

Snyderville Basin Special Recreation District

**ANNUAL FINANCIAL REPORT**

For the Year Ended December 31, 2020

Snyderville Basin Special Recreation District

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December 31, 2020

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

Snyderville Basin  
Special Recreation District

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund of Snyderville Basin Special Recreation District (District), a component unit of Summit County, Utah as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-13, budgetary comparison information and pension information on pages 45-51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated May 19, 2021, on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

  
Greg Ogden,  
Certified Public Accountant  
Springville, Utah  
May 28, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Snyderville Basin Special Recreation District  
**Management's Discussion and Analysis**  
December 31, 2020

As management of Snyderville Basin Special Recreation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of financial activities of the District for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The District operated in a fiscally responsible nature, which resulted in positive outcomes as displayed through this analysis.

- Total net position for the District increased by \$4,452,577 or 8.2%
- Total unrestricted net position increased by \$1,757,608 or 19.4%
- Total assets and deferred outflows increased by \$1,496,127 or 1.5%
- Total liabilities and deferred inflows decreased by \$2,956,451 or 6.1%

### **BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the District. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

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

The statement of net position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position 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 District's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the District available to cover any remaining costs of the functions or programs.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds.

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Governmental funds are used to account for the same functions reported as governmental activities in 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.

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 government 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 government's near-term financing decisions. Both the government fund balance sheet and the government fund statement of the revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities in the government-wide financial statements.

The District maintains four major governmental funds:

- **General Fund** – The purpose of this fund is to account for all financial resources except those required to be accounted for in another fund (described below). General Fund monies are primarily used for the operations and maintenance of the District facilities, programs, administration, trails, and open space.
- **Debt Service Fund** – The purpose of this fund is to account for the assessed and collected taxes for the payment of general long-term debt principal and interest.
- **Special Revenue Fund** – The District imposes impact fees for the development of community park, recreation, and trail facilities. The Impact Fees Act requires the District to separately account for the receipts and disbursement of these fees. Impact fee expenditures may only be used for authorized facilities identified in the District's Impact Fee Facilities Plan.
- **Capital Projects Fund** – The objective of this fund is to account for the financial resources to be used for the acquisition or construction of major capital facilities as authorized by the voters. The fund also accounts for grants received for specific capital projects. Excess funds accumulated through the operational tax levy may be earmarked for capital projects as approved by the District Board.

The District adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided to demonstrate legal compliance with the adopted budget for the general fund and the special revenue fund.

The basic governmental fund financial statements can be found later in this report; see Table of Contents.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are reported later in this report; see Table of Contents.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District.

Snyderville Basin Special Recreation District  
**Management's Discussion and Analysis**  
December 31, 2020

**FINANCIAL ANALYSIS**

**Snyderville Basin Special Recreation District's Net Position**

	Governmental Activities	
	Current Year	Previous Year
Current and other assets	\$ 6,171,366	5,193,525
Non-current assets	96,061,568	95,060,321
Deferred outflows of resources	1,990,555	2,473,517
<b>Total assets and deferred outflows</b>	<b>\$ 104,223,490</b>	<b>102,727,363</b>
Other liabilities	\$ 270,824	238,929
Long-term liabilities outstanding	44,237,814	47,677,925
Deferred inflows of resources	945,695	493,929
<b>Total liabilities and deferred inflows</b>	<b>45,454,332</b>	<b>48,410,783</b>
Net position:		
Net investment in capital assets	40,273,938	37,827,202
Restricted	7,667,633	7,419,400
Unrestricted	10,827,586	9,069,978
<b>Total net position</b>	<b>\$ 58,769,157</b>	<b>54,316,580</b>

As noted earlier, net position may serve over time as a useful indicator of financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflow of resources at the close of the year by \$58,769,157, an increase of \$4,452,577 from the previous year's net position. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position at the end of the year is \$10,827,586, which represents an increase of \$1,757,608 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The amount of current and other assets represent the amounts of cash, receivables, prepaid items, and other assets on hand at the end of the year. Other liabilities are the amounts of current and other liabilities due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets. Change in long-term debt is the difference in the amount of debt issued and that which has been paid or refunded during the year.

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**Snyderville Basin Special Recreation District's Change in Net Position**

	Governmental Activities	
	Current Year	Previous Year
<b>Program revenues:</b>		
Charges for services	\$ 1,076,861	1,982,600
Operating grants and contributions	185,241	15,500
Capital grants and contributions	1,172,683	5,387,460
<b>General revenues:</b>		
Property taxes	10,735,583	8,316,618
Unrestricted investment earnings	243,199	788,285
Other revenues	39,907	320,008
Special items:		
Increase (decrease) in water impact fee credits	-	(11,052)
<b>Total revenues</b>	<b>13,453,473</b>	<b>16,799,419</b>
<b>Expenses:</b>		
Administration	1,407,008	1,294,592
Parks	1,197,388	1,164,095
Open Space	753,817	271,824
Trails	1,239,247	1,156,082
Fieldhouse	1,956,972	2,091,093
Recreation	653,547	685,544
Park City ice arena contribution	50,000	50,000
Long-term debt interest and cost of issuance	1,742,918	1,855,994
<b>Total expenses</b>	<b>9,000,896</b>	<b>8,569,226</b>
<b>Change in net position</b>	<b>4,452,577</b>	<b>8,230,194</b>
Net position - beginning	54,316,580	46,086,387
<b>Net position - ending</b>	<b>\$ 58,769,157</b>	<b>54,316,580</b>

Total revenues decreased by \$3,345,946 compared to the previous year, while total expenses increased by \$431,670. The total net change of \$4,452,577 is, in private sector terms, the net income for the year, which is \$3,777,617 less than the previous year's net change.

**Revenues:**

The primary reason for the \$3,345,946 decrease in revenues was due to a Summit County Transient Room Tax grant in the prior year.

Charges for services include recreation program, special event, field rental, and Fieldhouse fees. The 2020 decrease of \$905,739, or 45.7%, can be attributed to decreases across all programs as a result of closures due to COVID-19.

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**Expenses:**

Expenses increased overall from the previous year by \$431,670. While Fieldhouse and Recreation expenses decreased by \$134,121 and \$31,997, respectively, Administration, Parks, Open Space, and Trails expenses increased by \$112,416, \$33,293, \$481,993, and \$83,165, respectively. Interest expenses and cost of issuance decreased by \$113,076.

The *Administration Department* primarily holds operational expenses such as payroll expenses and all related benefits for Administration personnel, such as the District Director, Planning & Legal Affairs Manager, District Administrator, and other Finance and Administration staff. Also included are administrative overhead expenses such as professional consulting fees, liability insurance, public relation/promotions, and office supplies and equipment. Other expenses for the purposes of Net Position are compensated absences, pension plan adjustments, current depreciation expenses, and capital expenditures not capitalized.

The *Parks Department* contains operational expenses that include the department manager as well as year-round and seasonal wages for parks and facilities labor and all related benefits. It also includes utility fees for park operations, park facilities maintenance, vehicle and equipment expense, fertilizers, chemicals, and other departmental supplies. Other expenses for the purposes of Net Position are pension plan adjustments, capital expenditures not capitalized, and current depreciation expense.

The *Open Space Department*, formerly combined with the Trails Department, contains operational expenses that include year-round and seasonal wages for open space labor and all related benefits. It also includes professional consultants, contract services for open space maintenance and restoration, and departmental supplies. Other expenses for the purposes of Net Position are pension plan adjustments, capital expenditures not capitalized, and current depreciation expense.

The *Trails Department* contains operational expenses that include the department manager as well as year-round and seasonal wages for trails labor and all related benefits. It also includes professional and technical consultant fees, contract services for trail repair, utilities for trail facilities, and departmental supplies. Other expenses for the purposes of Net Position are pension plan adjustments, capital expenditures not capitalized, and current depreciation expense.

The *Fieldhouse Department* contains operational expenses that include wages for the department manager and other year-round and seasonal staff, as well as all related benefits. It also includes Fieldhouse overhead expenditures and all expenditures for Fieldhouse-run fitness, sports, and camp programs. Other expenses for the purposes of Net Position are pension plan adjustments, capital expenditures not capitalized, and current depreciation expense.

The *Recreation Department* operational expenses reflect the department manager, year-round and seasonal wages and all related benefits, and all expenditures for District-run sports programs, camps, and special events. Other expenses for the purposes of Net Position are pension plan adjustments, capital expenditures not capitalized, and current depreciation expense.

The District is obligated (see Note 4-E) to contribute \$50,000 annually to Park City per the Interlocal Agreement for Regional Ice Facility.

The District's water source and water right impact fee credits with Mountain Regional Water are explained in Note 4-H of the financial statements. No water right impact fee credits were recognized in 2020.

The District makes interest payments on general obligation bonds issued in prior years. Other expenses for the purposes of Net Position are the deferred amount on refunding and accrued interest payable.

Snyderville Basin Special Recreation District  
**Management's Discussion and Analysis**  
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**BALANCES AND TRANSACTIONS OF INDIVIDUAL GOVERNMENTAL FUNDS**

Some of the more significant changes in fund balances, and any restrictions on those amounts, are described below:

*General Fund*

The General Fund balance increased by \$783,951 during the year. A total of \$1,374,671 was transferred from the General Fund to the Capital Projects Fund to be used on capital improvements. In accordance with Utah Code, the accumulated fund balance in the General Fund may not exceed 100% of the current year's property tax collections plus the total of the current year's general fund budget. The General Fund balance, after the transfer, was \$4,865,905, leaving the fund balance at 37% of the allowed balance.

Property taxes are the single largest source of revenue in the General Fund and represent 82.7% of total revenues in the fund. Property tax revenues amounted to \$6,253,874, compared with the previous year amount of \$3,633,624, an increase of \$2,620,250 or 72.1%.

*Debt Service Fund*

The Debt Service Fund balance decreased from \$3,280,542 to \$3,166,127, a decrease of \$114,415, or 3.5%. Property tax revenues amounted to \$4,481,709, compared with the previous year amount of \$4,682,994, a decrease of \$201,285, or 4.3%. Debt service expenditures of \$4,633,541 exceeded the net result of property tax revenues of \$4,481,709 and interest revenue of \$37,418 by \$114,415.

*Special Revenue Fund*

The Special Revenue Fund balance increased from \$4,034,002 to \$4,501,506, an increase of \$467,504 or 11.6%. This increase is equal to the amount that impact fee revenues of \$863,124 and interest revenue of \$44,746 exceeded the transfer out to the Capital Projects Fund of \$440,366. The transfer to the Capital Projects Fund was used towards capital improvements for trails.

*Capital Projects Fund*

The Capital Projects Fund balance increased from \$11,681,344 to \$12,971,644, an increase of \$1,290,300, or 11.0%. Capital outlay expenditures during the year amounted to \$946,219, compared with the previous year amount of \$11,866,943.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund is the chief operation fund of the District. All activities which are not required to be accounted for in separate funds are accounted for in this fund.

During the calendar year 2020, the General Fund adopted budget for total expenditures, including transfers, was originally \$8,089,350 and was subsequently amended to \$7,079,710. Actual expenditures, including transfers, were \$6,782,271 or 95.8% of the budget.

The 2020 General Fund budget for revenues was \$7,079,710. Actual revenue came in above the budget at \$7,566,222, which created excess revenues over expenditures of \$2,208,621.

Snyderville Basin Special Recreation District  
**Management's Discussion and Analysis**  
December 31, 2020

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Snyderville Basin Special Recreation District's Capital Assets**

	Governmental Activities	
	Current Year	Previous Year
<b>Capital Assets:</b>		
Land	\$ 15,194,659	15,194,659
Open space	33,876,669	33,876,669
Water shares	20,000	20,000
Buildings	17,972,786	17,851,676
Parks	9,246,563	9,144,605
Trails	12,726,922	12,702,843
Machinery and equipment	2,145,428	1,948,257
Construction in progress	573,894	141,353
<b>Total capital assets</b>	<b>91,756,920</b>	<b>90,880,061</b>
Less accumulated depreciation	(16,172,193)	(14,541,751)
<b>Net Capital Assets</b>	<b>\$ 75,584,727</b>	<b>76,338,310</b>

Net capital assets of \$75,584,727 is a decrease of \$753,583 from the previous year. This decrease is equal to the amount that depreciation charged on capital assets exceeded new investment in capital assets during the year.

Significant capital investments included continued construction on the Discovery trailhead and engineering on the Amenti property community park.

Additional information regarding capital assets may be found in the notes to financial statements.

**Snyderville Basin Special Recreation District's Outstanding Debt and Long-term Liabilities**

	Current Year	Previous Year
<b>General obligation bonds:</b>		
2010 Series	\$ 885,000	1,740,000
2011 Series	-	400,000
2012 Series	2,475,000	2,655,000
2015 Series A	19,200,000	20,310,000
2015 Series B	5,300,000	5,865,000
2017 Series	15,905,000	15,905,000
<b>Total general obligation bonds</b>	<b>43,765,000</b>	<b>46,875,000</b>
Net pension liability	373,735	724,760
Compensated absences	99,079	78,165
<b>Total outstanding debt and long-term liabilities</b>	<b>\$ 44,237,814</b>	<b>47,677,925</b>

Additional information regarding the long-term liabilities may be found in the notes to financial statements.

Snyderville Basin Special Recreation District  
**Management's Discussion and Analysis**  
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## **ECONOMIC OUTLOOK**

The economic outlook for the District did not suffer from the COVID-19 pandemic and remains positive as growth continues in the District as evidenced in the development projects detailed below.

- A 240-acre residential and commercial development agreement for the southeast corner of Silver Creek Junction was approved by the Summit County Council on June 3, 2015. The development, Silver Creek Village, anticipates 1,290 residential units and 50,000 square feet of neighborhood commercial space. Subdivision plats have been approved and recorded for Parcels 2, 5, 6 and 7 for a total of 184 single family dwellings. Lot 2 on Parcel 9 is slated for 64 apartments. Lot 8 was subdivided into 50 lots intended for single family dwellings and townhomes. Lots 13 and 16 were subdivided into a total of 95 lots of which 85 will be developed for multi-family units. Lot 2 was subdivided into 125 lots intended for single family dwellings. Construction of residential units started in 2019 and continues steadily in 2021.
- The Discovery CORE project was approved in 2018. This development, located between Pinebrook and Summit Park, will have 97 residential units, 30 of which will be deed restricted. The units are broken down into Single Family Attached and Single Family Detached and integrated throughout the project. Construction is progressing on the second phase of units. Phase I and Phase II units are sold out and 60% of Phase III is already reserved.
- The Park City Tech Center at Kimball Junction is entitled to 1.2 million square feet of office space. The new developer, Dakota Pacific, is seeking a change to the development agreement to allow for a more housing-focused plan, rather than a research park. While still before the Summit County Council, the developer is proposing 1,248,000 square feet of residential (1,100 units), 19,000 square feet of commercial/retail, 122,500 square feet of hospitality, 235,000 square feet of research park/office. The new proposal increases the workforce housing from 195,000 square feet to 335,400 square feet. The existing development agreement states that the developer will contribute \$300,000 to Summit County after construction of 300,000 gross square feet of research space based upon the issuance of Certificates of Occupancy. Such obligation will survive any amendments to the development agreement. An agreement exists between Summit County and the District that such funds will be paid to the District to reimburse the District for a portion of the costs associated with the construction of the SR 224 Underpass, which was completed in 2011. There are currently 79,000 square feet built that count toward the 300,000 square foot triggering event. In addition, the developer has public trail obligations to uphold contingent upon the development.
- The Lincoln Station development agreement was approved in 2019 for 76 residential units and up to 5,300 square feet of commercial space in the Kimball Junction area. Construction is currently underway, and occupancy is scheduled to begin this summer.

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**ECONOMIC OUTLOOK (continued)**

- Development continues near the Canyons Village of Park City Mountain. Construction of the Viridian Townhomes (41,106 square feet consisting of 22 multi-family residential units) will be complete in 2021. The Pendry Residences (224,036 square feet consisting of 152 condominium units and an additional 42,989 square feet of skier support area) are currently under construction. The Ridge Townhomes (106,000 square feet consisting of 44 multi-family residential units) are also under construction with some units already occupied. Construction on a major workforce housing project (320,762 square feet consisting of 169 units) will begin in June 2021 and must be completed by the end of 2023. A requested amendment to the Colony Specially Planned Area and Development Agreement would allow for 78,787 square feet of density on certain parcels with in the Colony Development for, among other things, ski operator facilities, employee housing, private maintenance facilities and private HOA lodge facilities.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

District Administrator  
Snyderville Basin Special Recreation District  
5715 Trailside Drive  
Park City, Utah 84098

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## **BASIC FINANCIAL STATEMENTS**

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Snyderville Basin Special Recreation District

**STATEMENT OF NET POSITION**

December 31, 2020

	Governmental Activities
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	
Assets:	
Current assets:	
Cash and cash equivalents	\$ 4,724,743
Accounts receivable	1,156,267
Prepaid expenses	101,178
Other assets	189,179
Total current assets	<u>6,171,366</u>
Non-current assets:	
Restricted cash and cash equivalents	20,476,841
Capital assets:	
Not being depreciated	49,665,222
Net of accumulated depreciation	<u>25,919,505</u>
Total non-current assets	<u>96,061,568</u>
Total assets	102,232,934
Deferred outflows of resources	1,990,555
<b>Total assets and deferred outflows of resources</b>	<b><u><u>\$ 104,223,490</u></u></b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 198,323
Customer deposits	13,635
Accrued interest payable	58,865
Compensated absences, current portion	99,079
General obligation bonds, current portion	<u>3,215,000</u>
Total current liabilities	<u>3,584,903</u>
Non-current liabilities:	
General obligation bonds, long-term portion	40,550,000
Net pension liability	<u>373,735</u>
Total non-current liabilities	<u>40,923,735</u>
Total liabilities	44,508,638
Deferred inflows of resources - property taxes	741,889
Deferred inflows of resources - pensions	<u>203,806</u>
<b>Total liabilities and deferred inflows of resources</b>	<b><u><u>45,454,332</u></u></b>
<b>NET POSITION:</b>	
Net investment in capital assets	40,273,938
Restricted	7,667,633
Unrestricted	<u>10,827,586</u>
<b>Total net position</b>	<b><u><u>58,769,157</u></u></b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b><u><u>\$ 104,223,490</u></u></b>

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

Snyderville Basin Special Recreation District  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2020

	Expenses	Program Revenues			Net
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	(Expense) Revenue (To Next Page)
<b><u>FUNCTIONS/PROGRAMS:</u></b>					
<b>Governmental activities:</b>					
Administration	\$ 1,407,008	15	-	-	(1,406,993)
Parks	1,197,388	51,535	-	743,172	(402,681)
Open Space	753,817	-	175,241	-	(578,576)
Trails	1,239,247	9,355	-	311,023	(918,869)
Fieldhouse	1,956,972	719,057	-	118,488	(1,119,426)
Recreation	653,547	296,899	10,000	-	(346,648)
Park City ice arena contribution	50,000	-	-	-	(50,000)
Interest and cost of issuance	1,742,918	-	-	-	(1,742,918)
<b>Total governmental activities</b>	<b>\$ 9,000,896</b>	<b>1,076,861</b>	<b>185,241</b>	<b>1,172,683</b>	<b>(6,566,111)</b>

(The statement of activities continues  
on the following page)

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

Snyderville Basin Special Recreation District  
**STATEMENT OF ACTIVITIES (continued)**  
 For the Year Ended December 31, 2020

	<u>Governmental Activities</u>
<b>CHANGES IN NET POSITION:</b>	
<b>Net (expense) revenue (from previous page)</b>	<b><u>\$ (6,566,111)</u></b>
<b>General revenues:</b>	
Property taxes	10,735,583
Unrestricted investment earnings	243,199
Miscellaneous	39,907
Special items:	
Increase (decrease) in water impact fee credits	-
<b>Total general revenues</b>	<b><u>11,018,688</u></b>
<b>Change in net position</b>	<b>4,452,577</b>
Net position - beginning	<u>54,316,580</u>
<b>Net position - ending</b>	<b><u><u>\$ 58,769,157</u></u></b>

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

Snyderville Basin Special Recreation District  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
December 31, 2020

	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,724,743	-	-	-	4,724,743
Receivables:					
Accounts receivable	45,237	-	-	-	45,237
Property taxes	770,586	340,444	-	-	1,111,030
Prepaid expenses	16,153	-	-	85,025	101,178
Restricted cash and cash equivalents	-	3,011,768	4,501,506	12,963,567	20,476,841
<b>TOTAL ASSETS</b>	<b>\$ 5,556,718</b>	<b>3,352,212</b>	<b>4,501,506</b>	<b>13,048,592</b>	<b>26,459,028</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>					
<b>OF RESOURCES</b>					
Liabilities:					
Accounts payable	\$ 121,375	-	-	76,949	198,323
Deposits payable	13,635	-	-	-	13,635
Total liabilities	135,010	-	-	76,949	211,958
Deferred inflows of resources:					
Property taxes	555,803	186,085	-	-	741,889
Total deferred inflows of resources	555,803	186,085	-	-	741,889
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>690,813</b>	<b>186,085</b>	<b>-</b>	<b>76,949</b>	<b>953,847</b>
<b>FUND BALANCES:</b>					
Nonspendable	16,153	-	-	85,025	101,178
Restricted for:					
Debt service	-	3,166,127	-	-	3,166,127
Impact fees	-	-	4,501,506	-	4,501,506
Construction and land acquisition	-	-	-	8,591,175	8,591,175
Assigned for:					
Capital replacement	-	-	-	1,677,572	1,677,572
Capital projects	-	-	-	2,617,871	2,617,871
Unassigned	4,849,752	-	-	-	4,849,752
<b>TOTAL FUND BALANCES</b>	<b>4,865,905</b>	<b>3,166,127</b>	<b>4,501,506</b>	<b>12,971,644</b>	<b>25,505,181</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 5,556,718</b>	<b>3,352,212</b>	<b>4,501,506</b>	<b>13,048,592</b>	<b>26,459,028</b>

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

Snyderville Basin Special Recreation District  
**STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
 For the Year Ended December 31, 2020

	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 6,253,874	4,481,709	-	-	10,735,583
Intergovernmental revenues	185,241	-	-	309,559	494,800
Charges for services	1,076,861	-	-	-	1,076,861
Impact fees	-	-	863,124	-	863,124
Interest	34,339	37,418	44,746	126,696	243,199
Miscellaneous revenue	15,907	-	-	24,000	39,907
<b>Total revenues</b>	<b>7,566,222</b>	<b>4,519,127</b>	<b>907,870</b>	<b>460,255</b>	<b>13,453,473</b>
<b>Expenditures:</b>					
Administration	1,280,905	-	-	-	1,280,905
Parks	689,505	-	-	8,773	698,278
Open Space	753,817	-	-	-	753,817
Trails	611,199	-	-	30,000	641,199
Fieldhouse	1,387,612	-	-	-	1,387,612
Recreation	634,562	-	-	-	634,562
Capital outlay	-	-	-	946,219	946,219
Debt service:					
Principal	-	3,110,000	-	-	3,110,000
Interest and finance charges	-	1,523,541	-	-	1,523,541
<b>Total expenditures</b>	<b>5,357,600</b>	<b>4,633,541</b>	<b>-</b>	<b>984,992</b>	<b>10,976,133</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,208,622</b>	<b>(114,415)</b>	<b>907,870</b>	<b>(524,737)</b>	<b>2,477,340</b>
<b>Other financing sources (uses):</b>					
Park City ace arena contribution	(50,000)	-	-	-	(50,000)
Transfers in	-	-	-	1,815,037	1,815,037
Transfers out	(1,374,671)	-	(440,366)	-	(1,815,037)
<b>Total other financing sources (uses)</b>	<b>(1,424,671)</b>	<b>-</b>	<b>(440,366)</b>	<b>1,815,037</b>	<b>(50,000)</b>
<b>Net change in fund balances</b>	<b>783,951</b>	<b>(114,415)</b>	<b>467,504</b>	<b>1,290,300</b>	<b>2,427,340</b>
Fund balances - beginning of year	4,081,954	3,280,542	4,034,002	11,681,344	23,077,841
<b>Fund balance - end of year</b>	<b>\$ 4,865,905</b>	<b>3,166,127</b>	<b>4,501,506</b>	<b>12,971,644</b>	<b>25,505,181</b>

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

Snyderville Basin Special Recreation District  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION**  
 December 31, 2020

<b>Total Fund Balance for Governmental Funds</b>	<b><u>\$ 25,505,181</u></b>
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds:	
Capital assets, at cost	91,756,920
Less accumulated depreciation	<u>(16,172,193)</u>
Net capital assets	<u>75,584,727</u>
Impact fee credits are available for use in future periods and are not recorded as income in the current period; therefore, they are not reported in the funds.	
	<u>189,179</u>
Deferred outflows of resources related to pensions and bond refundings represent a consumption of net position that applies to future periods, and therefore, are not reported in the funds.	
	<u>1,990,555</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(99,079)
Accrued interest	(58,865)
Long-term debt	(43,765,000)
Net pension liability	<u>(373,735)</u>
Total long-term liabilities	<u>(44,296,679)</u>
Deferred inflows of resources related to pensions are recorded in the government-wide statements, but not in the fund statements.	
	<u>(203,806)</u>
<b>Total Net Position of Governmental Activities</b>	<b><u><u>\$ 58,769,157</u></u></b>

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

Snyderville Basin Special Recreation District  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2020

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b><u>\$ 2,427,340</u></b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses:</p>	
Capital outlay	946,219
Depreciation expense	<u>(1,699,802)</u>
Net	<u>(753,583)</u>
<p>Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
	<u>3,110,000</u>
<p>The change in compensated absences is not reported as an expenditure for the current period, while it is recorded in the statement of activities.</p>	
	<u>(20,914)</u>
<p>The amortization of the deferred amount on refunding is not reported as an expenditure for the current period, while it is recorded in the statement of activities.</p>	
	<u>(223,899)</u>
<p>Accrued interest for long-term debt is not reported as an expenditure for the current period, while it is recorded in the statement of activities.</p>	
	<u>4,522</u>
<p>The change in impact fee credits is not reported as expenditure or revenue for the current period, while it is recorded in the statement of activities.</p>	
	<u>-</u>
<p>The Statement of Activities show pension benefits, pension expenses, and non-employer contributions related to GASB 68 that are not shown in the fund statements.</p>	
	<u>(90,889)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 4,452,577</u></b>

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

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1-A. Reporting entity**

Snyderville Basin Special Recreation District (the District) was established on July 1, 1986 by Summit County, Utah as a governmental service district under Title 11, Chapter 23 of the Utah Code Annotated, 1953, as amended. The District was established to provide recreation for the Snyderville Basin area of Summit County. In September 1995, the District residents authorized the first bond to fund community parks, trails and recreation. Operations commenced in 1996.

**1-B. Government-wide and fund financial statements**

The District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

*Government-wide Financial Statements*

The government-wide financial statements, consisting of the statement of net position and the statement of activities, report information on all the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of net position reports the financial position of the governmental activities of the District at year-end.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

*Fund Financial Statements*

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. Major individual governmental funds are reported in separate columns.

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**1-C. Measurement focus, basis of accounting and financial statement presentation**

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP).

The *government-wide financial statements* are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

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

Property taxes, sales taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

*Policy regarding use of restricted resources*

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities. *Restricted assets, non-current* reports assets restricted for acquisition or construction of non-current assets, or are restricted for liquidation of long-term debt.

**1-D. Fund types and major funds**

**The District reports the following major governmental funds:**

The *General Fund* is the government'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* is used to account for the accumulation of resources for the payment of principal, interest and related costs on certain general long-term debt paid primarily from taxes levied by the District. The fund balance of the Debt Service Fund is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

The *Special Revenue Fund* is used to account for the collection and use of impact fees for parks, recreation, and trails.

The *Capital Projects Fund* is used to account for the acquisition or construction of major capital facilities of the District.

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

***1-E-1. Deposit and Investments***

Cash includes cash on hand, demand deposits with bank and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The District's policy allows for investment in fund in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

***1-E-2. Cash and Cash Equivalents***

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

***1-E-3. Receivables and Payables***

Property tax and intergovernmental receivables are considered collectible.

During the course of operations, there may be transactions that occur between funds that are representative of lending/borrowing arrangements outstanding at year-end. These are reported as either due to or due from other funds.

Property taxes are assessed and collected for the District by Summit County and remitted to the District shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

***1-E-4. Restricted Assets***

In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets on the balance sheet because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets. Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and net assets.

Unspent proceeds of bonds issued to finance capital assets are also reported as restricted cash.

***1-E-5. Inventories and Prepaid items***

Inventories in governmental funds are not reported. These consist of immaterial amounts of expendable supplies for consumption. Such supplies are acquired as needed.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2020

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
 (continued)**

**1-E-6. Capital Assets**

Capital assets, which includes land, buildings, parks, trails, vehicles and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects as constructed.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts.

Property and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-40
Parks	8-40
Trails	15-30
Vehicles and equipment	7-10

**1-E-7. Long-term Obligations**

In the government-wide financial statements, long-term debt and obligations are reported as liabilities. Bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period.

**1-E-8. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports two types of deferred outflows: 1) deferred charges on refunding of \$1,589,188, which resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of refunded or refunding debt, and 2) deferred outflows related to pensions of \$401,367.

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(continued)**

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District has two types of deferred inflows which consists of 1) revenue due from property taxes of \$741,889; and 2) deferred inflows related to pensions of \$203,806.

**1-E-9. Pensions**

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

**1-E-10. Net position flow assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted – net position is applied.

**1-E-11. Fund balance flow assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**1-E-12. Fund balance policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by formal action of the District's highest level of decision-making authority. The Summit County Council is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(continued)**

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. Summit County Council, the governing body of the District, has the authority to assign fund balance based on recommendations by the District Board during the budget process. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance is a residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

**1-F. Tax abatements**

The District has not entered into any tax abatement agreements and the District is not aware of any tax abatement agreements that have been entered into by other governments that would reduce the District's tax revenues.

**1-G. Estimates**

GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**2-A. Budgetary data**

Budgetary procedures for the District have been established by Utah Statute in the Fiscal Procedures Act for Utah Counties, (the Act). The Act requires counties and special districts formed by counties to adopt annual budgets. The basis of accounting applied to each fund budget is the same basis as the related fund's financial statements. In accordance with State law, all appropriations lapse at the end of the budget year, accordingly, no encumbrances are recorded. At its option the District may permit its expenditure accounts to remain open for a period of 30 days after the close of its fiscal year for the payment of approved invoices for goods received or services rendered prior to the close of the fiscal year. The District prepares a budget for the general fund.

Under Utah State law, the District's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, including revisions, except as allowed by the code for certain events. A public hearing must be held to increase the total appropriations of the governmental fund.

**2-B. Deficit fund balance and net position**

None of the District's funds have deficit balances.

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2020

**NOTE 3 - DETAILED NOTES**

**3-A. Deposits and investments**

Cash and investments as of December 31, 2020 consist of the following:

	Fair Value
Cash on hand	\$ 453
Demand deposits	(69,272)
Investments - PTIF	25,270,402
<b>Total cash</b>	<b>\$ 25,201,584</b>

Cash and investments listed above are classified in the accompanying government-wide statement of net position as follows:

Cash and cash equivalents (current)	\$ 4,724,743
Restricted cash and cash equivalents (non-current)	20,476,841
<b>Total cash and cash equivalents</b>	<b>\$ 25,201,584</b>

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that District funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares. The Weighted Average Maturity for the PTIF is 47.37 as of December 2020. The District maintains monies not immediately needed for expenditure in PTIF accounts. A copy of the financial statements for the PTIF funds can be obtained by contacting the Utah State Treasurer.

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**3-A. Deposits and investments (continued)**

**Fair value of investments**

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1--Quoted prices for identical investments in active markets; Level 2--Observable inputs other than quoted market prices; and, Level 3--Unobservable inputs. At December 31, 2020, the District had \$25,270,402 invested in the PTIF, which uses a Level 2 fair value measurement.

**Deposit and investment risk**

The District maintains no investment policy containing any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The District's compliance with the provisions of UMMA addresses each of these risks.

**Interest rate risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investments of the District are available immediately.

**Credit risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. At December 31, 2020, all of the District's demand deposits are covered by FDIC insurance.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

**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. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

**3-B. Receivables**

Property taxes were levied on January 1 of 2020, and were due in November of 2020. The property taxes that have been remitted to the District within 60 days of the end of the current fiscal period have been recognized as revenue. The uncollected, measurable amounts have been accrued as deferred inflows. All other items are considered to be measurable and available only when cash is received by the District.

Property taxes of \$1,111,030 were receivable at December 31, 2020. Of that amount, \$369,142 was collected by Summit County and remitted to the District within 60 days of year-end. An additional \$45,237 was receivable from other various sources at December 31, 2020.

Snyderville Basin Special Recreation District  
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**3-C. Capital assets**

Capital asset activity for governmental activities was as follows:

<b>Governmental activities</b>	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 15,194,659	-	-	15,194,659
Open space	33,876,669	-	-	33,876,669
Water shares	20,000	-	-	20,000
Construction in progress	141,353	432,541	-	573,894
<b>Total capital assets, not being depreciated</b>	<b>49,232,681</b>	<b>432,541</b>	<b>-</b>	<b>49,665,222</b>
Capital assets, being depreciated:				
Buildings	17,851,676	121,110	-	17,972,786
Parks	9,144,605	101,958	-	9,246,563
Trails	12,702,843	24,079	-	12,726,922
Machinery and equipment	1,948,257	266,532	69,361	2,145,428
<b>Total capital assets, being depreciated</b>	<b>41,647,380</b>	<b>513,678</b>	<b>69,361</b>	<b>42,091,698</b>
Less accumulated depreciation for:				
Buildings	4,515,233	594,492	-	5,109,726
Parks	4,329,501	382,161	-	4,711,662
Trails	4,467,886	536,007	-	5,003,893
Machinery and equipment	1,229,131	187,142	69,361	1,346,912
<b>Total accumulated depreciation</b>	<b>14,541,751</b>	<b>1,699,802</b>	<b>69,361</b>	<b>16,172,193</b>
<b>Total capital assets being depreciated, net</b>	<b>27,105,629</b>	<b>(1,186,124)</b>	<b>-</b>	<b>25,919,505</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 76,338,310</b>	<b>(753,583)</b>	<b>-</b>	<b>75,584,727</b>

Depreciation expense was charged to functions/programs of the primary government governmental activities was as follows:

<b>Governmental activities:</b>	
Administration	\$ 14,300
Parks	499,109
Trails	598,049
Fieldhouse	569,360
Recreation	18,985
<b>Total</b>	<b>\$ 1,699,802</b>

Snyderville Basin Special Recreation District  
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**3-D. Long-term liabilities**

Long-term debt activity for governmental activities was as follows:

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>General obligations bonds:</b>							
2010 Series		2.00 to					
Matures 2021	\$ 5,125,000	5.00	\$ 1,740,000	-	855,000	885,000	885,000
2011 Series		3.00 to					
Matures 2020	20,000,000	4.75	400,000	-	400,000	-	-
2012 Series		0.35 to					
Matures 2023	3,810,000	2.00	2,655,000	-	180,000	2,475,000	180,000
2015 Series A		2.00 to					
Matures 2034	25,000,000	3.125	20,310,000	-	1,110,000	19,200,000	1,145,000
2015 Series B		2.125 to					
Matures 2028	7,385,000	4.00	5,865,000	-	565,000	5,300,000	580,000
2017 Series		3.00 to					
Matures 2030	15,905,000	4.00	15,905,000	-	-	15,905,000	425,000
<b>Total general obligations bonds</b>			<b>46,875,000</b>	<b>-</b>	<b>3,110,000</b>	<b>43,765,000</b>	<b>3,215,000</b>
Net pension liability			724,760	-	351,025	373,735	-
Compensated absences			78,165	66,250	45,336	99,079	99,079
<b>Total governmental activity long-term liabilities</b>			<b>\$ 47,677,925</b>	<b>66,250</b>	<b>3,506,361</b>	<b>44,237,814</b>	<b>3,314,079</b>

Debt service requirements to maturity for governmental activities are as follows:

For the year ending December 31,	Principal	Interest	Total
2021	3,215,000	1,412,761	4,627,761
2022	3,325,000	1,304,631	4,629,631
2023	3,410,000	1,221,981	4,631,981
2024	3,550,000	1,133,981	4,683,981
2025	3,660,000	1,027,081	4,687,081
2026-2030	20,310,000	3,194,150	23,504,150
2031-2034	6,295,000	493,306	6,788,306
<b>Total</b>	<b>\$ 43,765,000</b>	<b>9,787,893</b>	<b>53,552,893</b>

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the District's financial statements. As of December 31, 2020, \$24,850,000 of bonds outstanding are considered defeased.

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
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**3-E. Interfund transfers**

During 2020, the District transferred money from the general fund and the impact fee fund to the capital projects fund for current and planned future projects. The interfund transfers made were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	1,374,671
Impact Fee Fund	-	440,366
Capital Projects Fund	1,815,037	-
<b>Total</b>	<b>\$ 1,815,037</b>	<b>1,815,037</b>

**NOTE 4 - OTHER INFORMATION**

**4-A. Risk management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The District paid annual premiums to Olympus Insurance Agency. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

**4-B. Retirement Plans**

**General Information about the Pension Plan**

**Plan description:**

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

**Defined Benefit Plans**

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

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

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
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**4-B. Retirement Plans (continued)**

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake District, Utah 84102 or visiting the website: [www.urs.org/general/publications](http://www.urs.org/general/publications).

**Benefits provided:**

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of service required	Benefit percentage per year of service	Cola **
		and/or age eligible for benefit		
Noncontributory System	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

\* with actuarial reductions

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

**Contribution Rate Summary:** As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2020 are as follows:

Utah Retirement Systems	Employer		
	Employee	Employer	401(k)
Contributory System			
111 - Local Government Div - Tier 2	N/A	15.8	0.89
Noncontributory System			
15 - Local Government Div - Tier 1	N/A	18.47	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.69	10.00

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

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
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**4-B. Retirement Plans (continued)**

For the fiscal year ended December 31, 2020, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 93,417	N/A
Tier 2 Public Employees System	133,030	-
Tier 2 DC Only System	33,382	N/A
<b>Total Contributions</b>	<b>\$ 27,419</b>	<b>-</b>

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

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

At December 31, 2020, we reported a net pension asset of \$0 and a net pension liability of \$373,735.

	(Measurement Date): December 31, 2019		Proportionate		
	Net Pension Asset	Net Pension Liability	Proportionate Share	Share 12/31/2018	Change (Decrease)
	Noncontributory System	\$ -	\$ 361,488	0.0959142%	0.0948618%
Tier 2 Public Employees System	-	12,247	0.0544537%	0.0612298%	-0.0067761%
<b>Total</b>	<b>\$ -</b>	<b>\$ 373,735</b>			

The net pension asset and liability were measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2020, we recognized pension expense of \$350,224.

At December 31, 2020, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 36,308	\$ 9,396
Changes in assumptions	43,515	352
Net difference between projected and actual earnings on pension plan investments	-	192,222
Changes in proportion and difference between contributions and proportionate share of contributions	61,715	1,836
Contributions subsequent to the measurement date	259,829	-
<b>Total</b>	<b>\$ 401,367</b>	<b>\$ 203,806</b>

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2020

**4-B. Retirement Plans (continued)**

\$259,829 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 32,467
2021	(35,234)
2022	6,295
2023	(72,253)
2024	1,014
Thereafter	5,444

**Actuarial assumptions:**

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2019, valuations were based on the results of an actuarial experience study for the five-year period ending December 31, 2016.

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

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
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**4-B. Retirement Plans (continued)**

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

<b>Assets class</b>	<b>Expected Return Arithmetic Basis</b>		
	Target Asset Allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
<b>Totals</b>	<b>100.00%</b>		<b>4.75%</b>
		Inflation	2.50%
		Expected arithmetic nominal return	7.25%

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

**Discount rate:**

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

**Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:**

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

<b>System</b>	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 1,129,053	\$ 361,488	\$ (278,653)
Tier 2 Public Employees System	105,612	12,247	(59,907)
<b>Total</b>	<b>\$ 1,234,665</b>	<b>\$ 373,735</b>	<b>\$ (338,560)</b>

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2020

**4-B. Retirement Plans (continued)**

**Pension plan fiduciary net position:**

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

**Defined Contribution Savings Plan:**

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

The District participates in the following Defined Contribution Savings Plans with the Utah Retirement Systems:

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

Employee and employer contributions to the Utah Retirement Contribution Savings Plans for fiscal year ended December 31, were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>401(k) Plan</b>			
Employer Contributions	\$ 58,005	\$ 51,509	\$ 54,322
Employee Contributions	27,343	21,564	12,303
<b>457 Plan</b>			
Employer Contributions	-	-	-
Employee Contributions	57,380	57,471	1,950
<b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	1,495	4,420	-
<b>Traditional IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	-	200	2,600

**Note 4-C. Deferred Compensation Plan**

The District sponsored a defined contribution deferred compensation plan under the Internal Revenue Code Section 457 for participating employees through ICMA Retirement Corporation. During the years ended December 31, 2020 and 2019 contributions totaling \$0 and \$11,166, respectively, were made to the plan by employees. The plan and participant funds were transitioned to another record keeper, Utah Retirement Systems, to consolidate the District's retirement benefits into one record keeper. The termination date for the ICMA Retirement Corporation 457 plan was July 23, 2019.

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 4-D. Interlocal Agreement with Park City School District**

The District entered into a Lease and Joint Use Agreement – Middle School Facilities for Recreation in 1996 to lease 18.43 acres of land at Ecker Hill Middle School from Park City School District (PCSD). The lease is for thirty years, with a twenty-year option to renew at a cost of \$1 per year. The District fulfilled its capital obligations required by the agreement, by contributing \$1,327,000 for field development, community pool enhancements, and additional parking space at the school. Additionally, the District constructed field support buildings, which include park equipment storage and restrooms, made hardscape improvements, and expanded the field space at the Ecker Hill Field Complex. Improvements were made at the sole expense of the District within an area subject to the long-term lease agreement. These capital expenditures are shown as capital assets of the PCSD and are not included in the District's financial statements. The total capital contributions to PCSD as of December 31, 2020 amounted to \$2,107,396.

In addition to the Lease Agreement, the District and PCSD entered into an Agreement for Use of School Facilities for Recreation to provide for the shared use of facilities and amenities between the two entities and to designate the rights and responsibilities of each party regarding the shared use.

Subsequently, the District, PCSD and Park City Municipal Corporation (PCMC or City) adopted a three-way Joint Use Agreement for Recreation in May 2007. The three parties desired to clarify and augment existing agreements, including the aforementioned Lease and Joint Use Agreement - Middle School Facilities for Recreation. Additionally, the agreement encouraged the joint use of fields and facilities and established procedures for cooperative working relationships between the parties. The agreement is regularly reviewed by the parties under its terms. The last review was completed in 2019.

**Note 4-E. Interlocal Agreement with Park City for a Regional Ice Facility**

The District and PCMC entered into an interlocal cooperative agreement to construct a regional ice facility in August 2004. In the agreement, the parties recognized the value in combining financial resources to jointly construct, maintain, and operate the ice facility. The parties also recognized the challenges of having multiple parties involved in the construction and operation of the facility. Given the nature of the larger proposed City-owned recreation complex, of which the ice rink is just one component, the parties agreed that the City shall solely own the facility (located on City-owned land near the State Route 248/Highway 40 interchange at Quinn's Junction). Also, no title or interest in the City-owned real property upon which the Ice Facility is located will transfer or otherwise vest in the District as a result of the agreement. Each party agreed to fund \$2,000,000 toward the design, planning, construction and initial outfitting of the rink and this payment by the District was made in March 2005. Substantial completion of the Park City Ice Arena occurred in February 2006 and the rink, operated by PCMC, opened for business.

As part of the agreement, the District agreed to budget for and contribute a minimum of \$50,000 per fiscal year toward operational costs of the facility in the first two years, after which the contribution will be placed in a Capital Replacement Reserve Fund (CRRF) by Park City. Payments have been made each year since December 2005 and are due no later than December 15 each year.

The District and PCMC review the agreement every three (3) years and most recently did so in 2018. The District Board reserves the right to modify the annual distribution during the three-year review. Either party has the right to request renegotiation of the agreement at any time.

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 4-F. Open Space Acquisition**

The Basin Open Space Advisory Committee (BOSAC) was established by the Summit County Commission on May 14, 2003 for the purpose of creating a consortium of interests and agencies to review, prioritize and recommend potential recreational open space purchases. The District holds one voting seat on this committee. BOSAC developed and has refined selection criteria to evaluate open space land acquisition opportunities in the Snyderville Basin for recommendation to the Summit County Council (Council) to meet collective community goals of recreational open space preservation.

Public funds for recreational open space are acquired using the voter authorized tax levy for bonds sold through the District, along with private donations through trusts and the public. The District serves as the sole taxing entity in the Snyderville Basin with the ability to fund open space purchased through general obligation bonds. Purchased open lands come with a perpetual interest to allow public trail access. Recreational open space acquired with District funds may be protected under a third-party conservation easement provided public trail access to the open space is preserved. Typically, conservation easements permit the right to construct and maintain non-motorized trails for use by the public in perpetuity, including the installation of trail signage and low impact trail related improvements. They also permit the relocation of existing trails in the interest of connecting the system to adjoining future open space parcels and trail corridors.

On February 20, 2008, the Council adopted a resolution authorizing the sale of up to \$10,000,000 General Obligation Recreation Bonds for the District, as authorized by voters in 2004. The District issued the full \$10,000,000 to finance the costs of acquiring recreational open space property negotiated by BOSAC, and to pay the costs and expenses incident to the issuance and sale of the Bonds.

On November 12, 2008, the District and the County entered into an Interlocal Cooperation Agreement "For Distribution of Funds and Expenditure and Use of Open Space Bond Proceeds" which fully described the terms and conditions to acquire two major open space parcels: Koleman Property and the Boyer Property. The District retains a contractual interest in the perpetual uses this cooperative investment provides to taxpayers of the District and the County. Public trail improvements were constructed and are maintained by the District in these open space areas. Additionally, in 2008, the District purchased half of the open space parcel known as the "Koleman Park Parcel" from the County, consisting of approximately 10 acres to be used for play fields, plus a road right of way to access the site. The purchase price negotiated for the park land was \$1,000,000 and was paid for out of the District's impact fee fund. However, the purchase price negotiated and paid by the County to the property owner for the "Koleman Property" in its entirety was \$5,000,000. Because the District holds fee title to 50% of the land, the value of this asset is recorded as \$2,500,000. The Matt Knoop Memorial Park has since been built on the District's portion of the parcel.

On November 2, 2010, electors voted to approve issuance of \$20,000,000 General Obligation Bonds for the purpose of financing \$12,000,000 to acquire recreational open space property negotiated by BOSAC and \$8,000,000 for trails construction and trail-related improvements. 72% of voters were in favor of the issuance. The District issued the full \$20,000,000 and bonds were sold in March 2011. With these funds, the District Board approved the purchase of a conservation easement on 1,268 acres of land at Hi-Ute Ranch 3-Mile Canyon for \$2.8 million. The Conservation Easement Option contemplates an eventual Fee Purchase Option.

The District Board also approved a contribution of \$450,000 to Summit Land Conservancy as a contribution towards a conservation easement on the Osguthorpe 120 open space parcel in 2011. A 7.89% interest in the Conservation Easement Deed and Agreement was assigned to the District, as a qualified "co-holder" of the easement with PCMC and Summit Land Conservancy.

Snyderville Basin Special Recreation District  
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**Note 4-F. Open Space Acquisition (continued)**

In May 2012, the District and the County entered into a Real Estate Purchase and Settlement Agreement with Nadine Gillmor for the purchase of 292 acres of recreational open space land. The purchase price of \$7,425,000 was paid using \$6,000,000 of the District's Recreational Open Space Bond Funds paid to seller at closing along with a \$1,425,000 promissory note due in 2013.

In December 2012, the District, the County, and PCMC agreed to collaborate with Utah Open Lands to preserve 781 acres of open space in Toll Canyon at a cost of \$6,100,000. The acquisition involved several steps, one of which was selling the 292 acres of open space acquired from Nadine Gillmor to PCMC. The proceeds of the sale by the District to PCMC paid off the outstanding promissory note and provided additional funding for Toll Canyon. In addition to the cash exchanged for the Gillmor property, PCMC conveyed to the County its interest, valued at approximately \$3,500,000, in the Kimball Junction open space near the entrance to the Utah Olympic Park. In conjunction with the Gillmor transaction, the County conveyed to the District 63% of the Kimball Junction open space (the Boyer Property referenced in 2008) valued at approximately \$10,100,000. The closing for the Toll Canyon transaction occurred in December 2014. As the agreement outlined, the District holds the title and Utah Open Lands hold the conservation easement on Toll Canyon.

On November 4, 2014, electors voted to approve issuance of \$25,000,000 General Obligation Bonds for the purpose of financing \$15,000,000 to acquire recreational open space property, \$8,000,000 for recreation facilities, and \$2,000,000 for trails construction and trail-related improvements. 71.8% of voters were in favor of issuance. The District issued the full \$25,000,000 and bonds were sold in March 2015.

In May 2017, the Summit County Council entered into an Open Space Cooperation Agreement with PCMC. One component of the agreement dealt with the Triangle Parcel, approximately 111 acres of land originally purchased jointly by Summit County and Park City in equal 50% undivided interests. Under the cooperation agreement, the District reimbursed the City in exchange for its 50% interest in the amount of \$2,250,000. The property will be maintained as recreational open space.

In July 2018, the District acquired 42.33 acres of recreational open space with a value of \$425,000. It was donated to the District as a requirement of the Discovery CORE Project development agreement. A conservation easement, held by Summit County, was placed on the property in 2019.

In September 2019, the District and Summit County purchased 461 acres east of U.S. Highway 40 from the Estate of Florence J. Gillmor and the Florence J. Gillmor Foundation. The District received ownership of 336 acres for \$7,590,917 using 2015 open space bond funds. The property will be maintained as recreational open space. The County received ownership of the other 125 acres, which will be used for development.

In conjunction with the Gillmor transaction, the County sold to the District its undivided 50% interest in the Triangle Parcel for \$2,250,000. The District now owns 100% of the Triangle Parcel, excluding a floating five-acre piece reserved by Boyer Snyderville Junction, LC. The Triangle Parcel is subject to a number of ancillary agreements that were assigned to the District as part of the purchase from the County. Notably, under the Cost Sharing Agreement, the District holds a potential liability of up to \$400,000 for future remediation on the Triangle Parcel.

The Summit County Council, governing body of the District, using BOSAC recommendations, is actively pursuing additional open space opportunities throughout the District's jurisdiction.

Snyderville Basin Special Recreation District  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 4-G. Bond Rating**

The most recent review of the District by rating agencies was in December 2017, prior to refunding the series 2011 general obligation bonds. Both Moody's Investors and Standard and Poor's Rating Services affirmed the District's 2015 ratings. Moody's assigned an Aa1 rating while Standard and Poor assigned a AAA rating to the District.

**Note 4-H. Water Entitlements**

In a separate transaction related to the Toll Canyon acquisition, Utah Open Lands conveyed water right entitlements and water source entitlements tied to the Toll Canyon property to the District in February 2013. The District then entered into a Water Transfer and Banking Agreement with Mountain Regional Water Special Service District (MRW) on August 7, 2013. This agreement transferred the water source and water right entitlements to MRW in return for impact fee credits. In 2018, an additional .8 acre feet was added to the entitlements after discovering the District had overpaid impact fees to MRW for the final expansion at the Fieldhouse. The District used .075 of entitlements in 2019 for the Discovery Trailhead restroom impact fees. As of December 31, 2020, the District has the following entitlements: 29.185 acre feet water rights, 8.515 acre feet water source, .725 acre feet water storage, and .725 acre feet distribution, valued at approximately \$189,179.

**Note 4-I. Subsequent Events**

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through May 26, 2021, the date the financial statements were available to be issued.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**

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Snyderville Basin Special Recreation District  
**Notes to Required Supplementary Information**  
December 31, 2020

**Budgetary Comparison Schedules**

The Budgetary Comparison Schedules presented in this section of the report are for the District's General Fund and Special Revenue Fund.

**Budgeting and Budgetary Control**

The budgets for the General Fund and Special Revenue Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the District Board and County Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the District Board and County Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

**Changes in Assumptions Related to Pensions**

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

Snyderville Basin Special Recreation District  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 6,098,298	5,979,206	6,253,874	274,668
Intergovernmental revenues	10,000	10,000	185,241	175,241
Charges for services	1,904,052	1,038,924	1,076,861	37,937
Interest	73,000	40,580	34,339	(6,241)
Miscellaneous revenue	4,000	11,000	15,907	4,907
<b>Total revenues</b>	<b>8,089,350</b>	<b>7,079,710</b>	<b>7,566,222</b>	<b>486,512</b>
<b>Expenditures:</b>				
Administration	1,560,371	1,388,141	1,280,905	107,236
Parks	969,656	738,914	689,505	49,409
Open Space	796,949	716,274	753,817	(37,543)
Trails	772,072	651,468	611,199	40,269
Fieldhouse	1,749,534	1,462,867	1,387,612	75,255
Recreation	790,768	697,375	634,562	62,813
<b>Total expenditures</b>	<b>6,639,350</b>	<b>5,655,039</b>	<b>5,357,600</b>	<b>297,439</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,450,000</b>	<b>1,424,671</b>	<b>2,208,621</b>	<b>783,950</b>
<b>Other financing sources (uses):</b>				
Park City Ice Arena contribution	(50,000)	(50,000)	(50,000)	-
Transfers out	(1,400,000)	(1,374,671)	(1,374,671)	-
<b>Total other financing sources (uses)</b>	<b>(1,450,000)</b>	<b>(1,424,671)</b>	<b>(1,424,671)</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and uses</b>	<b>\$ -</b>	<b>-</b>	<b>783,950</b>	<b>783,950</b>

Snyderville Basin Special Recreation District  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Impact fees	\$ 600,000	620,000	863,124	243,124
Interest	82,200	47,000	44,746	(2,254)
<b>Total revenues</b>	<b>682,200</b>	<b>667,000</b>	<b>907,870</b>	<b>240,870</b>
<b>Expenditures:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>682,200</b>	<b>667,000</b>	<b>907,870</b>	<b>240,870</b>
<b>Other financing sources (uses):</b>				
Transfers out	(3,512,946)	(470,000)	(440,366)	29,634
<b>Total other financing sources (uses)</b>	<b>(3,512,946)</b>	<b>(470,000)</b>	<b>(440,366)</b>	<b>29,634</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and uses</b>	<b>\$ (2,830,746)</b>	<b>197,000</b>	<b>467,504</b>	<b>270,504</b>

Snyderville Basin Special Recreation District  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

December 31, 2020  
 Last 10 Fiscal Years\*

	2019	As of December 31,		2016
	2018	2017		
<b>Noncontributory Retirement System</b>				
Proportion of the net pension liability (asset)	0.0959142%	0.0948618%	0.0904905%	0.7620750%
Proportionate share of the net pension liability (asset)	\$ 361,488	\$ 698,536	\$ 396,466	\$ 489,345
Covered employee payroll	\$ 509,362	\$ 483,916	\$ 460,564	\$ 384,056
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	70.97%	144.35%	86.08%	127.42%
Plan fiduciary net position as a percentage of the total pension liability	93.70%	87.00%	91.90%	87.30%
<b>Tier 2 Public Employees Retirement System</b>				
Proportion of the net pension liability (asset)	0.0544537%	0.0612298%	0.0688445%	0.1091374%
Proportionate share of the net pension liability (asset)	\$ 12,247	\$ 26,223	\$ 6,070	\$ 12,174
Covered employee payroll	\$ 756,701	\$ 714,889	\$ 674,334	\$ 895,014
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.62%	3.67%	0.90%	1.36%
Plan fiduciary net position as a percentage of the total pension liability	96.50%	90.80%	97.40%	95.10%

\* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The District did not begin participating in the plan until 2016.

Snyderville Basin Special Recreation District

**SCHEDULE OF CONTRIBUTIONS**

December 31, 2020

Last 10 Fiscal Years\*

	As of fiscal year ended Dec 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
<b>Noncontributory System</b>	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	70,935	70,935	-	384,056	18.47%
	2017	81,101	81,101	-	460,564	17.61%
	2018	89,276	89,276	-	483,916	18.45%
	2019	94,079	94,079	-	509,362	18.47%
	2020	93,417	93,417	-	505,779	18.47%
<b>Tier 2 Public Employees System**</b>	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	133,447	133,447	-	895,014	14.91%
	2017	97,340	97,340	-	674,334	14.43%
	2018	109,637	109,637	-	714,889	15.34%
	2019	118,332	118,332	-	758,369	15.60%
	2020	133,030	133,030	-	845,638	15.73%
<b>Tier 2 Public Employees DC Only System**</b>	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	-	-	-	-	0.00%
	2017	25,482	25,482	-	395,571	6.44%
	2018	29,866	29,866	-	446,433	6.69%
	2019	28,947	28,947	-	432,696	6.69%
	2020	33,382	33,382	-	498,980	6.69%

\* Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The 10-year schedule will be built prospectively. The District did not begin participating in the plan until 2016. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

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

## **OTHER COMMUNICATIONS**

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

Board of Directors  
Snyderville Basin Special Recreation District

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Snyderville Basin Special Recreation District (District), a component unit of Summit County, Utah, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated May 28, 2021.

**Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

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

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

**Compliance and Other Matters**

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Greg Ogden CPA". The signature is written in a cursive style with a large, stylized "G" and "O".

Greg Ogden,  
Certified Public Accountant  
Springville, Utah  
May 28, 2021

GREG OGDEN, CPA  
1761 EAST 850 SOUTH  
SPRINGVILLE, UT 84663  
(801) 489-8408

MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

Board of Directors  
Snyderville Basin Special Recreation District

**REPORT ON COMPLIANCE**

I have audited Snyderville Basin Special Recreation District (District), a component unit of Summit County, Utah's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor for the year ended December 31, 2020.

State compliance requirements were tested for the year ended December 31, 2020 in the following areas:

Budgetary Compliance  
Fund Balance  
Open and Public Meetings Act  
Fraud Risk Assessment  
Special and Local Service District Board Members

**Management's Responsibility**

Management is responsible for compliance with the state requirements referred to above.

**Auditor's Responsibility**

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

I believe that my audit provides a reasonable basis for my opinion on compliance for each state compliance requirement referred to above. However, my audit does not provide a legal determination of the District's compliance with those requirements.

**Opinion on Compliance**

In my opinion, Snyderville Basin Special Recreation District complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2020.

### Other Matters

The results of my auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in my letter to management dated May 28, 2021 as item #2020-1.

Snyderville Basin Special Recreation District's response to the noncompliance finding identified in my audit is described in my letter to management. Their response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

### *REPORT ON INTERNAL CONTROL OVER COMPLIANCE*

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing my audit of compliance, I considered the District's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

### Purpose of Report

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



Greg Ogden,  
Certified Public Accountant  
Springville, Utah  
May 28, 2021