	369,849	460,264	(90,415)	373,800
Purchased professional services	43,180	52,996	(9,816)	45,509
Purchased property services	75,145	56,822	18,323	9,427
Other purchased services	253,286	81,252	172,034	240,982
Supplies	113,767	168,075	(54,308)	117,694
Equipment	1,281	26,708	(25,427)	21,304
Other objects	21,128	19,987	1,141	11,201
Total expenditures	<u>2,136,999</u>	<u>2,288,257</u>	<u>(151,258)</u>	<u>2,068,002</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(79,836)	(199,708)	(119,872)	67,037
Fund balances - beginning	452,244	452,244	-	385,207
Fund balances - ending	<u>\$ 372,408</u>	<u>\$ 252,536</u>	<u>\$ (119,872)</u>	<u>\$ 452,244</u>

PARK CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Services
Nonmajor Special Revenue Fund
Year Ended June 30, 2011
With Comparative Totals for 2010

	<u>2011</u>			<u>2010</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Local sources:				
Lunch sales	\$ 544,071	\$ 664,878	\$ 120,807	\$ 672,359
Earnings on investments	5,308	3,073	(2,235)	4,380
Vending	134,300	81,726	(52,574)	73,784
State of Utah	205,510	194,801	(10,709)	154,380
Federal government	594,991	658,463	63,472	632,782
Total revenues	<u>1,484,180</u>	<u>1,602,941</u>	<u>118,761</u>	<u>1,537,685</u>
Expenditures:				
Current:				
Salaries	611,172	595,815	15,357	568,808
Employee benefits	262,145	302,665	(40,520)	246,852
Purchased professional services	-	-	-	6,048
Purchased property services	35,527	28,421	7,106	16,660
Other purchased services	51,567	47,607	3,960	58,425
Supplies	82,589	64,682	17,907	59,438
Food	629,868	620,300	9,568	619,164
Equipment	2,959	1,726	1,233	5,632
Total expenditures	<u>1,675,827</u>	<u>1,661,216</u>	<u>14,611</u>	<u>1,581,027</u>
Net change in fund balances	(191,647)	(58,275)	133,372	(43,342)
Fund balances - beginning	<u>663,770</u>	<u>663,770</u>	<u>-</u>	<u>707,112</u>
Fund balances - ending	<u>\$ 472,123</u>	<u>\$ 605,495</u>	<u>\$ 133,372</u>	<u>\$ 663,770</u>

PARK CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Student Activities
Nonmajor Special Revenue Fund
Year Ended June 30, 2011
With Comparative Totals for 2010

	<u>2011</u>			<u>2010</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Local sources:				
Student fees	\$ 1,799,697	\$ 1,987,861	\$ 188,164	\$ 1,510,281
Expenditures:				
Current:				
Salaries	32,138	40,601	(8,463)	25,734
Employee benefits	7,716	8,275	(559)	3,516
Purchased property services	-	924	(924)	-
Other purchased services	23,706	34,985	(11,279)	7,284
Supplies	1,550,547	1,957,029	(406,482)	1,607,435
Property	65,166	65,822	(656)	25,177
Total expenditures	<u>1,679,273</u>	<u>2,107,636</u>	<u>(428,363)</u>	<u>1,669,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>120,424</u>	<u>(119,775)</u>	<u>(240,199)</u>	<u>(158,865)</u>
Other Financing Sources (Uses):				
Transfers	<u>218,566</u>	<u>50,943</u>	<u>(167,623)</u>	<u>105,448</u>
Net change in fund balances	338,990	(68,832)	(407,822)	(53,417)
Fund balances - beginning	<u>453,935</u>	<u>453,935</u>	<u>-</u>	<u>507,352</u>
Fund balances - ending	<u>\$ 792,925</u>	<u>\$ 385,103</u>	<u>\$ (407,822)</u>	<u>\$ 453,935</u>

OTHER INFORMATION

PARK CITY SCHOOL DISTRICT
COMPARATIVE STATEMENTS OF NET ASSETS (Accrual Basis)
GOVERNMENTAL ACTIVITIES
June 30, 2011 through 2007

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assets:					
Cash and investments	\$ 38,180,218	\$ 37,530,964	\$ 37,375,653	\$ 37,771,900	\$ 33,566,378
Receivables:					
Property taxes	47,596,799	46,386,067	46,327,314	44,920,650	43,561,111
Other governments	1,125,490	1,808,202	835,896	880,173	881,783
Inventories and prepaid expenses	60,228	57,688	48,633	50,871	49,241
Bond issuance costs, net of accumulated amortization	59,886	86,019	112,152	138,285	164,418
Capital assets:					
Land and construction in progress	5,052,295	4,928,568	4,928,568	31,571,789	25,095,776
Other capital assets, net of accumulated depreciation	111,156,439	113,518,364	116,699,221	90,000,619	91,083,478
Total assets	<u>203,231,355</u>	<u>204,315,872</u>	<u>206,327,437</u>	<u>205,334,287</u>	<u>194,402,185</u>
Liabilities:					
Accounts payable	1,558,394	1,540,572	1,088,314	2,441,590	1,947,459
Accrued interest	227,576	305,272	385,880	482,776	546,011
Accrued salaries and related benefits	4,646,246	4,801,786	5,097,185	4,344,608	4,639,535
Deferred revenue:					
Property taxes	44,790,493	43,663,545	44,033,829	44,114,320	40,810,857
Other governments	383,356	284,325	702,280	314,324	263,993
Noncurrent liabilities:					
Portion due or payable within one year	5,940,763	6,376,478	6,230,532	6,332,686	5,911,453
Portion due or payable after one year	11,505,163	15,477,830	20,660,076	25,825,923	31,371,410
Total liabilities	<u>69,051,991</u>	<u>72,449,808</u>	<u>78,198,096</u>	<u>83,856,227</u>	<u>85,490,718</u>
Net Assets:					
Invested in capital assets, net of related debt	101,017,257	98,352,261	96,144,924	90,306,349	79,355,001
Restricted for:					
Transportation	-	-	-	559,933	-
Debt service	992,008	768,512	662,507	230,718	318,832
Capital projects	18,763,380	17,760,565	17,141,602	18,081,553	19,590,277
Community recreation	296,532	508,157	428,580	716,514	706,089
Nutrition services	605,495	663,770	707,112	846,705	929,102
Foundation	294,365	-	-	-	-
Other purposes	154,752	189,634	280,454	334,341	43,855
Unrestricted	12,055,575	13,623,165	12,764,162	10,401,947	7,968,311
Total net assets	<u>\$ 134,179,364</u>	<u>\$ 131,866,064</u>	<u>\$ 128,129,341</u>	<u>\$ 121,478,060</u>	<u>\$ 108,911,467</u>

Source: District records.

PARK CITY SCHOOL DISTRICT
COMPARATIVE STATEMENTS OF ACTIVITIES (Accrual Basis)
GOVERNMENTAL ACTIVITIES
Years Ended June 30, 2011 through 2007

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses:					
Instruction	\$ 35,912,200	\$ 36,588,503	\$ 34,979,966	\$ 30,550,542	\$ 24,938,525
Supporting services:					
Student	2,073,213	1,628,415	1,613,790	1,436,839	1,313,042
Instructional staff	2,138,141	1,368,343	1,611,893	734,755	778,026
General administration	642,079	1,726,196	1,827,389	1,785,555	1,449,277
School administration	2,590,827	2,251,221	2,257,400	2,189,784	2,269,928
Central	2,689,605	655,335	556,194	643,409	485,431
Operation and maintenance of facilities	4,640,074	5,782,676	5,652,669	4,951,193	4,430,618
Student transportation	2,501,816	2,189,691	2,298,723	1,891,039	1,890,468
Nutrition services	1,806,719	1,726,531	1,702,312	1,592,100	1,419,899
Community services	2,324,759	2,104,181	2,094,083	1,859,678	1,783,352
Interest on long-term liabilities	818,300	1,026,422	1,180,411	1,422,146	1,622,332
Total school district	<u>58,137,733</u>	<u>57,047,514</u>	<u>55,774,830</u>	<u>49,057,040</u>	<u>42,380,898</u>
Program Revenues:					
Instruction	4,497,879	4,315,828	5,177,494	5,236,872	3,429,740
Supporting services:					
Student	299,258	15,587	166,521	81,467	111,366
Instructional staff	239,045	386,011	87,461	14,880	18,662
General administration	35,941	122,979	62,012	16,530	40,118
Central	217	-	-	288	-
School administration	-	-	1,308	1,847	-
Operation and maintenance of facilities	15,674	7,945	10,990	840	-
Student transportation	498,189	438,478	895,891	894,830	700,190
Nutrition services	1,599,868	1,533,305	1,430,512	1,358,720	1,301,922
Community services	1,020,137	1,118,122	915,075	1,071,087	954,727
Total program revenues	<u>8,206,209</u>	<u>7,938,255</u>	<u>8,747,264</u>	<u>8,677,361</u>	<u>6,556,725</u>
Net (expense) revenue	<u>(49,931,524)</u>	<u>(49,109,259)</u>	<u>(47,027,566)</u>	<u>(40,379,679)</u>	<u>(35,824,173)</u>
General revenues:					
Property taxes levied for:					
General purposes	33,440,484	34,053,299	33,446,241	27,580,547	26,390,326
Transportation	1,025,850	273,620	536,037	1,211,873	949,053
Reading	724,785	696,488	698,095	679,067	149,850
Community recreation	992,399	920,359	847,687	626,831	349,651
Debt service	6,077,047	6,529,577	7,454,659	6,863,796	7,575,772
Capital outlay	6,355,811	7,499,686	5,572,295	7,981,644	7,975,373
Total property tax revenue	<u>48,616,376</u>	<u>49,973,029</u>	<u>48,555,014</u>	<u>44,943,758</u>	<u>43,390,025</u>
Federal and state aid not restricted to specific purposes	1,611,711	1,790,237	3,420,896	4,207,249	2,602,932
Earnings on investments	202,416	250,527	731,490	1,802,241	2,077,062
Miscellaneous	1,223,382	832,189	971,447	1,456,040	1,654,500
Total general revenues	<u>51,653,885</u>	<u>52,845,982</u>	<u>53,678,847</u>	<u>52,409,288</u>	<u>49,724,519</u>
Change in net assets	1,722,361	3,736,723	6,651,281	12,029,609	13,900,346
Net assets - beginning	<u>132,457,003</u>	<u>128,129,341</u>	<u>121,478,060</u>	<u>109,448,451</u>	<u>95,011,121</u>
Net assets - ending	<u>\$ 134,179,364</u>	<u>\$ 131,866,064</u>	<u>\$ 128,129,341</u>	<u>\$ 121,478,060</u>	<u>\$ 108,911,467</u>

Effective July 1, 2010, the Park City School District Foundation was reclassified from a discretely presented component unit to a blended component unit; \$590,939 was added to the beginning net assets for the 2011 year. The revenue of this fund is primarily donations and expenses are primarily instruction. Prior years (2010 to 2007) do not include the Park City School District Foundation.

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

Source: District records.

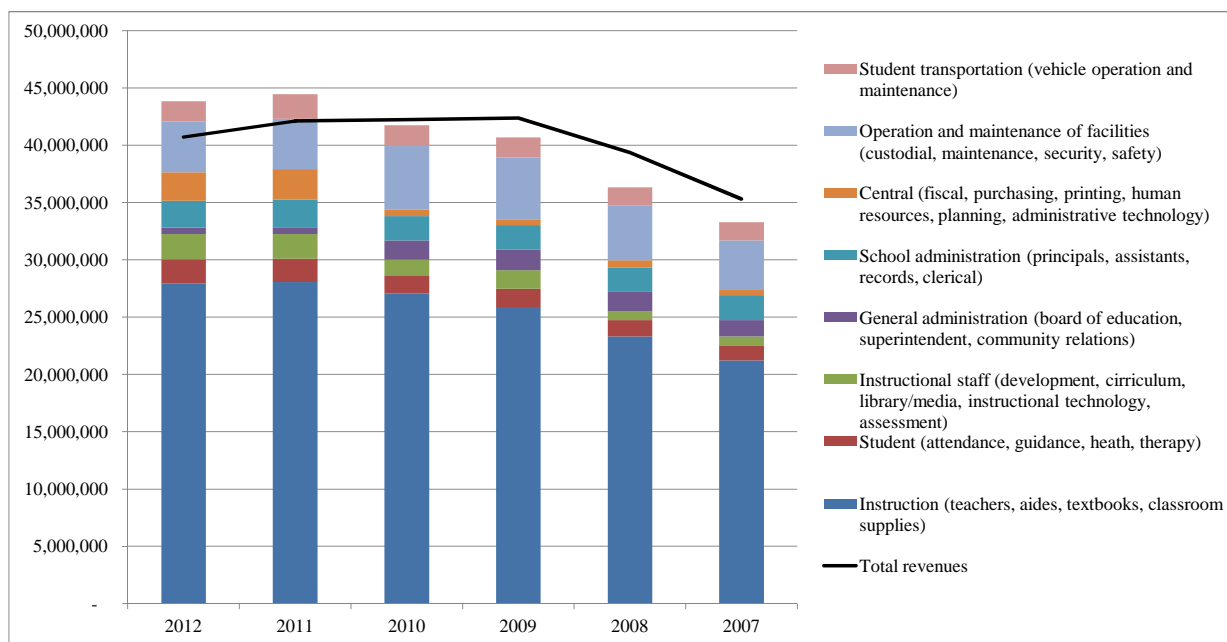
PARK CITY SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE BALANCE SHEETS (Modified Accrual Basis)
June 30, 2011 through 2007

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assets					
Cash and investments	\$ 14,460,456	\$ 16,332,481	\$ 17,773,175	\$ 15,307,542	\$ 11,175,843
Receivables:					
Property taxes	37,328,859	35,071,138	32,697,024	32,158,083	28,497,142
Other local	5,650	56,409	47,393	12,254	129,076
State of Utah	20,483	54,977	32,586	2,571	43
Federal government	863,567	1,476,051	389,301	711,496	570,197
Due from other funds	133,747	-	-	-	-
Prepaid expenditures	-	-	-	-	226
Total assets	<u>\$ 52,812,762</u>	<u>\$ 52,991,056</u>	<u>\$ 50,939,479</u>	<u>\$ 48,191,946</u>	<u>\$ 40,372,527</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 318,688	\$ 191,656	\$ 145,705	\$ 209,592	\$ 304,411
Accrued salaries and related benefits	4,646,246	4,801,786	5,097,185	4,344,608	4,639,535
Deferred revenues:					
Property taxes	37,263,454	35,111,275	32,737,617	32,664,508	27,444,562
State of Utah	343,214	210,003	664,480	279,383	220,377
Total liabilities	<u>42,571,602</u>	<u>40,314,720</u>	<u>38,644,987</u>	<u>37,498,091</u>	<u>32,608,885</u>
Fund balances:					
Restricted for:					
Specific tax levies	110,578	189,634	1,090,833	894,274	43,855
Committed to:					
Economic stabilization	2,150,000	2,100,000	2,100,000	1,875,000	1,680,000
Self insurance	440,000	220,000	-	-	-
Voluntary retirement incentive	197,414	404,990	1,607,352	1,776,646	1,500,000
Purchases	-	256,800	-	101,853	24,045
Assigned to:					
Unpaid vacation and sick leave	755,861	760,477	634,944	279,652	114,775
Basic levy recapture	200,000	250,000	-	-	-
Unassigned	<u>6,387,307</u>	<u>8,494,435</u>	<u>6,861,363</u>	<u>5,766,430</u>	<u>4,400,967</u>
Total fund balances	<u>10,241,160</u>	<u>12,676,336</u>	<u>12,294,492</u>	<u>10,693,855</u>	<u>7,763,642</u>
Total liabilities and fund balances	<u>\$ 52,812,762</u>	<u>\$ 52,991,056</u>	<u>\$ 50,939,479</u>	<u>\$ 48,191,946</u>	<u>\$ 40,372,527</u>
Unassigned fund balance as a percent of general fund expenditures	14.4%	20.3%	16.9%	15.9%	13.2%

Source: District records.

PARK CITY SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Modified Accrual Basis)
 Years Ended June 30, 2011 through 2007 with Anticipated Budget for the Year Ending June 30, 2012

	Anticipated Budget 2012	2011	2010	2009	2008	2007
Revenues:						
Local sources:						
Property taxes	\$ 35,826,075	\$ 36,746,476	\$ 36,171,247	\$ 34,061,088	\$ 29,021,663	\$ 27,228,273
Earnings on investments	130,000	85,865	116,925	326,625	717,669	613,370
Other local revenue	852,565	721,390	846,642	860,169	849,052	803,333
State sources	2,723,896	2,829,958	2,545,958	4,399,052	7,654,751	5,582,149
Federal sources	1,190,372	1,738,472	2,546,189	2,738,862	1,109,005	1,090,532
Total revenues	<u>40,722,908</u>	<u>42,122,161</u>	<u>42,226,961</u>	<u>42,385,796</u>	<u>39,352,140</u>	<u>35,317,657</u>
Expenditures:						
Current:						
Instruction	27,949,992	28,062,142	27,055,772	25,897,233	23,313,971	21,235,146
Supporting services:						
Student	2,108,219	2,051,855	1,607,057	1,588,971	1,436,839	1,313,042
Instructional staff	2,200,832	2,138,141	1,368,343	1,611,893	734,755	778,026
General administration	566,610	578,178	1,664,714	1,788,521	1,764,313	1,428,035
School administration	2,333,940	2,452,000	2,112,394	2,147,532	2,081,044	2,161,187
Central	2,488,236	2,641,250	604,821	502,846	622,563	464,585
Operation and maintenance of facilities	4,420,952	4,389,673	5,520,607	5,403,059	4,827,197	4,315,737
Student transportation	1,769,741	2,134,663	1,810,447	1,748,748	1,548,788	1,582,985
Total expenditures	<u>43,838,522</u>	<u>44,447,902</u>	<u>41,744,155</u>	<u>40,688,803</u>	<u>36,329,470</u>	<u>33,278,743</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,115,614)</u>	<u>(2,325,741)</u>	<u>482,806</u>	<u>1,696,993</u>	<u>3,022,670</u>	<u>2,038,914</u>
Other financing sources (uses):						
Net transfers and other financing sources (uses)	1,326,833	(109,435)	(100,962)	(96,356)	(92,457)	-
Net change in fund balances	(1,788,781)	(2,435,176)	381,844	1,600,637	2,930,213	2,038,914
Fund Balances - Beginning	<u>10,241,160</u>	<u>12,676,336</u>	<u>12,294,492</u>	<u>10,693,855</u>	<u>7,763,642</u>	<u>5,724,728</u>
Fund Balances - Ending	<u>\$ 8,452,379</u>	<u>\$ 10,241,160</u>	<u>\$ 12,676,336</u>	<u>\$ 12,294,492</u>	<u>\$ 10,693,855</u>	<u>\$ 7,763,642</u>



Notes:

The 2012 anticipated budget is from the proposed budget approved by the Board in June 2011.

In 2011, the District changed where certain supporting services are being recorded; human resources moved from general administration to central, curriculum moved from general administration to instructional staff, and information technology moved from operation and maintenance of facilities to central.

Source: District records.

**PARK CITY SCHOOL DISTRICT
GENERAL FUND EXPENDITURES PER STUDENT**

Years Ended June 30, 2011 through 2007 with Anticipated Budget for the Year Ending June 30, 2012

	Anticipated Budget 2012	2011	2010	2009	2008	2007
General fund expenditures per student:						
Instruction	\$ 6,352	\$ 6,450	\$ 5,929	\$ 5,785	\$ 5,247	\$ 4,897
Supporting services:						
Student	479	472	352	355	323	303
Instructional staff	500	491	300	360	165	179
General administration	129	133	365	399	397	329
School administration	530	564	463	480	468	498
Central	566	607	133	112	140	107
Operation and maintenance of facilities	1,005	1,009	1,210	1,207	1,086	995
Student transportation	402	491	397	391	349	365
Total general fund expenditures per student	<u>\$ 9,965</u>	<u>\$ 10,218</u>	<u>\$ 9,150</u>	<u>\$ 9,090</u>	<u>\$ 8,179</u>	<u>\$ 7,677</u>
Student fall enrollment count	4,400	4,351	4,563	4,477	4,443	4,336

In 2011, the District changed where certain supporting services are being recorded; human resources moved from general administration to central, curriculum moved from general administration to instructional staff, and information technology moved from operation and maintenance of facilities to central.

Source: District records.

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

Tax (Calendar) Years 2010 through 2006

	<u>2010</u>		<u>2009</u>		<u>2008</u>		<u>2007</u>		<u>2006</u>	
	<u>Taxable Value</u>	<u>% of TV</u>	<u>Taxable Value</u>		<u>Taxable Value</u>		<u>Taxable Value</u>		<u>Taxable Value</u>	
Set by County Assessor-Locally Assessed										
Real property:										
Primary residential	\$ 3,029,213,570	26.2 %	\$ 3,578,389,700		\$ 3,646,977,941		\$ 3,262,903,890		\$ 2,708,062,517	
Other residential	5,904,039,678	51.1	6,556,013,225		6,392,230,581		5,192,758,715		3,754,864,015	
Commercial and industrial	1,170,789,346	10.1	1,137,349,985		926,398,470		811,513,792		671,151,954	
Agricultural and Farmland Assessment Act (FAA)	12,472,480	0.1	12,470,310		12,160,115		10,533,145		11,694,917	
Unimproved non FAA	934,685,521	8.1	1,147,542,323		1,235,811,981		1,149,400,672		941,436,673	
Total real property	<u>11,051,200,595</u>	<u>95.7</u>	<u>12,431,765,543</u>		<u>12,213,579,088</u>		<u>10,427,110,214</u>		<u>8,087,210,076</u>	
Personal property:										
Primary mobile homes	-	0.0	-		-		15,967		22,842	
Other business personal	166,524,544	1.4	175,045,771		178,743,232		156,729,581		135,995,108	
Total personal property	<u>166,524,544</u>	<u>1.4</u>	<u>175,045,771</u>		<u>178,743,232</u>		<u>156,745,548</u>		<u>136,017,950</u>	
Fee in lieu / age based property	<u>249,057,252</u>	<u>2.2</u>	<u>180,820,221</u>		<u>182,309,136</u>		<u>192,781,535</u>		<u>183,237,487</u>	
Total locally assessed	<u>11,466,782,391</u>	<u>99.3</u>	<u>12,787,631,535</u>		<u>12,574,631,456</u>		<u>10,776,637,297</u>		<u>8,406,465,513</u>	
Set by State Tax Commission-Centrally Assessed										
	<u>84,075,778</u>	<u>0.7</u>	<u>85,597,977</u>		<u>82,695,899</u>		<u>82,695,899</u>		<u>86,757,529</u>	
Total taxable value	<u>\$ 11,550,858,169</u>	<u>100.0 %</u>	<u>\$ 12,873,229,512</u>		<u>\$ 12,657,327,355</u>		<u>\$ 10,859,333,196</u>		<u>\$ 8,493,223,042</u>	
Total taxable value (less fee in lieu / age based property)	<u>\$ 11,301,800,917</u>		<u>\$ 12,692,409,291</u>		<u>\$ 12,475,018,219</u>		<u>\$ 10,666,551,661</u>		<u>\$ 8,309,985,555</u>	

Source: District records.

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

Years Ended June 30, 2011 through 2008 with Anticipated Budget for Year Ending June 30, 2012

	Anticipated Budget 2012		2011		2010		2009		2008	
	Tax Rate	Budget	Tax Rate	Collections	Tax Rate	Collections	Tax Rate	Collections	Tax Rate	Collections
General Fund:										
Basic levy	0.001591	\$ 16,740,715	0.001495	\$ 16,666,400	0.001433	\$ 17,729,255	0.001250	\$ 15,114,625	0.001311	\$ 13,688,266
Voted leeway	0.001500	15,783,201	0.001500	16,722,140	0.001302	16,108,507	0.001428	17,266,948	0.001300	13,573,414
Reading program	0.000067	704,983	0.000065	724,626	0.000056	692,839	0.000056	677,135	0.000065	678,671
Special transportation	0.000153	1,609,886	0.000092	1,025,625	0.000022	272,187	0.000043	519,943	0.000116	1,211,166
Tort liability	0.000005	52,611	0.000004	44,592	0.000003	37,116	0.000005	60,459	0.000029	302,792
Ten percent of basic levy	0.000155	1,630,931	0.000145	1,616,474	0.000124	1,534,144	0.000000	-	0.000000	-
Total general fund	0.003471	36,522,327	0.003301	36,799,857	0.002940	36,374,048	0.002782	33,639,110	0.002821	29,454,309
Non K-12 Programs Fund:										
Community recreation	0.000097	1,020,647	0.000089	992,180	0.000074	915,537	0.000068	822,236	0.000060	626,465
Debt Service Fund:										
Debt service	0.000408	4,293,031	0.000545	6,075,711	0.000525	6,495,366	0.000598	7,230,837	0.000657	6,859,794
Capital Projects Fund:										
Capital outlay	0.000429	4,513,995	0.000425	4,737,940	0.000479	5,926,248	0.000326	3,941,894	0.000654	6,828,471
Ten percent of basic levy	0.000000	-	0.000000	-	0.000000	-	0.000121	1,463,096	0.000110	1,148,520
Total capital projects fund	0.000429	4,513,995	0.000425	4,737,940	0.000479	5,926,248	0.000447	5,404,990	0.000764	7,976,991
Total tax rate / collections	0.004405	\$ 46,350,000	0.004360	\$ 48,605,688	0.004018	\$ 49,711,199	0.003895	\$ 47,097,173	0.004302	\$ 44,917,558

Notes:

Tax rates are levied for the calendar year. For example, calendar year 2011 tax rates apply to the District's fiscal year ended June 30, 2012.

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

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

The 2012 budget reflects the rates and anticipated collections as approved by the Board in June 2011.