

Official Notice of Bond Sale

(Bond Sale to be Conducted Electronically)

Sandy City, Utah \$19,490,000* General Obligation Bonds, Series 2024

Bids will be received electronically (as described under “Procedures Regarding Electronic Bidding” below) by a designated officer of Sandy City, Utah (the “City”), at the office of LRB Public Finance Advisors, Inc., Salt Lake City, Utah, the Municipal Advisor to the City (the “Municipal Advisor”) on the *PARITY*® bidding system (“*PARITY*®”) at 9:30:00 a.m. Mountain Daylight Time (“MDT”), on Wednesday, April 3, 2024 for the purchase all or none (“AON”) of \$19,490,000* aggregate principal amount of the City’s General Obligation Bonds, Series 2024 (the “Series 2024 Bonds”).

The bids will be publicly reviewed and considered by certain designated officers of the City on Wednesday, April 3, 2024.

Description of Series 2024 Bonds

The Series 2024 Bonds will be dated the date of delivery thereof, will be fully registered bonds, in book-entry form, in denominations of \$5,000 or integral multiples thereof, and will mature on April 1 of the years and in the principal amounts as follows:

Maturity (April 1)	Amount*	Maturity (April 1)	Amount*
2025	\$625,000	2035	\$985,000
2026	635,000	2036	1,025,000
2027	670,000	2037	1,070,000
2028	700,000	2038	1,110,000
2029	735,000	2039	1,155,000
2030	775,000	2040	1,200,000
2031	810,000	2041	1,250,000
2032	855,000	2042	1,300,000
2033	895,000	2043	1,350,000
2034	940,000	2044	1,405,000
Total			<u>\$19,490,000*</u>

* Preliminary; subject to change. See “Adjustment of Principal Amount of the Series 2024 Bonds” in this Official Notice of Bond Sale.

The Series 2024 Bonds will be issued in registered form and, when issued, will be registered in the name of The Depository Trust Company, New York, New York, or its nominee. The Depository Trust Company will act as securities depository for the Series 2024 Bonds. Purchases of beneficial interests in the Series 2024 Bonds will be made in book-entry form in the denomination of \$5,000 or any whole multiple thereof.

* Preliminary; subject to change.

Term Bonds and Mandatory Sinking Fund Redemption at Bidder's Option

The Series 2024 Bonds scheduled to mature on two or more of the above-designated maturity dates may be rescheduled, at bidder's option, to mature as term bonds on one or more dates within that period, in which event the Series 2024 Bonds will mature and be subject to mandatory sinking fund redemption in such amounts and on such dates as will correspond to the above-designated maturity dates and principal amounts maturing on those dates, as adjusted.

Adjustment of Principal Amount of the Series 2024 Bonds

The City reserves the right, following determination of the best bid(s) to reduce or increase the principal amount of each maturity of the Series 2024 Bonds and to increase or reduce the overall principal amount of the Series 2024 Bonds to be issued, as described in this section.

The City may adjust the aggregate principal amount of the Series 2024 Bonds such that the total proceeds available to the City (after payment of costs of issuance) will be approximately \$20,800,000. The adjustment of maturities may be made in such amounts as are necessary to provide the City with desired debt service payments during the life of the Series 2024 Bonds. Any such adjustment will be in an amount of \$5,000 or a whole multiple thereof. The dollar amount of the price bid by the successful bidder may be changed as described below, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid because of any changes made as described herein, and the City will consider the bid as having been made for the adjusted amount of the Series 2024 Bonds. The dollar amount of the price bid will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (a) the aggregate difference between the offering price of the Series 2024 Bonds to the public and the price to be paid to the City, by (b) the principal amount of the Series 2024 Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown above. The City expects to advise the successful bidder as soon as possible, but expects no later than 2:00 p.m. (MDT), on the date of sale, of the amount, if any, by which the aggregate principal amount of the Series 2024 Bonds will be adjusted and the corresponding changes to the principal amount of Series 2024 Bonds maturing on one or more of the above-designated maturity dates for the Series 2024 Bonds.

To facilitate any adjustment in the principal amounts, the successful bidder(s) is required to indicate by electronic means to the Municipal Advisor at jason@lrbfinance.com within one-half hour of the time of bid opening, the amount of any original issue discount or premium on each maturity of the Series 2024 Bonds and the amount received from the sale of the Series 2024 Bonds to the public that will be retained by the successful bidder(s) as its compensation.

Possible Rejection of All Bids

As described below under "Sale Reservations," the City reserves the right to reject any and all bids and to resell the Series 2024 Bonds. In such case the City may elect to negotiate a subsequent sale of the Series 2024 Bonds.

Ratings

The City will, at its own expense, pay fees of S&P Global Ratings ("S&P") for rating the Series 2024 Bonds. *Any additional ratings shall be at the option and expense of the bidder.*

Purchase Price

The purchase price bid for the Series 2024 Bonds shall not be less than 100% of the principal amount of the Series 2024 Bonds.

Interest Rates

The Series 2024 Bonds will bear interest at any number of different rates, any of which may be repeated, which rates shall be expressed in multiples of 1/8 or 1/20 of 1% per annum. In addition:

1. no rate bid may exceed 5.00% per annum;
2. all Series 2024 Bonds of the same maturity must bear a single rate of interest;
3. a zero rate cannot be named for all or any part of the time from the date of any Series 2024 Bond to its stated maturity;
4. premium must be paid in the funds specified for the payment of the Series 2024 Bonds as part of the purchase price;
5. interest shall be computed from the dated date of a Series 2024 Bond to its stated maturity date at the single interest rate specified in the bid for the Series 2024 Bonds of such maturity;
6. the purchase price must be paid in immediately available funds and no bid will be accepted that contemplates the cancellation of any interest or the waiver of interest or other concession by the bidder as a substitute for federal funds;
7. there shall be no supplemental interest coupons; and
8. interest shall be computed on the basis of a 360-day year of 12, 30-day months.

Interest for the Series 2024 Bonds will be payable semiannually on April 1 and October 1 beginning October 1, 2024, at the rate or rates to be fixed at the time the Series 2024 Bonds are sold.

Payment of Principal and Interest

Principal and interest are payable by U.S. Bank Trust Company, National Association, as Paying Agent and Registrar, to the registered owners of the Series 2024 Bonds. So long as The Depository Trust Company, New York, New York ("DTC"), is the registered owner, DTC will, in turn, remit such principal and interest to its participants, for subsequent disbursements to the beneficial owners of the Series 2024 Bonds as described under the caption "THE SERIES 2024 BONDS—Book-Entry System" in the City's Preliminary Official Statement with respect to the Series 2024 Bonds. Interest on the Series 2024 Bonds will be payable by check or draft mailed to the registered owners thereof (initially DTC) as shown on the registration books kept for the City by the Registrar.

Optional Redemption

The 2024 Bonds maturing on and after April 1, 2035 are subject to redemption prior to maturity in whole or in part at the option of the City on April 1, 2034 or on any date thereafter, from such maturities or parts thereof as shall be selected by the City at the redemption price of 100% of the principal amount of the Series 2024 Bonds to be redeemed plus accrued interest (if any) thereon to the redemption date.

Security

The Series 2024 Bonds will be general obligations of the City, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the City, fully sufficient to pay the Series 2024 Bonds as to both principal and interest.

Procedures Regarding Electronic Bidding

No bid will be accepted unless the City has determined that such bidder has provided the requested Deposit, as the case may be, as described under "Good Faith Deposit" below.

Bids will be received by means of the *PARITY*® electronic bid submission system. A prospective bidder must communicate its bid electronically through *PARITY*® on or before 9:30:00 a.m. (MDT), on Wednesday, April 3, 2024. No bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in *PARITY*® conflict with this Official Notice of Bond Sale, the terms of this Official Notice of Bond Sale shall control. For further information about *PARITY*®, potential bidders may contact the Municipal Advisor or i-Deal LLC at 1359 Broadway, New York, New York 10018; (212) 849-5021. The time as maintained by *PARITY*® shall constitute the official time.

Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access *PARITY*® for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the Municipal Advisor, the City nor i-Deal LLC shall have any duty or obligation to provide or assure such access to any qualified prospective bidder, and neither the Municipal Advisor, the City nor i-Deal LLC shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*®. The City is using *PARITY*® as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Series 2024 Bonds.

Notification

The Municipal Advisor will notify the apparent successful bidder(s) (electronically via *PARITY*®) as soon as possible after the City's receipt of bids, that such bidder's bid appears to be the lowest and best bid received which conforms to the requirements of this Official Notice of Bond Sale, subject to verification and to official action to be taken by certain authorized officers of the City as described in the next succeeding paragraph.

The award of the Series 2024 Bonds to the successful bidder will be considered by certain designated officers of the City on Wednesday, April 3, 2024, pursuant to a resolution previously adopted by the City on February 13, 2024.

Form of Bid

Each bidder for the Series 2024 Bonds is required to transmit electronically via *PARITY*® an unconditional bid specifying the lowest rate or rates of interest and confirm the purchase price (as described under "Purchase Price" above) at which the bidder will purchase the Series 2024 Bonds. Each bid must be for all the Series 2024 Bonds herein offered for sale.

For information purposes only, bidders are requested to state in their bids the effective interest rate for the Series 2024 Bonds represented on a TIC basis, as described under "Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by electronic means or in any other medium or on any system other than by means of *PARITY*®; provided, however, that in the event a prospective bidder cannot access *PARITY*®, through no fault of its own, it may so notify the office of the Municipal Advisor by telephone at (801) 596-0700. Thereafter, it may submit its bid by telephone to the Municipal Advisor at (801) 596-0700, who shall transcribe such bid into written form or by electronic means to the Municipal Advisor to jason@lrbfinance.com, in either case before the time bids are due as stated above, on Wednesday, April 3, 2024. For purposes of bids submitted telephonically to the Municipal Advisor (as described above) or by electronic means, the time as maintained by *PARITY*®, shall constitute the official time. Each bid submitted as provided in the preceding sentence must specify the interest rate or rates for the Series 2024 Bonds and the total purchase price of all of the Series 2024 Bonds. The Municipal Advisor will seal transcribed telephonic bids and electronic means transmission bids for submission. Neither the City nor the Municipal Advisor assume any responsibility or liability from the failure of any such transcribed telephonic bid or electronic means (whether such failure arises from equipment failure, unavailability of phone lines or otherwise). No bid will be received after the time for receiving such bids specified above.

If requested by the Municipal Advisor, the apparent successful bidder(s) will provide written confirmation of its bid (by electronic means) to the Municipal Advisor prior to 2:00 p.m. (MDT), on Wednesday, April 3, 2024.

Right of Cancellation

The successful bidder(s) shall have the right, at its option, to cancel its obligation to purchase the Series 2024 Bonds if the City shall fail to execute the Series 2024 Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder(s) shall be entitled to the return of the Deposit.

Award

Award or rejection of bids will be made on Wednesday, April 3, 2024 by certain designated officers of the City. The Series 2024 Bonds will be awarded to the responsible bidder offering to pay the lowest effective interest cost to the City, computed from the date of the Series 2024 Bonds to maturity and taking into consideration the premium or discount, if any, in the purchase price of the Series 2024 Bonds. The effective interest rate to the City shall be the interest rate per annum determined on a per annum true interest cost ("TIC") based on the discounting of the scheduled semiannual debt service payments of the City on the Series 2024 Bonds (based on such rate or rates of interest so bid) to the dated date of the Series 2024 Bonds, compounded semiannually, and to the bid price, excluding accrued interest, if any to the date of delivery. Interest cost shall be computed on a 360-day year of 12, 30-day months.

Good Faith Deposit

A good faith deposit (the "Deposit") in the amount of \$389,800 is required only from the successful bidder(s). The Deposit shall be payable to the order of the City in the form of a wire transfer in federal funds as instructed by the Municipal Advisor no later than 12:00 noon (MDT) on Wednesday, April 3, 2024. As an alternative to wiring funds, a bidder may deliver a cashier's or certified check, payable to the order of the City. If a check is used, it must precede each bid. Such check shall be promptly returned to its respective bidder whose bid is not accepted.

The City shall, as security for the faithful performance by the successful bidder(s) of its obligation to take up and pay for the Series 2024 Bonds when tendered, cash the Deposit check, if applicable, of the successful bidder(s) and hold the proceeds of the Deposit of the successful bidder(s), or invest the same (at the City's risk) in obligations which mature at or before the delivery of the Series 2024 Bonds as described under the caption "Manner and Time of Delivery" below, until disposed of as follows: (a) at such delivery of the Series 2024 Bonds and upon compliance with the successful bidder's obligation to take up and pay for the Series 2024 Bonds, the full amount of the Deposit held by the City, without adjustment for interest, shall be applied toward the purchase price of the Series 2024 Bonds at that time and the full amount of any interest earnings thereon shall be retained by the City; and (b) if the successful bidder fails to take up and pay for the Series 2024 Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the City as liquidated damages.

Sale Reservations

The City reserves the right: (i) to waive any irregularity or informality in any bid or in the bidding process; (ii) to reject any and all bids for the Series 2024 Bonds; and (iii) to resell the Series 2024 Bonds as provided by law.

Manner and Time of Delivery

The successful bidder(s) will be given at least five business days advance notice of the proposed date of the delivery of the Series 2024 Bonds when that date has been determined. It is now estimated that the Series 2024 Bonds will be delivered in book-entry form on or about April 10, 2024. Delivery of the Series 2024 Bonds will be made in Salt Lake City, Utah. The successful bidder(s) must also agree to pay for the Series 2024 Bonds in federal funds which will be immediately available to the City on the day of delivery.

CUSIP Numbers

It is anticipated that CUSIP numbers will be printed on the Series 2024 Bonds, at the expense of the City, but neither the failure to print such numbers on any Series 2024 Bond nor any error with respect thereof shall constitute cause for a failure or refusal by the successful bidder(s) thereof to accept delivery of and pay for the Series 2024 Bonds in accordance with terms of this Official Notice of Bond Sale.

Tax-Exempt Status

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on the Series 2024 Bonds (including any original discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel notes that for tax years beginning after December 31, 2022, interest on the Series 2024 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the City complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024 Bonds.

Bond Counsel is also of the opinion that the interest on the Series 2024 Bonds is exempt from State of Utah individual income taxes.

The Series 2024 Bonds have *not* been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the Series 2024 Bonds.

Establishment of Issue Price

The successful bidder shall assist the City in establishing the issue price of the Series 2024 Bonds and shall execute and deliver to the City on the date of issuance of the Series 2024 Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2024 Bonds, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the City and Bond Counsel. All actions to be taken by the City under this Official Notice of Bond Sale to establish the issue price of the Series 2024 Bonds may be taken on behalf of the City by the Municipal Advisor identified herein and any notice or report to be provided to the City may be provided to the Municipal Advisor.

The City intends that the provisions of Treasury Regulation Section 1.148–1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2024 Bonds) will apply to the initial sale of the Series 2024 Bonds (the “competitive sale requirements”) because:

- (i) the City shall disseminate this Official Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (ii) all bidders shall have an equal opportunity to bid;
- (iii) the City may receive bids from at least three underwriters of municipal obligations who have established industry reputations for underwriting new issuances of municipal obligations; and
- (iv) the City anticipates awarding the sale of the Series 2024 Bonds to the bidder who submits a firm offer to purchase the Series 2024 Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Bond Sale.

Any bid submitted pursuant to this Official Notice of Bond Sale shall be considered a firm offer for the purchase of the Series 2024 Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City may determine to treat (i) the first price at which 10% of a maturity of the Series 2024 Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as

of the sale date of any maturity of the Series 2024 Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the Series 2024 Bonds satisfies the 10% test as of the date and time of the award of the Series 2024 Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Series 2024 Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Series 2024 Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Series 2024 Bonds. ***Bidders should prepare their bids on the assumption that some or all of the maturities of the Series 2024 Bonds will be subject to the hold-the-offering price rule in order to establish the issue price of the Series 2024 Bonds.***

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Series 2024 Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2024 Bonds, that the underwriters will neither offer nor sell unsold Series 2024 Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Series 2024 Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2024 Bonds to the public at a price that is no higher than the initial offering price to the public.

If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Series 2024 Bonds, the successful bidder agrees to promptly report to the City the prices at which the unsold Series 2024 Bonds of that maturity have been sold to the public. If as of the award of the Series 2024 Bonds the 10% Test has not been satisfied as to any maturity of the Series 2024 Bonds, the successful bidder agrees to promptly report to the City the prices at which it subsequently sells Series 2024 Bonds of that maturity to the public until the 10% Test is satisfied. If Series 2024 Bonds constituting the first 10% of a certain maturity are sold at different prices, the successful bidder shall report to the City the prices at which Series 2024 Bonds of such maturity are sold until either (i) all Series 2024 Bonds of that maturity have been sold or (ii) the successful bidder sells 10% of the Series 2024 Bonds of such maturity at a single price. The successful bidder’s reporting obligation shall continue as set forth above, whether or not the date of issuance of the Series 2024 Bonds has occurred provided that, the successful bidder’s reporting obligation after the date of issuance may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

The City acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2024 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2024 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement

regarding the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering price rule, if applicable to the Series 2024 Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2024 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable;

(a) to report the prices at which it sells to the public the unsold Series 2024 Bonds of each maturity allocated to it, whether or not the date of issuance has occurred, until either all Series 2024 Bonds of that maturity allocated to it have been sold or it is notified by the successful bidder that the 10% Test has been satisfied as to the Series 2024 Bonds of that maturity; provided that, the reporting obligation after the date of issuance may be at reasonable periodic intervals or otherwise upon request of the successful bidder,

(b) to promptly notify the successful bidder of any sales of Series 2024 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2024 Bonds to the public (each such term being used as defined below),

(c) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public; and

(d) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2024 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2024 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the public the unsold Series 2024 Bonds of each maturity allocated to it, whether or not the date of issuance has occurred, until either all Series 2024 Bonds of that maturity allocated to it have been sold or it is notified by the successful bidder or such underwriter that the 10% Test has been satisfied as to the Series 2024 Bonds of that maturity; provided that the reporting obligation after the date of issuance may be at reasonable periodic intervals or otherwise upon request of the successful bidder or such underwriter.

Sales of any Series 2024 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2024 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Notice of Bond Sale. Further, for purposes of this Official Notice of Bond Sale:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2024 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2024 Bonds to the public),

(iii) a purchaser of any of the Series 2024 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests

or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the Series 2024 Bonds are awarded by the City to the successful bidder.

Legal Opinion and Closing Documents

The approving opinion of Gilmore & Bell, P.C., covering the legality of the Series 2024 Bonds will be furnished to the successful bidder(s) without charge. There will also be furnished the usual closing certificates dated as of the date of delivery of and payment for the Series 2024 Bonds, including a certificate from the attorney for the City that there is no litigation pending or, to the knowledge of the signer thereof, threatened, affecting the validity of the Series 2024 Bonds.

Disclosure Certificate

The City will deliver to the successful bidder(s) a certificate of officer(s) of the City, dated the date of the delivery of the Series 2024 Bonds, stating that as of the date thereof, to the best of the knowledge and belief of said officer(s): (a) the descriptions and statements contained in the Preliminary Official Statement circulated with respect to the Series 2024 Bonds were at the time of the acceptance of the bid true and correct in all material respects and did not at the time of the acceptance of the bid contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (b) the descriptions and statements contained in the Final Official Statement are at the time of delivery of the Series 2024 Bonds true and correct in all material respects and do not at the time of the delivery of the Series 2024 Bonds contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, should the Final Official Statement be supplemented or amended subsequent to the date thereof, the foregoing confirmation as to the Final Official Statement shall relate to the Final Official Statement as so supplemented or amended.

Official Statement

Copies of the City’s Preliminary Official Statement may be obtained as specified below prior to the time bids are taken. The Preliminary Official Statement is in a form “deemed final” by the City for purposes of paragraph (b)(1) of Rule 15c2–12 of the Securities and Exchange Commission, but is subject to revision, amendment and completion in a final Official Statement.

The City shall deliver to the successful bidder(s) no later than the seventh business day after the award of the Series 2024 Bonds as described under the caption “Award” above, a final Official Statement in electronic format, to comply with paragraph (b)(4) of Rule 15c2–12 of the Securities and Exchange Commission and the rules of the Municipal Securities Rulemaking Board.

Continuing Disclosure Undertaking

Pursuant to Securities and Exchange Commission Rule 15c2–12, the City will undertake in a Continuing Disclosure Undertaking to provide certain ongoing disclosure, including annual operating data and financial information (including audited financial statements) and notices of the occurrence of certain material events. A description of the undertaking is set forth in the Preliminary Official Statement.

Compliance with Public Contract Boycott Restrictions

To the extent the winning bid for the Series 2024 Bonds constitutes a contract to acquire or dispose of a good or service for which written certification is required under Section 63G-27-201 of the Utah Code, the bid submitted by the winning bidder shall be deemed to be the written certification by the winning bidder and any syndicate member,

including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the winning bidder or any syndicate member (collectively, the “Successful Bidder”), that:

- (a) the Successful Bidder is not currently engaged in (i) a boycott of the State of Israel; or (ii) an economic boycott;
- (b) the Successful Bidder agrees not to engage in a boycott of the State of Israel for the duration of such contract; and
- (c) the Successful Bidder agrees to notify the City in writing if the Successful Bidder begins engaging in an economic boycott (which notice may be grounds for termination of the contract).

For purposes of this Official Notice of Bond Sale:

- (a) “Boycott action” means refusing to deal, terminating business activities, or limiting commercial relations.
- (b) “Boycott of the State of Israel” means engaging in a boycott action targeting (i) the State of Israel; and (ii)(A) companies or individuals doing business in or with the State of Israel; or (B) companies authorized by, licensed by, or organized under the laws of the State of Israel to do business.
- (c) “Boycotted company” means a company that (i) engages in the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, mining, or agriculture; (i) engages in, facilitates, or supports the manufacture, distribution, sale, or use of firearms; (iii) does not meet or commit to meet environmental standards, including standards for eliminating, reducing, offsetting, or disclosing greenhouse gas-emissions, beyond applicable state and federal law requirements; or (iv) does not facilitate or commit to facilitate access to abortion or sex characteristic surgical procedures.
- (d) “Economic boycott” means, without an ordinary business purpose (i) engaging in a boycott action targeting (A) a boycotted company; or (B) another company because the company does business with a boycotted company; or (ii) taking an action intended to penalize, inflict economic harm to, or change or limit the activities of (A) a boycotted company; or (B) another company because the company does business with a boycotted company.

Certain other terms used herein and not otherwise defined have the meanings assigned such terms in Section 63G-27-102 of the Utah Code. At the request of the City, the Successful Bidder agrees to execute such further written certification as may be deemed necessary or convenient for the City to establish compliance with Title 63G, Chapter 27 of the Utah Code.

Additional Information

For copies of this Official Notice of Bond Sale, the Preliminary Official Statement and information regarding the electronic bidding procedures and other related information, contact Jason Burningham (jason@lrbfinance.com) or Marc Edminster (marc@lrbfinance.com), LRB Public Finance Advisors, Inc., 41 N. Rio Grande, Suite 101, Salt Lake City, Utah 84101; (801) 596-0700; the Municipal Advisor to the City.

DATED this March 25, 2024.

Sandy City, Utah

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF PURCHASER] (herein, the “Original Purchaser”), as the Original Purchaser of the \$ _____ General Obligation Bonds, Series 2024 (the “Series 2024 Bonds”), being issued on the date of this certificate by Sandy City, Utah (the “City”), certifies and represents as follows:

1. Public Offering. The Original Purchaser offered all of the Series 2024 Bonds to the Public (as defined below) in a bona fide initial offering.

2. Reasonably Expected Initial Offering Price. As of the sale date of the Series 2024 Bonds (April 3, 2024) (the “Sale Date”), the reasonably expected initial offering prices of the Series 2024 Bonds to the Public by the Original Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Series 2024 Bonds used by the Original Purchaser in formulating its bid to purchase the Series 2024 Bonds.

[2. *[To be used if there are not at least 3 bids received]* [As of the date of this certificate, the first price at which at least 10% of [the indicated maturities] of the Series 2024 Bonds was sold to the Public are the prices listed in Schedule A.] or

[As of the date of this certificate, the Original Purchaser has not sold at least 10% of [each maturity] [certain maturities] of the Series 2024 Bonds at any price (the “Undersold Maturities”). For each Undersold Maturity listed on Schedule A the Original Purchaser will provide the price or prices at which the first 10% of each such Undersold Maturity was sold to the Public promptly following the date that the first 10% of each such Undersold Maturity is sold to the Public.]]

3. Defined Terms.

(a) *Maturity* means Series 2024 Bonds with the same credit and payment terms. Series 2024 Bonds with different maturity dates, or Series 2024 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” as defined in U.S. Treasury Regulation Section 1.1501(b) which generally provides that the term related party means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2024 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2024 Bonds to the Public).

On the Sale Date the Original Purchaser purchased the Series 2024 Bonds from the City by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Bond Sale” and having its bid accepted by the City. The City has not modified the terms of the purchase since the Sale Date.

The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the tax certificate and with respect to compliance with the federal income tax rules affecting the Series 2024 Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes, the preparation of the

Internal Revenue Service Form 8038—G, and other federal income tax advice that it may give to the City from time to time relating to the Series 2024 Bonds.

IN WITNESS WHEREOF, the undersigned has hereunto fixed his or her official signature this April 10, 2024.

[PURCHASER], as Original Purchaser

By: _____

Title: _____

To Be Attached:

SCHEDULE A—EXPECTED OFFERING PRICES

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 25, 2024

NEW ISSUE—Issued in Book-Entry Only Form

Bond Rating: S&P “AAA”
(See “BOND RATING” herein)

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel notes that interest on the Series 2024 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Bonds is exempt from State of Utah individual income taxes. See “TAX MATTERS” in this Official Statement.

\$19,490,000*
SANDY CITY, UTAH
GENERAL OBLIGATION BONDS,
SERIES 2024

Dated: Date of Delivery

Due: April 1, as shown below

The \$19,490,000* General Obligation Bonds, Series 2024 (the “Bonds”) are issuable by Sandy City, Utah (the “City”) as fully registered bonds and, when initially issued, will be in book-entry form only, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on such Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See “APPENDIX E—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM” herein.

Principal of and interest on the Bonds (interest payable April 1 and October 1 of each year, commencing October 1, 2024) are payable by U.S. Bank Trust Company, National Association, as Paying Agent, to the registered owners thereof, initially DTC. The Bonds will be issued as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. See “THE BONDS” herein.

The Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity. See “THE BONDS—Redemption Provisions” herein.

The Bonds are being issued for the purpose of (a) paying all or a portion of the costs of constructing and equipping a fire station and related improvements (collectively, the “Series 2024 Project”) and (b) paying expenses incurred in connection with the issuance of the Bonds.

THE BONDS WILL BE GENERAL OBLIGATIONS OF THE CITY PAYABLE FROM THE PROCEEDS OF AD VALOREM TAXES TO BE LEVIED WITHOUT LIMITATION AS TO RATE OR AMOUNT ON ALL OF THE TAXABLE PROPERTY IN THE CITY, FULLY SUFFICIENT TO PAY THE BONDS AS TO BOTH PRINCIPAL AND INTEREST.

The Bonds will be awarded pursuant to competitive bidding received by means of the PARITY® electronic bid submission system on Wednesday, April 3, 2024, as set forth in the Official Notice of Bond Sale, dated March 25, 2024.

LRB Public Finance Advisors, Inc. is acting as Municipal Advisor to the City.

The Bonds are offered when, as and if issued and received by the Purchaser, subject to the approval of their legality by Gilmore & Bell, P.C., Bond Counsel to the City, and to certain other conditions. Certain matters relating to disclosure will be passed upon for the City by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed on for the City by Lynn Pace, Esq., City Attorney. It is expected that the Bonds will be available for delivery to DTC or its agent on or about April 10, 2024.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. This Official Statement is dated _____, 2024, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

MATURITIES, AMOUNTS, INTEREST RATES, AND YIELDS

SANDY CITY, UTAH

\$19,490,000*

GENERAL OBLIGATION BONDS, SERIES 2024

<u>Due</u> <u>(April 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> [†]
2025	\$625,000			
2026	635,000			
2027	670,000			
2028	700,000			
2029	735,000			
2030	775,000			
2031	810,000			
2032	855,000			
2033	895,000			
2034	940,000			
2035	985,000			
2036	1,025,000			
2037	1,070,000			
2038	1,110,000			
2039	1,155,000			
2040	1,200,000			
2041	1,250,000			
2042	1,300,000			
2043	1,350,000			
2044	1,405,000			

[\$ _____ % Term Bond Due April 1, 20____; Price _____%; CUSIP _____†]

* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the parties to this bond transaction and are included solely for the convenience of the holders of the Bonds. None of the City, the Paying Agent or the Purchaser is responsible for the selection or use of such CUSIP numbers, and no representation is made as to its correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

The information set forth herein has been obtained from the City, DTC, and other sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the City, or in any other information contained herein since the date hereof.

No dealer, broker, salesman or any other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such offer, solicitation or sale.

All inquiries relating to this Official Statement and the offering contemplated herein should be directed to the Municipal Advisor. Prospective investors may obtain additional information from the Municipal Advisor or the City which they may reasonably require in connection with the decision to purchase any of the Bonds from the Municipal Advisor.

The yields at which the Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this Official Statement. In addition, the Purchaser may allow concessions of discounts from the initial offering prices of the Bonds to dealers and others. In connection with this offering, the Purchaser may engage in transactions that stabilize, maintain or otherwise affect the market prices of the Bonds. Such transactions, if commenced, may be discontinued at any time.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. Forward-looking statements are included in the Official Statement under the captions “THE SERIES 2024 PROJECT,” “ESTIMATED SOURCES AND USES OF FUNDS,” and “DEBT STRUCTURE OF THE CITY—Outstanding Obligations of the City” and “—Future Bond Issues.” The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

The City maintains a website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

THE BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

\$19,490,000*
SANDY CITY, UTAH
GENERAL OBLIGATION BONDS,
SERIES 2024

10000 Centennial Parkway
Sandy, Utah 84070-1799
(801) 568-7100

CITY COUNCIL

Ryan Mecham.....	Council Chair
Cyndi Sharkey	Council Vice Chair
Brooke D’Sousa.....	Council Member
Aaron Dekeyzer.....	Council Member
Marci Houseman.....	Council Member
Zach Robinson.....	Council Member
Alison Stroud.....	Council Member

CITY ADMINISTRATION

Monica Zoltanski.....	Mayor
Kimberly Bell	Deputy Mayor
Shane Pace.....	Chief Administrative Officer
Lynn Pace	City Attorney
Brian Kelley.....	Administrative Services Director
Glade G. Jardine	Deputy Finance Director
Wendy Downs	City Recorder
Helen R. Kurtz.....	City Treasurer

PAYING AGENT & BOND REGISTRAR

U.S. Bank Trust Company, National Association
170 South Main Street, Suite 200
Salt Lake City, Utah 84101
(801) 534-6083

MUNICIPAL ADVISOR

LRB Public Finance Advisors, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
(801) 596-0700

BOND & DISCLOSURE COUNSEL

Gilmore & Bell, P.C.
15 West South Temple, Suite 1450
Salt Lake City, Utah 84101
(801) 364-5080

* Preliminary; subject to change.

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OFFICIAL STATEMENT
RELATED TO
\$19,490,000*
SANDY CITY, UTAH
GENERAL OBLIGATION BONDS, SERIES 2024

INTRODUCTION

This Official Statement, including the cover page, introduction and appendices, provides information in connection with the issuance and sale by Sandy City, Utah (the “City”) of its \$19,490,000* General Obligation Bonds, Series 2024 (the “Bonds”). This introduction is only a brief description of the Bonds, as hereinafter defined, the security and source of payment for the Bonds and certain information regarding the City. The information contained herein is expressly qualified by reference to the entire Official Statement. Investors are urged to make a full review of the entire Official Statement.

See the following appendices that are attached hereto and incorporated herein by reference: APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SANDY CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023; APPENDIX B—DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING SALT LAKE COUNTY, UTAH; APPENDIX C—FORM OF OPINION OF BOND COUNSEL; APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING; and APPENDIX E—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.

The City

The City, incorporated in 1893, covers an area of approximately 22 square miles and is located in the southeast portion of Salt Lake County, Utah (the “County”). The City had a U.S. Census Bureau estimated 2022 population of 93,022, ranking it as the 7th largest city by population in the State of Utah (the “State”). For additional information, see “THE CITY” and APPENDICES A and B herein.

Authority and Purpose

The Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”); (ii) a resolution of the City adopted on February 13, 2024 (the “Resolution”), which provides for the issuance of the Bonds; (iii) the hereinafter described Bond Election; and (iv) other applicable provisions of law.

The Bonds were authorized at a bond election (the “Bond Election”) held for that purpose on November 21, 2023. The proposition submitted to the voters was as follows:

Shall the City Council of Sandy City, Utah, be authorized to issue General Obligation Bonds in an amount not to exceed Twenty-One Million (\$21,100,000) (the “Bonds”) for the purpose of financing all or a portion of the costs of constructing and equipping a fire station and all related improvements; said Bonds to be due and payable in not to exceed twenty (20) years from the date of issuance of the Bonds?

At the Bond Election, there were 10,323 votes cast in favor of the issuance of bonds and 5,205 votes cast against the issuance of bonds, for a total vote count on the proposition of 15,528, with approximately 66% being in favor of the issuance of bonds.

* Preliminary; subject to change.

The Bonds are being issued for the purpose of (a) paying all or a portion of the costs of (i) constructing and equipping a fire station and all related improvements (the “Series 2024 Project”) and (b) paying authorization and issuance expenses incurred in connection with the Bonds. See “THE SERIES 2024 PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS.”

Security

The Bonds will be general obligations of the City payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all of the taxable property in the City, fully sufficient to pay the Bonds as to both principal and interest. See “THE BONDS—Security and Sources of Payment,” “FINANCIAL INFORMATION REGARDING THE CITY” and “AD VALOREM TAX SYSTEM” below.

Redemption Provisions

The Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity. See “THE BONDS—Redemption Provisions” herein.

Registration, Denominations, Manner of Payment

The Bonds are issuable only as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. Purchases of Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds.

Principal of and interest on the Bonds (interest payable April 1 and October 1 of each year, commencing October 1, 2024) are payable by U.S. Bank Trust Company, National Association, Salt Lake City, Utah, as Paying Agent, to the registered owners of the Bonds. So long as DTC is the registered owner, it will, in turn, remit such principal and interest to its participants, for subsequent disbursements to the beneficial owners of the Bonds, as described under “APPENDIX E—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM” below.

Tax-Exempt Status

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel notes that interest on the Series 2024 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Bonds is exempt from income taxation by the State of Utah. See “TAX MATTERS” in this Official Statement.

Public Sale/Electronic Bid

The Bonds will be awarded pursuant to competitive bidding received by means of the PARITY® electronic bid submission system on Wednesday, April 3, 2024, as set forth in the Official Notice of Bond Sale, dated March 25, 2024.

Conditions of Delivery, Anticipated Date, Manner, and Place of Delivery

The Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s) (the “Purchaser”), subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the City, and certain other conditions. Certain matters relating to disclosure will be passed upon for the City by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed on for the City by Lynn Pace, Esq., City Attorney.

LRB Public Finance Advisors, Inc., Salt Lake City, Utah, is acting as municipal advisor to the City in connection with the issuance of the Bonds. It is expected that the Bonds, in book-entry form only, will be available to DTC or its agent on or about April 10, 2024.

Basic Documentation

The “basic documentation,” which includes the Resolution, the closing documents, and other documentation authorizing the issuance of the Bonds and establishing the rights and responsibilities of the City and other parties to the transaction, may be obtained from the “contact persons” as indicated below.

Contact Persons

As of the date of this Official Statement, the chief contact person for the City concerning the Bonds is:

Brian Kelley
Administrative Services Director
Sandy City
10000 Centennial Parkway
Sandy, Utah 84070-1799
Telephone: (801) 568-7100
E-mail: bkelley@sandy.utah.gov

Additional requests for information may be directed to the Municipal Advisor:

Jason W. Burningham
Principal
LRB Public Finance Advisors, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
Telephone: (801) 596-0700
E-mail: jason@lrbfinance.com

THE BONDS

General

The Bonds will be dated the date of their initial delivery and will mature on April 1 of the years and in the amounts as set forth on the inside cover page of this Official Statement.

The Bonds shall bear interest from the date of their initial delivery at the rates set forth on the inside cover page of this Official Statement. Interest on the Bonds is payable semi-annually on each April 1 and October 1, commencing October 1, 2024. Interest on the Bonds shall be computed on the basis of a 360-day year comprised of twelve 30-day months. U.S. Bank Trust Company, National Association is the Bond Registrar and Paying Agent for the Bonds under the Resolution (in such respective capacities, the “Bond Registrar” and “Paying Agent”).

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

The Bonds are being issued within the constitutional debt limit imposed on municipalities in the State of Utah (“State”). See “DEBT STRUCTURE OF THE CITY—General Obligation Legal Debt Limit and Additional Debt Incurring Capacity” below.

Security and Sources of Payment

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

See “FINANCIAL INFORMATION REGARDING THE CITY” and “AD VALOREM TAX SYSTEM” below.

Redemption Provisions

Optional Redemption. The Bonds maturing on or prior to [April 1, 20___], are not subject to call and redemption prior to maturity. The Bonds maturing on or after [April 1, 20___], are subject to redemption at the option of the City on [April 1, 20___], or on any date thereafter, in whole or in part, from such maturities or parts thereof as shall be selected by the City at the redemption price of 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date.

[Mandatory Sinking Fund Redemption.] The Bonds maturing on April 1, 20___ are subject to mandatory sinking fund redemption at a price of 100% of the principal amount thereof plus accrued interest to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund
Redemption Date
(April 1)

Sinking
Fund Requirements

† Stated Maturity.

If fewer than all of the Bonds maturing April 1, 20___ then Outstanding are redeemed in a manner other than pursuant to a mandatory sinking fund redemption, the principal amount so redeemed shall be credited at 100% of the principal amount thereof by the Bond Registrar against the obligation of the City on the next mandatory sinking fund redemption date for the Bonds maturing on April 1, 20___ and any excess shall be credited against future mandatory sinking fund redemption obligations at the discretion of the City.]

Selection for Redemption. If fewer than all of the Bonds of any maturity are to be redeemed, the particular Bonds or portion of Bonds of such maturity to be redeemed shall be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate, each \$5,000 of principal amount of the Bonds being counted as one Bond for this purpose.

Notice and Effect of Redemption. Notice of redemption shall be given by the Bond Registrar by first class mail, postage pre-paid, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner thereof (the “Bondowner”), as of the Record Date (described below) of each Bond that is subject to redemption, at the address of such Bondowner as it appears in the registration books of the City kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such Bondowner on or prior to the Record Date. Each notice of redemption shall state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the Bonds are to be redeemed, the distinctive numbers of the Bonds or portion of Bonds to be redeemed and that the interest on the Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of such Bonds the principal thereof and interest accrued thereon to the redemption date.

“Record Date” means (i) with respect to each Interest Payment Date, the fifteenth day immediately preceding such Interest Payment Date, or if such day is not a regular Business Day of the Bond Registrar, the next preceding day which is a regular Business Day of the Bond Registrar, and (ii) with respect to any redemption of any Bond, such

Record Date as shall be specified by the Bond Registrar in the notice of redemption, provided that such Record Date shall not be less than 15 calendar days before the mailing of such notice of redemption.

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

Book-Entry Only System

The Bonds originally will be issued solely in book-entry form to The Depository Trust Company (“DTC”), New York, New York, or its nominee, Cede & Co., to be held in DTC’s book-entry system. So long as such Bonds are held in the book-entry only system, DTC or its nominee will be the registered owner or Holder of such Bonds for all purposes of the Bonds and this Official Statement. Purchases of beneficial ownership interests in the Bonds may be made in denominations described above. For a description of the book-entry only system for the Bonds, see “APPENDIX E—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM” herein.

Registration and Transfer

In the event the book-entry only system is discontinued, any Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any Bond is surrendered for transfer, the Bond Registrar will certify as to registration and authenticate (if applicable) and deliver a new Bond or Bonds of the same series, designation, maturity and interest rate of other authorized denominations duly executed by the City, for the same aggregate principal amount. Bonds may be exchanged at the principal corporate office of the Bond Registrar for the same aggregate principal amount of Bonds of the same series, designation, maturity, and interest rate of other authorized denominations.

For every such exchange or transfer of the Bonds, the Bond Registrar must assess a charge sufficient to reimburse it for any tax or other charge assessed by the government required to be paid with respect to such exchange or transfer of the Bonds.

The Bond Registrar shall not be required to transfer or exchange any Bond after the Record Date with respect to any interest payment date, to and including such interest payment date or after the Record Date with respect to any redemption of such Bond.

The City, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered (initially DTC) in the registration books kept by the Bond Registrar as the holder and absolute owner of such Bonds for the purpose of payment of principal, premium and interest with respect to such Bond and for all other purposes whatsoever.

THE SERIES 2024 PROJECT

Proceeds from the Bonds will be used to pay all or a portion of the costs of constructing and equipping a fire station and all related improvements. The new fire station will replace an existing but deteriorating station, which is one of the City's busiest fire stations and also serves as the City's fire department headquarters. The fire station will accommodate additional emergency response resources such as a second fire truck and additional personnel to accommodate anticipated growth in the City. It will also be designed to house longer, taller, and more agile ladder trucks than the existing station can currently house.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the Bonds are estimated to be as follows:

Sources of Funds

Par Amount of Bonds.....	\$_____
[Net] Reoffering [Premium/Discount]	_____
Total.....	_____

Uses of Funds

Deposit to Construction Fund.....	\$_____
Purchaser's discount.....	_____
Costs of Issuance ⁽¹⁾	_____
Total.....	_____

⁽¹⁾ Includes legal fees, rating agency fees, registrar, paying agent fees, municipal advisor fees, and other miscellaneous costs of issuance.

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DEBT SERVICE SCHEDULE FOR THE BONDS

<u>Fiscal Year</u>	<u>Principal*</u>	<u>Interest</u>	<u>Fiscal Total</u>
2025	\$625,000		
2026	635,000		
2027	670,000		
2028	700,000		
2029	735,000		
2030	775,000		
2031	810,000		
2032	855,000		
2033	895,000		
2034	940,000		
2035	985,000		
2036	1,025,000		
2037	1,070,000		
2038	1,110,000		
2039	1,155,000		
2040	1,200,000		
2041	1,250,000		
2042	1,300,000		
2043	1,350,000		
2044	<u>1,405,000</u>		
	<u>\$19,490,000*</u>		

* Preliminary; subject to change.
(Source: The Municipal Advisor.)

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THE CITY

General

The City, incorporated in 1893, covers an area of approximately 22 square miles and is located in the southeast portion of the County. According to the U.S. Census Bureau, the City had an estimated 93,022 residents in 2022 and is ranked as the 7th largest city in the State.

The City is a suburb of metropolitan Salt Lake City within the County and is the fifth city in a line of eight cities located directly south of Salt Lake City along Interstate Highway I-15. These cities constitute a portion of a continuous area of development from the north end of the County through the City. The City is approximately 15 miles from metropolitan Salt Lake City.

Form of Government

The City is organized under general law and governed by a Council-Mayor form of government, with seven Council members serving four-year terms (three of whom are elected at large and four of whom are elected from districts). The Mayor, who is elected at large by voters for a four-year term, is charged with the executive and administrative duties of the government. The City Council is charged with the responsibility of performing the legislative functions of the City.

The principal powers and duties of Utah municipalities are to maintain law and order, abate nuisances, guard public health and sanitation, promote recreation, provide fire protection, and to construct and maintain streets sidewalks, waterworks and sewers. Municipalities also regulate commercial and residential development within their boundaries by means of zoning ordinances, building codes and licensing procedures.

<u>Office</u>	<u>Person</u>	<u>Years of Service in</u>	
		<u>Current Position</u>	<u>Expiration of Term</u>
Mayor	Monica Zoltanski	2	January 2026
Chair	Ryan Mecham	2	January 2026
Vice Chair	Cyndi Sharkey	4	January 2028
Council Member	Brooke D'Sousa	1	January 2026
Council Member	Aaron Dekeyzer	(1)	January 2028
Council Member	Marci Housman	4	January 2028
Council Member	Zach Robinson	6	January 2026
Council Member	Alison Stroud	4	January 2028
Deputy Mayor	Kimberly Bell	2	Appointed
Administrative Services Director	Brian Kelley	9	Appointed
Chief Administrative Officer	Shane Pace	1	Appointed
City Attorney	Lynn Pace	3	Appointed
Deputy Finance Director	Glade Jardine	9	Appointed
City Recorder	Wendy Downs	5	Appointed
City Treasurer	Helen R. Kurtz	9	Appointed

(1) Mr. Dekeyzer is serving his first year on the City Council.

Employee Workforce and Retirement System

The City currently employs approximately 530 full-time employees and 1,100 part-time employees (including seasonal employees) for a total employment of approximately 1,630 employees. The City is a member of the Utah State Retirement Systems (the "Systems"). The City reports that it has no material post-employment benefit obligations. See "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SANDY CITY FOR

THE FISCAL YEAR ENDED JUNE 30, 2023—Notes to the Financial Statements, Note 12—Pension Plans” and “—Note 14—Post-employment benefits” herein.

The City records a liability and expense equal to its proportionate share of the collective net pension liability and expense of the Systems due to the implementation of the Government Accounting Standards Board’s Statement 68, Accounting and Financial Reporting for Pensions (“GASB 68”). More information regarding this standard can be found in Note 12—Pension Plans” contained in the City’s audited financial statements. See “APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SANDY CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023.”

Risk Management

The City manages its risks through the purchase of individual private insurance policies. Its general liability policy has a \$1,000,000 self-insured retention with a \$10,000,000 annual aggregate limit. The City commercially insures real property and fleet equipment with value in excess of \$50,000 and self-insures all other fleet equipment. For the three years prior to June 30, 2023, claim settlements have not exceeded insurance coverage. As of the date of this Official Statement, all policies are current and in force. The City believes its risk management policies and coverages are normal and within acceptable coverage limits for the type of services the City provides. See “APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SANDY CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023—Notes to the Financial Statements, Note 19—Risk Management” herein.

Investment of Funds

Investment of Operating Funds; The Utah Money Management Act. The Utah Money Management Act, Title 51, Chapter 7, Utah Code Annotated 1953, as amended (the “Money Management Act”), governs the investment of all public funds held by public treasurers in the State of Utah (the “State”). It establishes criteria for investment of public funds with an emphasis on safety, liquidity, yield, matching strategy to fund objectives, and matching the term of investments to the availability of funds. The Money Management Act provides a limited list of approved investments including qualified in-state and permitted out-of-state financial institutions, approved government agency securities and investments in corporate securities carrying “top credit ratings.” The Money Management Act also provides for pre-qualification of broker dealers by requiring that broker dealers agree in writing to comply with the Money Management Act and certify that they have read and understand the Money Management Act. The Money Management Act establishes the Money Management Council (the “Money Management Council”) to exercise oversight of public deposits and investments. The law requires all securities to be delivered versus payment to the public treasurer’s safekeeping bank. It requires diversification of investments, especially in securities of corporate issuers. Not more than 5% of the portfolio may be invested with any one issuer. Investments in mortgage pools and mortgage derivatives or any security making unscheduled periodic principal payments are prohibited. The Money Management Act also defines the State’s prudent investor rules. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The City is currently complying with all of the provisions of the Money Management Act for all City operating funds. The City has no investments in derivative or leveraged securities. A significant portion of City funds are invested in the Utah Public Treasurers’ Investment Fund (the “Utah Treasurers’ Fund”), as discussed herein.

The Utah Public Treasurers’ Investment Fund. The Utah Treasurers’ Fund is a public treasurers’ investment fund, established in 1981, and is managed by the Treasurer of the State of Utah. The Utah Treasurers’ Fund invests to ensure safety of principal, liquidity and a competitive rate of return on short-term investments. All moneys transferred to the Utah Treasurers’ Fund are promptly invested in securities authorized by the Money Management Act. Safe-keeping and audit controls for all investments owned by the Utah Treasurers’ Fund must comply with the Money Management Act.

All investments in the Utah Treasurers’ Fund must comply with the Money Management Act and rules of the Money Management Council. The Utah Treasurers’ Fund invests primarily in money market securities including time certificates of deposit, top rated commercial paper, treasuries and certain agencies of the U.S. Government. The maximum weighted average adjusted life of the portfolio, by policy, is not to exceed 90 days. The maximum final

maturity of any security purchased by the Utah Treasurers' Fund is limited to three years, except for a maximum maturity of five years is allowed for treasury or agency securities whose rate adjusts at least annually.

By law, investment transactions are conducted only through certified dealers, qualified depositories or directly with issuers of the securities. All securities purchased are delivered via payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the Utah Treasurers' Fund are completely segregated from securities owned by the State. The State has no claim on assets owned by the Utah Treasurers' Fund except for any investment of State moneys in the Utah Treasurers' Fund. Deposits are not insured or otherwise guaranteed by the State.

Securities in the Utah Treasurers' Fund include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the U.S. Government. These short-term securities must be rated "first tier" ("A-1," "P1," for short-term investments and "A" or better for long-term investments) by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Service, Inc. or S&P Global Ratings. These securities represent limited risks to governmental institutions investing with the Utah Treasurers' Fund. Variable rate securities in the Utah Treasurers' Fund must have an index or rate formula that has a correlation of at least 94% of the effective Federal Funds rate.

Investment activity of the State Treasurer in the management of the Utah Treasurers' Fund is reviewed monthly by the Money Management Council and is audited by the State Auditor.

See "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SANDY CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023—Notes to the Financial Statements, Note 4—Cash, Cash Equivalents, and Investments" and "—Note 5—Investment Rating and Risk."

Moneys from the sale of obligations issued by the City or pledged to the payment therefor are also on deposit in funds and accounts of the City. Investment policies regarding such moneys are governed by the specific instruments pursuant to which such obligations were issued.

Additional Information

For additional information with respect to the City and its finances see "FINANCIAL INFORMATION REGARDING THE CITY," and "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SANDY CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023."

DEBT STRUCTURE OF THE CITY

Outstanding Obligations of the City

The following is a list of the City's outstanding obligations as of March 15, 2024:

Outstanding General Obligation Bonds

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Principal Amount Outstanding</u>
2024 ⁽¹⁾	Fire Station	\$19,490,000*	April 1, 2044*	<u>\$19,490,000*</u>

⁽¹⁾ For purposes of this Official Statement the Bonds are considered issued and outstanding.

* Preliminary; subject to change.

Outstanding Sales Tax Revenue Bonds

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Principal Amount Outstanding</u>
2023	Road reconstruction	\$8,645,000	April 15, 2036	\$8,645,000
2019	Refunding	4,725,000	September 15, 2029	2,425,000
2015	Hale Centre Theatre	41,545,000	March 1, 2042	34,325,000
2013C	Mount Jordan Theater/Refunding	10,816,000	June 15, 2029	<u>3,620,000</u>
Total				<u>\$49,015,000</u>

Outstanding Water Revenue Bonds

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Principal Amount Outstanding</u>
2020	Refunding	\$7,035,000	July 15, 2032	\$5,650,000
2012	Refunding	4,330,000	November 15, 2024	<u>535,000</u>
Total				<u>\$6,185,000</u>

Outstanding Redevelopment Agency Bonds

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Principal Amount Outstanding</u>
2021 ⁽¹⁾	Refunding	\$15,605,000	July 15, 2027	<u>\$11,130,000</u>

- (1) These bonds have a parity lien on the City's sales and use taxes, but are primarily secured a pledge of the City's transient room tax revenues pursuant to an Interlocal Cooperation Agreement dated as of May 8, 2007, by and between the City, the City redevelopment agency (the "RDA"), and the Governor's Office of Economic Development, acting on behalf of the State of Utah. The Interlocal Agreement between the City and the RDA provides that the City will transfer to the RDA from its sales and use taxes an amount sufficient to pay debt service on these bonds to the extent pledged transient room taxes are insufficient therefor.

Future Bond Issues

The City does not have any current plans to issue additional general obligation bonds, but may choose to do so in the future subject to voter approval. Additionally, the City may incur other obligations secured by other sources of revenues from time to time in order to meet its capital needs.

No Defaulted Bonds

The City has never failed to pay principal and interest when due on any of its bonds, notes or other financial obligations.

Other Financial Considerations

The City has entered into various other agreements to finance its capital needs including a 2021 loan from the Utah Department of Transportation's State Infrastructure Bank Loan Fund (the "SIB"), which as of June 30, 2023 was outstanding in the aggregate principal amount of \$14,113,019 and a 2023 loan from the SIB which as of June 30, 2023 was outstanding in the aggregate principal amount of \$5,300,000. The City also has a 2005 contract for water rights which as of June 30, 2023 was outstanding in the aggregate principal amount of \$6,987,960. The City has also

entered into agreements to lease land and equipment under various lease agreements. Total lease payments for fiscal year 2023 were composed of principal payment of \$22,516 and interest payment of \$17,863 for a total of \$40,379.

For additional details, see “APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SANDY CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023—Notes to the Financial Statements, Note 11—Long-term Liabilities—Other Loans Payable, “—Contracts Payable,” and “—Leases” herein.

Overlapping General Obligation Debt

<u>Entity</u>	<u>G.O. Debt Outstanding</u>	<u>Percentage Applicable to the City⁽¹⁾</u>	<u>The City’s Portion of Overlapping G.O. Debt</u>
Canyons School District	\$394,870,000	38.89%	\$153,564,943
Salt Lake County	101,235,000	7.99	8,088,677
Sandy Suburban Improvement District	1,992,000	100.00	1,992,000
Central Utah Water Conservancy District ⁽²⁾	116,365,000	5.02	<u>5,841,523</u>
Total Overlapping GO Debt			\$169,487,143
Total Direct GO Bond Indebtedness*			<u>19,490,000*</u>
Total Direct and Overlapping GO Debt			<u>\$188,977,143*</u>

(1) Based on final, 2022 *calendar* year taxable values. Taxable value used in this table excludes all tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. See “AD VALOREM TAX SYSTEM—Taxable Value and Estimated Fair Market Value of Property in the City” herein.

(2) Central Utah Water Conservancy District (“CUWCD”) outstanding general obligation bonds are limited ad valorem tax bonds. By law, CUWCD may levy a tax rate up to .000400 to pay for operation and maintenance expenses and any outstanding limited ad valorem bonds.

* For purposes of this Official Statement, the Bonds are considered issued and outstanding; preliminary; subject to change.

(Source: Utah State Tax Commission as to taxable values. Amount of overlapping general obligation debt as reported in recent official statements and/or financial statements of overlapping entities.)

General obligation debt of the State is not shown in the previous table because no property taxes are currently levied for the payment of such debt. Such debt is currently paid from revenue sources other than property taxes.

General Obligation Legal Debt Limit and Additional Debt Incurring Capacity

The amount of general obligation indebtedness of the City is limited by State law to 8% of the fair market value of taxable property in the City (4% for general purposes and an additional 4% for sewer, water and electric purposes) as computed from the last equalized assessment rolls for State or County purposes prior to incurring the general obligation debt. The calculation below of the legal general obligation debt limit and additional general

obligation debt incurring capacity of the City is based on the most recently available annual estimated fair market value of taxable property in the City and estimated uniform fees.

2022 Fair Market Value⁽¹⁾ for Debt Incurring Capacity..... \$22,588,790,433

	4% Sewer, Water and <u>Electric</u>	4% Other <u>Purposes</u>	<u>8% Total</u>
“Fair Market Value” x .04	\$903,551,617	—	—
“Fair Market Value” x .04	—	\$903,551,617	—
“Fair Market Value” x .08	—	—	<u>\$1,807,103,235</u>
Less: Current Outstanding General Obligation Debt*	—	<u>(19,490,000)*</u>	<u>(19,490,000)*</u>
Additional Debt Incurring Capacity	<u>\$903,551,617</u>	<u>\$884,061,617*</u>	<u>\$1,787,613,235*</u>

(1) For purposes of this table, the calendar year taxable value reported by the Utah State Tax Commission is used.

* For purposes of this Official Statement, the Bonds are considered issued and outstanding; preliminary; subject to change.

Debt Ratios

The following table sets forth the ratios of the direct and overlapping general obligation debt over the taxable value of property within the City, the estimated fair market value of such property and the population of the City. The State’s general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of its general obligation debt.

	To 2022 <u>Taxable Value</u> ⁽¹⁾	To 2022 <u>Fair Market Value</u> ⁽²⁾	To 2022 Population <u>Estimate Per Capita</u> ⁽³⁾
Direct General Obligation Debt*	0.14%	0.09%	\$210
Direct and Overlapping General Obligation Debt*	1.33%	0.84%	\$2,032

(1) Based on calendar year 2022 Taxable Value of \$14,237,193,596.

(2) Based on calendar year 2022 Fair Market Value of \$22,548,525,488.

(3) Based on the City’s 2022 population estimate of 93,022 provided by the U.S. Census Bureau.

* Preliminary; subject to change. Assumes the Bonds are issued and outstanding.

See “AD VALOREM TAX SYSTEM—Uniform Fees” and “—Taxable Value and Estimated Fair Market Value of Property in the City” herein.

FINANCIAL INFORMATION REGARDING THE CITY

Fund Structure; Accounting Basis

The accounting policies of the City conform to all generally accepted accounting principles for governmental units in general and the cities of the State in particular.

The accounts of the City are organized on the basis of funds or groups of accounts, each of which is considered to be a separate accounting entity. The operations of each fund or account group are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures or expenses. The various funds are grouped by type in the combined financial statements. See “APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SANDY CITY FOR THE FISCAL

YEAR ENDED JUNE 30, 2023—Notes to the Financial Statements, Note 1—Summary of Significant Accounting Policies” herein.

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

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

Budget and Appropriation Process

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

On or before the first regular meeting of the City Council of the City in May of each year, the budget officer is required to submit to the City Council tentative budgets for all funds for the fiscal year commencing July 1. Various actual and estimated budget data are required to be set forth in the tentative budgets. The budget officer may revise the budget requests submitted by the heads of City departments, but must file these submissions with the City Council together with the tentative budget. The budget officer is required to estimate in the tentative budget the revenue from non-property tax sources available for each fund and the revenue from general property taxes required by each fund. The tentative budget is then tentatively adopted by the City Council, with any amendments or revisions that the City Council deems advisable prior to the public hearing on the tentative budget. After public notice and hearing, the tentative budget is adopted by the City Council, subject to further amendment or revisions by the City Council prior to adoption of the final budget.

Prior to June 30 of each year, the final budgets for all funds are adopted by the City Council. The Fiscal Procedures Act prohibits the City Council from making any appropriation in the final budget of any fund in excess of the estimated expendable revenue of such fund. The adopted final budget is subject to amendment by the City Council during the fiscal year. However, in order to increase the budget total of any fund, public notice and hearing must be provided. Intra- and inter-department transfers of appropriation balances are permitted upon compliance with the Fiscal Procedures Act.

The amount set forth in the final budget as the total amount of estimated revenue from property taxes constitutes the basis for determining the property tax levy to be set by the City Council for the succeeding tax year. See the section “AD VALOREM TAX SYSTEM—Tax Levy and Collection” below for a description of certain matters relating to the City’s ability to levy and collect general property taxes and the procedures applicable to such levy and collection.

Financial Controls

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

Sources of Governmental Fund Revenues

Set forth below are brief descriptions of the various sources of revenues available to the City's general fund. The percentage of total general fund revenues represented by each source is based on the City's audited financial statements for the fiscal year ended June 30, 2023.

Taxes—Approximately 72% of general fund revenues are from taxes (of this amount, approximately 24% are from property taxes, 59% from sales and use taxes, 16% from franchise taxes, and 1% from other taxes).

Charges for Sales and Services—Approximately 7% of general fund revenues are from charges for services.

Intergovernmental Revenue—Approximately 7% of general fund revenues are from State shared revenues.

Licenses and Permits—Approximately 4% of general fund revenues are from licenses and permits.

Administrative Charges—Approximately 4% of general fund revenues are from licenses and permits.

Miscellaneous Revenue—Approximately 5% of general fund revenues are from miscellaneous revenues, including innkeeper fees, fines and forfeitures, interest income and income from a cell tower lease.

Management's Discussion and Analysis

In accordance with government accounting standards, the City prepares a discussion and analysis of its operations. The management's discussion and analysis of its operations for the fiscal year ended June 30, 2023 is included in the City's audit. See "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SANDY CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023—Management's Discussion and Analysis" herein.

Financial Summary

The following tables set forth a summary of certain financial information regarding the City and have been extracted from the City's audited basic financial statements for the fiscal years ended June 30, 2019 through June 30, 2023. The following summaries are unaudited.

A copy of the City's audited basic financial statements for fiscal year ended June 30, 2023 is appended hereto as "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SANDY CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023."

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SANDY CITY
Statement of Net Position – Governmental and Business-Type Activities
(This summary has not been audited.)

	2023	2022	Fiscal Year Ended June 30,		2019
			2021	2020	
ASSETS:					
Cash, Cash Equivalents & Investments	\$123,037,387	\$122,218,934	\$86,419,333	\$62,229,629	\$67,282,180
Receivables - Net	29,181,954	24,722,536	25,388,091	25,883,282	22,731,411
Lease Receivable	47,295,264	48,885,269	—	—	—
Intergovernmental Receivable	1,141,810	976,448	2,585,411	2,794,645	819,920
Inventories	1,441,434	1,284,611	1,241,501	1,264,326	1,224,872
Prepaid Assets	104,151	67,617	79,862	98,112	96,572
Net Pension Asset	6,266,938	27,532,950	7,229,013	2,886,101	70,740
<i>Restricted Cash, Cash Equivalents & Investments:</i>					
Road Funds	3,529,140	3,073,431	2,920,056	2,214,002	1,413,751
Capital Projects	7,430,778	6,475,122	9,080,554	10,866,970	8,628,447
Debt Service	—	—	800,000	800,000	800,000
Investment in Joint Venture	10,809,014	10,086,816	9,226,932	8,476,750	7,887,738
<i>Capital Assets Not Being Depreciated:</i>					
Land	255,937,383	254,545,591	253,774,891	253,038,348	254,898,546
Infrastructure	175,457,836	174,681,029	173,809,121	165,821,116	164,428,014
Construction in Progress	4,993,892	2,118,985	5,506,448	16,545,095	13,043,803
Water Rights & Capacity	41,467,209	41,464,209	41,464,209	41,459,709	41,140,174
<i>Capital Assets Net of Depreciation:</i>					
Buildings & Systems	203,644,315	203,665,619	205,660,619	202,305,387	204,654,274
Improvements Other than Buildings	36,235,636	35,442,243	30,985,030	30,326,683	27,670,975
Vehicles	10,172,736	7,153,058	8,401,765	9,342,427	8,921,464
Machinery & Equipment	2,865,949	3,310,826	3,215,960	3,445,889	3,625,146
Right-to-Use Assets	306,426	344,394	—	—	—
Subscription IT Assets	330,577	—	—	—	—
Total Assets	961,649,829	968,049,688	867,788,796	839,798,471	829,267,287
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges	211,452	318,236	425,020	775,480	796,599
Deferred Outflow of Resources Relating to Pension	11,918,317	8,970,650	8,596,971	8,208,267	14,334,024
Total Deferred Outflows of Resources	12,129,769	9,288,886	9,021,991	8,983,747	15,130,623
LIABILITIES:					
Accounts Payable	6,018,961	4,566,350	5,795,086	5,308,283	9,359,558
Salaries & Benefits Payable	3,538,986	5,711,407	3,458,731	2,399,875	2,787,194
Accrued Interest Payable	988,348	1,043,573	1,182,859	1,131,225	1,282,034
Unamortized Interest Payable	578,169	5,080,722	—	—	—
Claims & Judgments Payable	511,960	488,692	268,975	1,009,198	497,287
Intergovernmental Payable	—	—	24,141	—	6,453
Unearned Revenue	70,781	70,781	117,207	117,400	160,564
Customer Deposits	13,336,766	12,420,087	9,064,783	8,506,037	8,960,428
<i>Noncurrent Liabilities</i>					
Due within one year	7,542,808	7,299,763	6,900,733	7,521,035	6,453,283
Due in more than one year	89,818,322	91,510,103	89,034,715	96,239,793	103,889,781
Net Pension Liability	7,095,006	—	3,803,066	9,690,420	19,999,218
Net Lease Liability	613,277	350,988	—	—	—
Subscription IT Liability	281,224	—	—	—	—
Total Liabilities	135,597,608	128,542,466	119,650,296	131,923,266	153,395,800
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	14,493,246	12,587,321	12,495,755	12,387,000	12,249,002
Deferred Amounts relating to Pensions	325,264	28,411,835	13,903,028	7,458,649	1,588,653
Deferred Amounts relating to Leases	46,370,758	48,638,952	—	—	—
Total Deferred Inflows of Resources	61,189,268	89,638,108	26,398,783	19,845,649	13,837,655
NET POSITION					
Net Investment in Capital Assets	654,826,730	628,949,164	637,087,677	629,164,588	616,266,368
Restricted for Debt Service	—	—	800,000	800,000	800,000
Restricted for Capital Projects	6,628,071	7,376,922	9,080,553	10,866,969	8,620,162
Restricted for Road Funds	1,750,775	2,171,631	2,920,056	2,214,002	1,413,751
Restricted for Storm Water	6,368,327	7,024,982	6,141,024	4,683,587	5,132,405
Restricted for RDA	22,941,541	34,791,753	16,904,347	15,034,112	12,870,154
Restricted for Non-Major Funds	4,869,369	3,964,593	2,829,244	1,773,682	1,274,333
Restricted for Pension Assets	6,266,938	27,532,950	7,229,013	2,886,101	70,740
Unrestricted	73,340,971	47,346,005	47,769,796	29,590,261	30,716,541
Total Net Position	\$776,992,722	\$759,158,000	\$730,761,710	\$697,013,302	\$677,164,454

(Source: Information extracted from the City's 2019-2023 audited basic financial statements; additional detail of restricted amounts under Net Position for fiscal years 2019-2022 was provided by the City. This summary is unaudited.)

SANDY CITY
Balance Sheet—General Fund
(This summary has not been audited.)

	<u>Fiscal Year Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
ASSETS:					
Cash, Cash Equivalents & Investments	\$13,324,035	\$14,486,968	\$10,892,447	\$7,673,638	10,091,606
Receivables - Net	27,503,136	17,134,295	17,194,663	18,461,107	15,836,890
Due from other governments	979,835	898,097	839,178	590,764	739,162
Prepaid Assets	<u>34,655</u>	<u>25,000</u>	<u>25,000</u>	<u>24,974</u>	<u>24,974</u>
Total Assets	<u>\$41,841,661</u>	<u>\$32,544,360</u>	<u>\$28,951,288</u>	<u>\$26,750,483</u>	<u>\$26,692,632</u>
LIABILITIES:					
Accounts Payable	\$1,457,368	\$1,624,787	\$2,609,324	\$2,192,153	\$1,620,254
Salaries & Benefits Payable	3,031,470	4,869,730	2,771,773	1,895,806	2,186,562
Due to Other Governments	—	—	2,526	—	786
Unearned Revenue	—	—	23,716	23,716	23,716
Deposits	<u>7,008,070</u>	<u>6,006,609</u>	<u>4,028,284</u>	<u>4,168,532</u>	<u>5,112,681</u>
Total Liabilities	<u>11,496,908</u>	<u>12,501,126</u>	<u>9,435,623</u>	<u>8,280,207</u>	<u>8,943,999</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	13,592,742	11,689,324	11,603,540	11,513,765	11,379,840
Leases	<u>8,102,125</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Deferred Inflows of Resources	<u>21,694,867</u>	<u>11,689,324</u>	<u>11,603,540</u>	<u>11,513,765</u>	<u>11,379,840</u>
FUND BALANCES					
Prepaid Assets	34,655	25,000	25,000	24,974	24,974
Assigned	87,313	—	—	—	—
Unassigned	8,527,918	8,328,910	7,887,125	6,931,555	6,343,819
Total Fund Balances	<u>8,649,886</u>	<u>8,353,910</u>	<u>7,912,125</u>	<u>6,956,529</u>	<u>6,368,793</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$41,841,661</u>	<u>\$32,544,360</u>	<u>\$28,951,288</u>	<u>\$26,750,501</u>	<u>\$26,692,632</u>

(Source: Information extracted from the City's 2019-2023 audited basic financial statements. This summary is unaudited.)

SANDY CITY
Statement of Revenues, Expenditures and Changes in Fund Balances –Governmental Funds–General Fund
(This summary has not been audited.)

	<u>Fiscal Year Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
REVENUES:					
Taxes	\$51,300,724	\$49,693,458	\$46,530,993	\$42,916,920	\$38,954,086
Innkeeper Fees	583,567	510,628	104,175	–	–
Licenses & permits	3,158,790	3,152,235	2,426,845	2,321,492	3,002,184
Intergovernmental	4,692,870	9,144,232	10,733,669	6,201,593	4,005,340
Administrative Charges	3,603,823	3,225,649	3,107,512	3,020,203	3,065,305
Fines & Forfeitures	1,189,014	1,060,110	992,344	1,145,274	1,436,029
Cell Tower Lease	900,453	988,546	742,038	868,230	819,312
Charges for Sales & Services	4,672,056	4,315,990	3,758,695	3,339,512	3,526,230
Interest Income	788,062	91,630	85,779	225,520	287,470
Miscellaneous	<u>176,615</u>	<u>242,831</u>	<u>96,643</u>	<u>235,649</u>	<u>51,284</u>
Total Revenues	<u>71,065,974</u>	<u>72,425,309</u>	<u>68,578,693</u>	<u>60,274,393</u>	<u>55,147,240</u>
EXPENDITURES:					
General government	13,602,347	12,482,856	11,338,373	11,235,495	10,559,256
Police & Animal Services	22,163,640	19,360,659	17,063,041	16,833,059	15,944,950
Fire	13,586,674	12,186,699	10,943,349	10,733,100	9,968,691
Public Works	5,666,074	5,813,425	4,791,289	5,925,348	5,170,518
Parks & Cemetery	6,065,581	5,480,108	5,170,177	5,532,876	5,660,493
Community Development	<u>3,362,131</u>	<u>3,055,214</u>	<u>2,748,469</u>	<u>2,973,967</u>	<u>2,896,513</u>
Total Expenditures	<u>64,446,447</u>	<u>58,378,961</u>	<u>52,054,698</u>	<u>53,233,845</u>	<u>50,200,421</u>
Excess of Revenues over Expenditures	<u>6,619,527</u>	<u>14,046,348</u>	<u>16,523,995</u>	<u>7,040,548</u>	<u>4,946,819</u>
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	–	–	–	–	16,400
Transfers in	900,000	197,303	188,476	179,271	116,397
Transfers out	<u>(7,244,260)</u>	<u>(13,801,866)</u>	<u>(15,756,875)</u>	<u>(6,632,083)</u>	<u>(5,342,721)</u>
Total Other Financing Sources	<u>(6,344,260)</u>	<u>(13,604,563)</u>	<u>(15,568,399)</u>	<u>(6,452,812)</u>	<u>(5,209,924)</u>
Net Change in Fund Balance	275,267	441,785	955,596	587,736	(263,105)
Fund balance - beginning of year	<u>8,374,619⁽¹⁾</u>	<u>7,912,125</u>	<u>6,956,529</u>	<u>6,368,793</u>	<u>6,631,898⁽¹⁾</u>
Fund balance - end of year	<u>\$8,649,886</u>	<u>\$8,353,910</u>	<u>\$7,912,125</u>	<u>\$6,956,529</u>	<u>\$6,368,793</u>

⁽¹⁾ As restated, for fiscal years 2019 and 2023.

(Source: Information extracted from the City's 2019-2023 audited basic financial statements. This summary is unaudited.)

AD VALOREM TAX SYSTEM

Tax Levy and Collection

The Utah State Tax Commission (the “State Tax Commission”) must assess all centrally assessed property by May 1 of each year and shall immediately notify the owners or operators of such property, and the county assessors, of such assessment. County assessors must assess all taxable property other than centrally assessed property before May 22 of each year. Before May 25, the State Tax Commission apportions the value of centrally assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a final tax rate before June 30 except as described below for rates in excess of the certified tax rate. County auditors must forward to the State Tax commission a statement prepared by the governing body of each taxing entity showing the amount and purpose of each levy.

If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum level permitted by law, notify the taxing entity that the rate has been lowered, and notify the county auditor of the county in which the taxing entity is located to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county board of equalization will meet to hear complaints. Within 30 days following the mailing of the notice, taxpayers owning property assessed by a county assessor may file an application with the appropriate county board of equalization for the purpose of contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal no later than October 1, (with extensions requiring State Tax Commission approval). Such decision may be appealed to the State Tax Commission, which must decide all appeals by March 1 of the following year. Owners of centrally assessed property, or any county with a showing of reasonable cause, may apply to the State Tax Commission on or before June 1 for a hearing to contest the assessment of centrally-assessed property. The State Tax Commission must render a written decision within 120 days following completion of the hearing and submission of all post hearing briefs. The county auditors must make a record of all changes, corrections and orders and, before November 1, must deliver the corrected assessment rolls to their respective county treasurers. By November 1, the county treasurers are to furnish to each taxpayer a notice containing the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review. Taxes are due November 30 or, if a Saturday, Sunday, or holiday, the following business day.

Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay the State and each taxing entity within the county its proportionate share of the taxes, on the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or \$10.00 whichever is greater. However, if the delinquent taxes and penalty are paid on or before January 31 of the following year, the penalty is only 1% of the amount of the delinquent taxes or \$10, whichever is greater. The amount of delinquent taxes and penalty bears interest at the federal discount rate in effect on January 1, plus 6% from January 1 until paid, but can be no less than 7% and no more than 10%. If after four years from the date the taxes become delinquent and taxes have not been paid, the affected county may advertise and sell the property at a tax sale.

Public Hearing on Certain Tax Increases

Each taxing entity that proposes to levy a tax rate that exceeds the “certified tax rate” may do so by resolution, but only after holding a properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity collected for the prior year, with certain exclusions. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of new growth. New growth is any increase in taxable value of the taxing entity from the previous calendar year to the current year less the amount of increase to locally assessed real property taxable values resulting from factoring, reappraisal, other adjustments, or changes in the method of apportioning taxable value. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public, and certain state

and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

On or before July 22 of the year in which such an increase is proposed, notice of the public hearing must be mailed to all property owners and, in most cases, must be advertised electronically and by publication. The notice of the hearing must state, among other things, the value of the property, the time and place of the public hearing, and the tax impact of the proposed increase.

Ad Valorem Tax System

The Property Tax Act, Title 59, Chapter 2, Utah Code (the “Property Tax Act”), provides that all taxable property within the taxing entity is required to be assessed and taxed at a uniform and equal rate on the basis of 100% of its “fair market value” as of January 1 of each year, unless otherwise provided by law. “Fair market value” is defined in the Property Tax Act as “the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.” Determinations of “fair market value” shall take into account the current zoning laws applicable to the property in question. Section 3 of Article XIII of the State Constitution (the “State Constitution”) provides that the State Legislature may by law exempt from taxation up to 45% of the fair market value of residential property as defined by law. Pursuant to this provision, the State Legislature enacted legislation which became effective on January 1, 1995 providing that the “fair market value” of primary residential property will be reduced by 45%. No more than one acre of land per residential unit may qualify for the residential exemption.

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

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

Many areas within the State have agricultural farmland devoted to the raising of useful plants and animals. For general property tax purposes, agricultural land is assessed based on statutory requirements and the value which the land has for agricultural use or on its agricultural value.

Uniform Fees. An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on either the age or the value of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and property subject to a fixed age-based fee, and motor homes, for which the uniform fee is 1.0% of the fair market value. Motor vehicles weighing 12,000 pounds or less are subject to an age-based fee that is due each time the vehicle is registered. The age-based fee is for passenger-type vehicles and ranges from \$10 to \$150, depending on the age of the vehicle. Recreational vehicles, motorcycles, watercraft (except large watercraft), snowmobiles and certain small motor vehicles required to be registered with the State are also subject to an age-based fee that ranges from \$10 to \$700, depending on the age of the vehicle. The revenues collected from the various uniform fees are distributed by the county to the taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed.

Taxable Value and Estimated Fair Market Value of Property in the City⁽¹⁾

<u>Fiscal Year</u>	<u>Taxable Value</u>	<u>Percentage Change Over Prior Year</u>	<u>Fair Market Value⁽²⁾</u>	<u>Percentage Change Over Prior Year</u>
2023	\$14,264,436,667	24.27%	\$22,495,350,091	26.86%
2022	11,478,761,567	8.43	17,732,790,151	9.55
2021	10,586,056,294	6.64	16,186,214,615	6.26
2020	9,926,571,429	7.79	15,232,100,343	7.90
2019	9,208,853,147	9.73	14,117,320,395	10.42
2018	8,392,332,790	8.09	12,784,678,806	8.73
2017	7,764,130,636	10.39	11,758,047,820	10.05
2016	7,033,122,019	6.40	10,684,170,191	6.87
2015	6,610,314,933	5.17	9,996,970,395	5.42
2014	6,285,463,924	—	9,483,071,154	—

(1) Values in this table are based on a fiscal year and differ slightly from the calendar year values used for general obligation debt calculations elsewhere in this Official Statement. Taxable and Fair Market values shown in this table exclude motor vehicle value used to determine uniform fees on tangible personal property.

(2) Fair market values are estimated based on reported taxable values (which values represent a reduction of fair market value of primary residential property by 45%).

(Source: Based on information in the Statistical Section (unaudited) of the City's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.)

Taxable Value by Type of Taxable Property in the City

<u>Fiscal Year</u>	<u>Real Property</u>		<u>Personal Property</u>			<u>Total Taxable Value</u>
	<u>Primary Residential</u>	<u>Other Property</u>	<u>Non-Residential</u>	<u>Other Property</u>	<u>Mines & Utilities</u>	
2023	\$10,214,049,706	\$3,417,908,068	\$451,733,268	\$4,607,465	\$176,138,160	\$14,264,436,667
2022	7,695,685,263	3,145,333,993	452,446,178	4,665,068	180,631,066	11,478,761,568
2021	6,866,444,419	3,080,224,696	449,875,894	4,776,241	184,735,045	10,586,056,295
2020	6,455,741,399	2,909,474,590	392,303,386	5,013,241	164,038,812	9,926,571,428
2019	6,028,558,325	2,679,708,173	335,575,394	5,224,583	159,786,672	9,208,853,147
2018	5,384,694,780	2,531,695,973	332,678,572	5,229,340	138,034,126	8,392,332,791
2017	4,924,474,412	2,382,427,507	322,051,565	5,270,785	129,906,367	7,764,130,636
2016	4,470,453,861	2,120,093,880	308,249,823	5,434,208	128,890,247	7,033,122,019
2015	4,159,578,341	2,020,214,638	313,405,528	5,610,228	111,506,198	6,610,314,933
2014	3,896,023,932	1,969,406,660	319,780,029	5,793,008	94,460,295	6,285,463,924

(Source: Based on information in the Statistical Section (unaudited) of the City's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.)

Historical Property Tax Rates—Direct and Overlapping Governments

FY	City			Overlapping Rates ⁽¹⁾							Total Rate
	General Fund	Risk Mgmt.	City Total	County	Canyons School District ⁽²⁾	Jordan School District ⁽²⁾	Basic School Levy ⁽³⁾	Charter School Levy ⁽⁴⁾	County Library	Special Districts ⁽⁵⁾	
2023	0.000902	0.000040	0.000942	0.001634	0.004336	n/a	0.001652	0.000065	0.000386	0.001102	0.010117
2022	0.001124	0.000050	0.001174	0.001985	0.004895	0.000347	0.001661	0.000087	0.000474	0.001264	0.011887
2021	0.001226	0.000053	0.001279	0.002170	0.005194	0.000403	0.001628	0.000072	0.000515	0.001344	0.012605
2020	0.001281	0.000056	0.001337	0.002158	0.005271	0.000488	0.001661	0.000087	0.000536	0.001398	0.012936
2019	0.001086	0.000058	0.001144	0.002259	0.004696	0.000560	0.001666	0.000073	0.000559	0.001470	0.012427
2018	0.001167	0.000062	0.001229	0.002492	0.004768	0.000678	0.001568	0.000103	0.000612	0.001557	0.013007
2017	0.001254	0.000067	0.001321	0.002639	0.004188	0.000764	0.001675	n/a	0.000639	0.002194	0.013420
2016	0.001354	0.000072	0.001426	0.002819	0.004661	0.000862	0.001736	n/a	0.000683	0.002315	0.014502
2015	0.001342	0.000071	0.001413	0.003036	0.004853	0.000951	0.001419	n/a	0.000715	0.002407	0.014794
2014	0.001409	0.000074	0.001483	0.003180	0.004881	0.001095	0.001535	n/a	0.000755	0.002543	0.015472

- (1) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners. The rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district.
- (2) Canyons School District was created from a portion of Jordan School District in 2007. However, residents in Canyons School District continued to pay property taxes on a proportionate share of the general obligation debt of Jordan School District outstanding at the time of the split. That allocated debt was paid in full in fiscal year 2022 and the corresponding tax levy is no longer levied.
- (3) Rate established annually by the State Legislature.
- (4) Beginning in 2018, rate established annually by Utah State Tax Commission and Utah State Board of Education as an adjustment to the board local levy.
- (5) Includes South Salt Lake Valley Mosquito District, Metropolitan Water District of Salt Lake and Sandy, Sandy Suburban Improvement District, Central Utah Water District, and Crescent Cemetery Maintenance District. Although other special districts apply to only a portion of the City, these districts apply to the majority of property values within the City.

(Source: Based on information in the Statistical Section of the City's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.)

Property Tax Levies and Collections

<u>Fiscal Year</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Years⁽¹⁾</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
2023	\$13,437,099	\$13,151,682	97.9%	—	\$13,151,682	97.9%
2022	13,476,066	13,226,980	98.2	\$108,917	13,335,897	99.0
2021	13,539,566	13,265,116	98.0	150,117	13,415,233	99.1
2020	13,271,826	12,995,296	97.9	173,162	13,168,458	99.2
2019	10,534,928	10,299,251	97.8	146,533	10,445,784	99.2
2018	10,314,177	10,110,721	98.0	132,885	10,243,606	99.3
2017	10,256,417	10,035,014	97.8	151,267	10,186,282	99.3
2016	10,029,232	9,816,468	97.9	165,233	9,981,701	99.5
2015	9,340,375	9,088,945	97.3	174,165	9,263,110	99.2
2014	\$9,321,343	\$9,089,368	97.5	168,768	9,258,136	99.3

⁽¹⁾ Includes delinquent property tax and interest/penalty.

(Source: Based on information in the Statistical Section (unaudited) of the City's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.)

Principal Property Taxpayers in the City

The following table sets forth the principal property taxpayers in the City for fiscal year 2023:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2023 Taxable Value</u>	<u>Percentage of Total Taxable Value⁽¹⁾</u>
Mountain America Federal Credit Union	Bank	\$140,003,000	0.98%
Woodbury Corporation	Real Estate	134,062,900	0.94
Sterling Realty Organization	Real Estate	108,304,600	0.76
Miller Family Real Estate	Real Estate	101,818,400	0.71
South Town Owner	Commercial Real Estate	101,215,240	0.71
Roderick Enterprises	Developer	100,265,358	0.70
OneFourteen	Retail	83,420,620	0.58
Synergy Business Park	Commercial Real Estate	82,533,100	0.58
Utah Soccer	Sports	79,607,500	0.56
CR Cobblegate Communities	Residential Real Estate	<u>77,904,865</u>	<u>0.55</u>
TOTAL		<u>\$1,009,135,583</u>	<u>7.07%</u>

⁽¹⁾ Based on City's total 2023 fiscal year taxable value of \$14,264,436,667.

(Source: Based on information in the Statistical Section (unaudited) of the City's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.)

SALES AND USE TAX

Sales and Use Tax

The following information with respect to certain sales and use tax revenues is included in this Official Statement to provide background information relating to a major source of general fund revenues of the City. As described herein, the Bonds are not secured by any pledge of sales and use tax revenues.

The Local Sales and Use Tax Act, Title 59, Chapter 12, Part 2, Utah Code Annotated 1953, as amended (the “Local Sales and Use Tax Act”), provides that each city and town in the State may levy a local sales and use tax of up to 1.00% on the purchase price of taxable goods and services. Although local governments may elect to levy sales and use taxes at rates less than 1.00%, various provisions of the Local Sales and Use Tax Act encourage them to levy these taxes at the rate of 1.00%. The City currently levies sales and use taxes at the full rate of 1.00%. The legislative intent contained in the Local Sales and Use Tax Act is to provide an additional source of revenues to counties and municipalities that is to be used to finance their capital outlay requirements and to service their bonded indebtedness.

The local sales and use tax is levied in addition to a statewide sales and use tax (the “Statewide Tax”) which is currently imposed at a rate of 4.85% of the purchase price of taxable goods and services (except that only 1.75% is levied on unprepared food and food ingredients). Sales of natural gas, electricity and fuel oil for residential use are taxed at a statewide rate of 2.00%. The taxable transactions and the exemptions under the Local Sales and Use Tax Act conform to those of the Statewide Tax.

Sales tax is imposed on the amount paid or charged for sales of tangible personal property in the State and for services rendered in the State for the repair, renovation or installation of tangible personal property. Use tax is imposed on the amount paid or charged for the use, storage or other consumption of tangible personal property in the State, including services for the repair, renovation or installation of such tangible personal property. Sales and use taxes also apply to leases and rentals of tangible personal property if the tangible personal property is in the State, the lessee takes possession in the State or the tangible personal property is stored, used or otherwise consumed in the State.

In addition to the sales and use taxes described above, counties and cities in the State are authorized to impose sales and use taxes to fund public transportation, highways, zoo, art and parks purposes, and at the option of the county for general fund purposes of the county. The County currently imposes sales and use taxes to fund public transportation, zoo, art and parks purposes, and for general fund purposes of the County. The total sales and use tax imposed in the City (other than certain specialty taxes, including a motor vehicle rental tax, a transient room tax, and a tourism restaurant tax imposed by the County) is 7.25%.

Local sales and use taxes are collected by the Utah State Tax Commission and distributed on a monthly basis to each county, city and town. The distributions are based on a formula, which provides that (1) 50% of sales tax collections will be distributed on the basis of the population of the local government and (2) 50% of sales tax collections will be distributed on the basis of the point of sale (the “50/50 Distribution”). The 50/50 Distribution formula is subject to provisions for certain qualifying counties, cities and towns making them eligible to receive a minimum tax revenue distribution calculated as provided in the Local Sales and Use Tax Act.

Utility Franchise Taxes and Fees

The following information with respect to certain franchise tax revenues is included in this Official Statement to provide background information relating to a source of general fund revenues of the City. As described herein, the Bonds are not secured by any pledge of franchise tax revenues.

Under Utah law, municipalities have the authority to impose a tax, license, fee, license fee, license tax, energy sales and use tax or similar charge at a rate not exceeding 6% of gross revenues of public utilities collected within the boundaries of the municipality (or, in the case of gas and electric service providers, not exceeding 6% of the “delivered value” of “taxable energy”). Utilities upon which these taxes and fees may be levied include telephone, natural gas, electric energy service companies and city public utilities. Utility franchise taxes and fees are collected by the utility

and remitted on a monthly basis to the local government. Energy sales and use taxes are, in certain circumstances, remitted by the energy service provider to the State Tax Commission and then to the municipality.

State law also provides that a municipality may levy on, and provide that there is collected from, a telecommunications provider a municipal telecommunications license tax on the telecommunications provider's gross receipts from telecommunications service that are attributed to the municipality. The municipal telecommunications license tax may be imposed at a rate of up to 3.5% of the telecommunications provider's gross receipts from telecommunications service that are attributed to the municipality. The City levies such tax at the maximum rate of 3.5%. The Utah State Tax Commission collects such taxes on the City's behalf and remits them to the City on a monthly basis.

LEGAL MATTERS

General

The authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Bond Counsel to the City. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by Lynn Pace, Esq., the City Attorney. The approving opinion of Bond Counsel will be delivered with the Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in APPENDIX B of this Official Statement will be made available upon request from the contact person as indicated under "INTRODUCTION—Contact Persons" above.

Absence of Litigation

The City Attorney has officially advised that, to the best of his knowledge after due inquiry, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the Bonds.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law existing as of the issue date of the Bonds:

Federal Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

No Bank Qualification. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

State of Utah Tax Exemption. The interest on the Bonds is exempt from State of Utah individual income taxes.

Bond counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the heading "TAX MATTERS."

Other Tax Consequences

[Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

Sale, Exchange, or Retirement of Bonds. Upon the sale, exchange, or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange, or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that the interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

MUNICIPAL ADVISOR

The City has engaged LRB Public Finance Advisors, Inc., Salt Lake City, Utah (the “Municipal Advisor”), to provide financial recommendations and guidance to the City with respect to preparation for sale of the Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors relating to the sale of the Bonds. The Municipal Advisor has read and participated in the drafting of certain provisions of this Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of the Official Statement or any other matters related to the Official Statement. Municipal Advisor fees are contingent upon the sale and delivery of the Bonds.

BOND RATING

S&P Global Ratings (“S&P”) has assigned a municipal bond rating of “AAA” to the Bonds. An explanation of such rating may be obtained from the agency furnishing such rating. There is no assurance that any rating assigned to the Bonds will be maintained for any period of time or that such rating may not be lowered or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE UNDERTAKING

The City will undertake for the benefit of the Bondholders and the beneficial owners of the Bonds to provide certain annual financial information and operating data and notice of certain material events to the Municipal Securities Rulemaking Board all in order to assist the Purchaser in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. See “APPENDIX D” attached hereto and incorporated herein by reference for a form of the Continuing Disclosure Undertaking that will be executed and delivered by the City.

A failure by the City to comply with the Continuing Disclosure Undertaking will not constitute a default under the Resolution and beneficial owners of the Bonds are limited to the remedies described in the Continuing Disclosure Undertaking. See “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING—Default.” A failure by the City to comply with the Continuing Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

MISCELLANEOUS

Independent Accountants

The financial statements of the City as of June 30, 2023, and for the year then ended, included in this Official Statement have been audited by Eide Bailly, LLP, Salt Lake City, Utah (“Eide Bailly”), as stated in its report in APPENDIX A to this Official Statement. Eide Bailly has not been asked regarding the use of its name and its report on the financial statements of the City for fiscal year ended June 30, 2023, in this Official Statement.

Additional Information

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

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

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

This Preliminary Official Statement is in a form “deemed final” by the City for purposes for Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement and its distribution and use have been duly authorized by the City.

SANDY CITY, UTAH

APPENDIX A

**ANNUAL COMPREHENSIVE FINANCIAL REPORT OF
SANDY CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023**



City of Sandy, Utah

Annual Comprehensive Financial Report

**The Fiscal Year Ended
June 30, 2023**

CITY OF SANDY
10000 Centennial Parkway
Sandy, Utah 84070

Annual Comprehensive Financial Report
For the fiscal year ended June 30, 2023

Prepared by:

Division of Finance
of the Department of Administrative Services

Brian P. Kelley, *Director*
Glade G. Jardine, *Deputy Director*
Helen R. Kurtz, *City Treasurer*
Shannon Ashby, *Accountant III*
Yuanting Finlinson, *Accountant II*
Lynda Kohlhoff, *Accountant I*

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INTRODUCTORY SECTION



December 27, 2023

Honorable Mayor,
Members of the City Council, and
Citizens of Sandy:

The Annual Comprehensive Financial Report (ACFR) of Sandy City (the City), for the fiscal year ended June 30, 2023, is submitted herewith. Utah State law requires that first class cities "present to the governing body an annual financial report prepared in conformity with generally accepted accounting principles (GAAP), as prescribed in the Uniform Accounting Manual for Utah Cities." This report, which fulfills this requirement, presents a comprehensive financial picture covering all funds and financial transactions for the year.

This ACFR has been prepared by the City's Finance department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Likewise, the "Notes to the Financial Statements" are an integral part of this report and should be read for a more complete understanding of the financial statements and information presented.

Management of the City is also responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft, or misuse and to ensure adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The City's internal control structure is designed to provide reasonable, rather than absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of the control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

As required by Utah state law, an annual audit has been conducted by independent certified public accountants. The Independent Auditor's Report, as prepared by Eide Bailly LLP, is included in the Financial Section of this report. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2023, are fairly presented, in all material respects, in conformity with GAAP.

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

immediately following the Independent Auditor's Report.

Profile of the Government

Sandy City is the sixth largest city in Utah. The nearby Wasatch Mountains provide water, recreational opportunities, and a scenic backdrop. The I-15 corridor and TRAX light rail line on the west side of the City provide both access to downtown Salt Lake City (approximately 15 miles to the north) and the opportunity to be a commercial center for the south end of the valley. Sandy is home to several cultural, recreational, and entertainment venues. The City has experienced tremendous growth in land area and population during the past several years. Annexation of previously unincorporated land has resulted in growth from 6.6 square miles in 1970 to nearly 24 square miles today. Annexations combined with new construction resulted in population growth from 6,438 to about 93,022 in the same time period. Continued commercial growth fuels a strong economy and tax base and provides job opportunities for residents.

Since 1979, the City has operated under the council-mayor form of government. The City Council, comprised of seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. One of the Mayor's administrative powers is the appointment of the Chief Administrative Officer, Cabinet Officers and various other positions such as the City Treasurer, the City Recorder, and the City Engineer. The City Council establishes City ordinances, approves the budget, and ratifies the appointment of City Officials. The City Council is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government.

The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection, park construction and maintenance, street construction and maintenance, public improvements, engineering, building inspection, planning and zoning, administrative services, recreation services, storm drain system construction and maintenance, and street light system installation and maintenance. The City also operates water, waste collection, and River Oaks Golf Course as enterprise funds. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Sandy Redevelopment Agency (RDA) and Sandy Arts Guild are reported as special revenue funds, and Alta Canyon Recreation Special Service District is reported as an enterprise fund.

Comprehensive annual budgets are an essential element for the City's financial planning and control. Therefore, budgets are adopted annually (required by Utah state law) by the City Council for all funds except debt service funds used to account for special assessments. Utah state law also requires: 1) a balanced budget for each individual fund; however, redevelopment agencies are allowed to incur debt prior to triggering the tax increment revenue thus allowing an unbalanced budget, 2) department expenditures to conform with departmental appropriations, and 3) individual fund appropriations to be overspent only in "emergencies" (natural disasters). Once the budgets are approved, the City Council may revise the budgets from time to time after following the required procedures. Budget and actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the general fund, storm water fund, and RDA fund, this comparison begins on page 44 as part of the basic financial statements for the governmental funds. For the other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 102.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy. Sandy City's local economic development efforts have seen significant progress this past year, with a focus on job creation, affordable housing, business communication, and community engagement. Sandy City has welcomed a variety of new businesses, which contribute to job creation and enhance the city's commercial landscape.

With Sandy as the gateway to world-class skiing, many winter visitors enjoy “The Greatest Snow on Earth” at nearby Alta, Snowbird, Brighton, and Solitude resorts, increasing hotel stays. Community spending in Sandy is on the rise as is participation in our City’s many entertainment and recreational venues. Sandy is home to the America First Field with professional soccer team, Real Salt Lake, and the Mountain America Exposition Center which offers conventions and shows that bring an abundance of visitors. Additionally, Hale Centre Theatre brings 584,000 patrons annually to enjoy world-class theatrical entertainment in Sandy City.

As we continue to develop The Cairns, our city center, we are accomplishing the larger goal of building healthy economies and communities to have a stable tax base and vibrant quality of life. The Cairns offers new housing options for those wanting to be close to TRAX and amenities for a true live, work, shop, and play experience. A new addition to our city center includes a Medically Vulnerable Population (MVP) transitional housing facility to provide interim housing and medical services to seniors, veterans and the medically frail who are experiencing homelessness.

Sandy continues to be actively engaged in economic development efforts despite the current economic and market challenges, fostering the growth of high-paying jobs, affordable housing options, and a diverse range of businesses. While facing economic headwinds, the city remains committed to ongoing projects and developments aimed at creating a prosperous and thriving community.

Additional information about economic factors can be found on page 33 in MD&A.

Long-Term Financial Planning. Our One Sandy vision is to create an active, vibrant, and prosperous community where people can flourish and feel a sense of belonging. We are committed to being responsible stewards and providing high-quality services with a focus on safe neighborhoods, smart planning, environmental preservation, and economic diversity. This budget reflects our core values of taking care of the good things we have and investing wisely to build a strong future.

The fiscal year 2024 budget includes a moderate property tax increase of approximately \$4 per month, per average home in Sandy. This increase will be used to fund important City services, retain valuable employees, and invest in infrastructure. Sandy City’s top priorities include: 1) attracting and retaining high-caliber employees with competitive compensation; 2) fire department staffing and facility upgrades; and 3) investment in fleet replacement.

As unprecedented market pressures cause a need for more competitive compensation, the fiscal year 2024 budget includes a plan to come up to reasonable averages for our city workers. The plan includes a 7.5 percent cost-of-

living allowance for all employees and a 2.5 percent targeted market increase for civil service employees. Standard step-and-grade and merit progression for public safety and regular employees, respectively, and a 7 percent increase in health insurance costs.

Eight new firefighters needed to maintain the new 3:2 staffing policy costing \$875,000 is funded along with a fire pay scale increase of \$635,000, which includes a change to the step and grade progression from 12 to 10 steps in line with comparable cities. The fiscal year 2024 budget also creates new senior firefighter/paramedic positions to incentivise fire personnel, train, allow career advancement, and attract laterals to Sandy. Increases for life-saving equipment and fire vehicles are also included.

Delayed funding increases in the Sandy fleet budget have resulted in the fleet inventory deteriorating and falling critically behind according to the industry standard replacement schedule. Therefore, in addition to the base \$1,300,000, an unprecedented one-time funding amount of \$1,100,000 is allocated for general fleet replacement to catch up on years of a lack of funding. This added amount focuses primarily on public safety vehicles, but water, storm water, waste collection, and fleet funds combined add an extra \$627,000 in vehicle replacement.

Additional priorities are funded in the fiscal year 2024 budget including allocations for hazardous concrete repair and street reconstruction, new equipment to fill potholes, upgraded traffic signals throughout the City, as well as addressing future radio communication upgrade mandates critical to public safety, public works, and utilities.

Relevant financial policies. The City takes pride in maintaining its pay-as-you-go strategy along with reasonable long-term financing to keep the debt burden low. Sandy City seeks the most practical and cost-efficient financing available. Following this policy has allowed the City to achieve a “AAA” bond rating for sales tax revenue bonds and “AA+” for water revenue bonds. For further information on long-term liabilities, please refer to page 32 in MD&A and pages 69-74 in the notes to the financial statements.

While the City’s long-term goals and objectives guide what the budget accomplishes, how that is accomplished is based on the following guiding principles:

- Sandy City exists only to serve the needs of its citizens.
- Sandy City strives for economy, efficiency, and effectiveness in providing basic services.
- Sandy City strives for generational fairness.
- Sandy City should finance services rendered to the general public from revenues imposed on the general public, such as property and sales taxes. Special services rendered to specific groups of citizens should be financed by user fees, impact fees, license and permit fees, or special assessments.
- Sandy City should balance all budgets annually, in accordance with Utah law (Section 10-6-110, U.C.A. and 10-6-117, U.C.A.).
- Sandy City should allow for a reasonable surplus (fund balance) to provide sufficient working capital, provide a cushion to absorb emergencies, provide for unavoidable shortfalls in revenues, secure the City’s debt and its bond rating, accumulate funding for planned capital expenditures, meet reserve requirements for liabilities already incurred but not yet paid as is the case with the Risk Management Fund.

Major initiatives. A healthy economic environment is crucial for the prosperity of a city. Having a healthy tax base is key to that end. Unfortunately, our city has seen a decline in retail sales growth over the past few decades. Previously, Sandy’s retail sales growth rate was three times that of the statewide sales. Moreover, the shift towards internet purchases has resulted in sales tax not always being captured as revenue for cities. To address this issue, the

city will focus on retail experiences and diversified housing. Promoting the Cairns District to enhance the quantity and quality of retail options and attract more customers will improve the retail experience. And as the formula for distributing sales tax revenue is based 50 percent on population, diversified housing initiatives identified in the Cairns Master Plan focus on the anticipated increases to the our city center's population and, consequently, a boost in sales tax revenue.

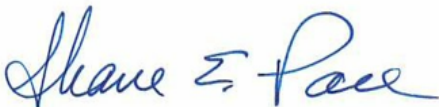
Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the thirty-sixth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current ACFR continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

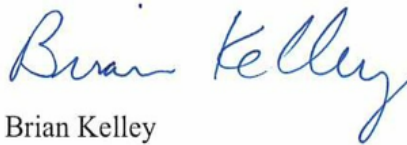
The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2023. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. This is the nineteenth consecutive year the City has received this esteemed award.

The preparation of the ACFR was made possible by the dedicated service of the entire staff of the Finance Division of the Administrative Services Department. Each member of the division has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the governing body of Sandy City, preparation of this report would not have been possible.

Respectfully Submitted,



Shane Pace
Chief Administrative Officer



Brian Kelley
Director of Administrative Services

SANDY CITY

Principal Officials

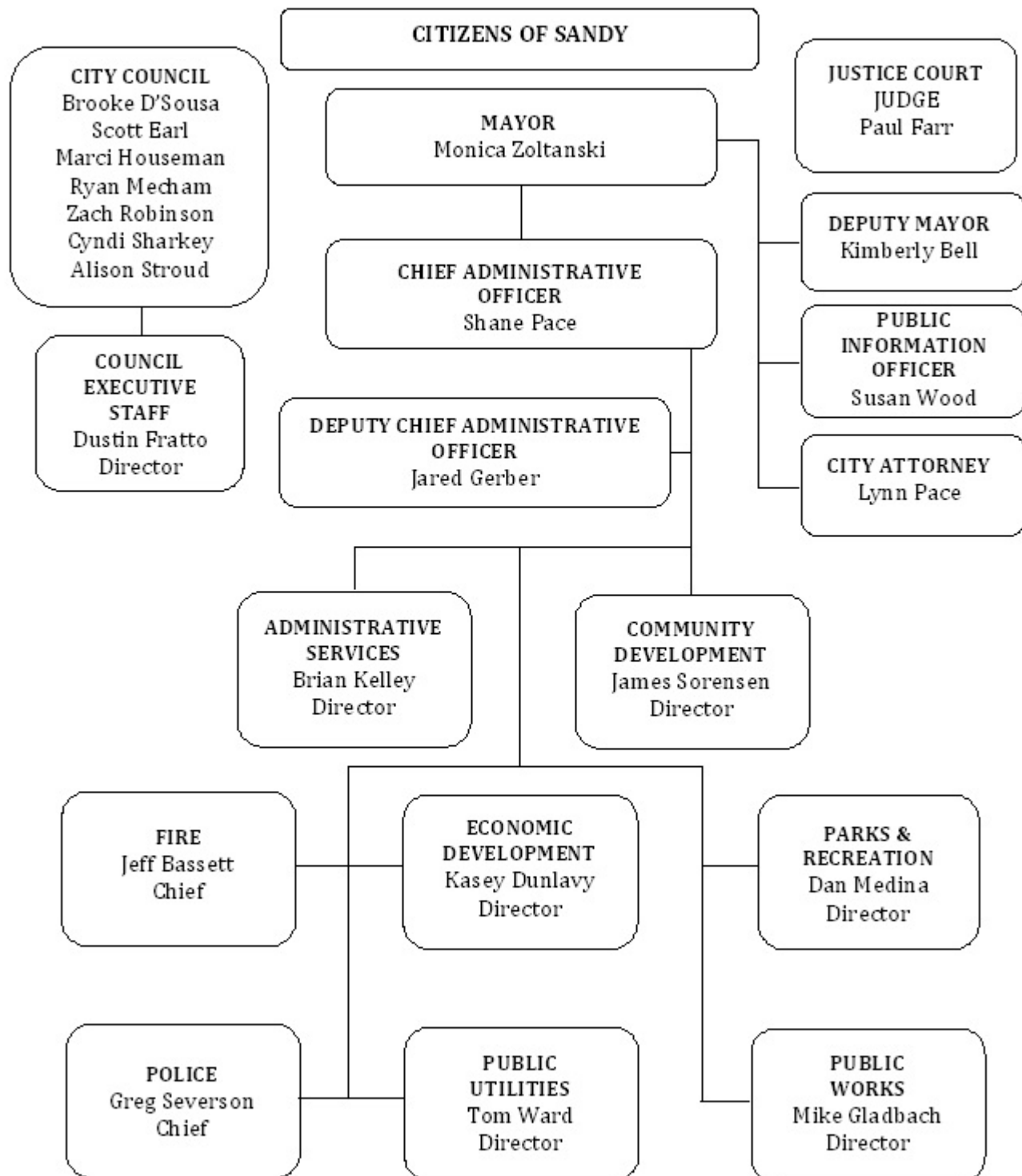
Elected Officials

Mayor. Monica Zoltanski
City Council - At Large..... Marci Houseman
City Council - At Large..... Brooke D’Sousa
City Council - At Large..... Cyndi Sharkey
City Council - District 1..... Ryan Mecham
City Council - District 2..... Alison Stroud
City Council - District 3..... Zach Robinson
City Council - District 4..... Scott Earl

Appointed Officials

City Council Executive Director..... Dustin Fratto
Chief Administrative Officer. Shane Pace
Deputy Chief Administrative Officer. Jared Gerber
Deputy Mayor..... Kimberly Bell
City Attorney. Lynn Pace
Administrative Services Director..... Brian P. Kelley
Communications Director..... Eric Richards
Chief of Police. Greg Severson
Fire Chief. Jeffrey Bassett
Public Works Director..... Michael C. Gladbach
Public Utilities Director..... Thomas K. Ward
Parks and Recreation Director..... Dan J. Medina
Community Development Director. James L. Sorensen
Economic Development Director. Kasey Dunlavy

SANDY CITY ORGANIZATIONAL STRUCTURE





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Sandy City
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Independent Auditor's Report

To the Members of the City Council
City of Sandy, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sandy City (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Correction of Error

As discussed in Note 25 to the financial statements, an error resulting in an understatement of amounts previously reported for lease receivable and deferred inflows relating to leases as of June 30, 2022, was discovered by management of the City during the current year. Accordingly, a restatement has been made to the General Fund, Debt Service Fund and Capital Projects Fund balances as of June 30, 2022, to correct the error. Our opinions are not modified with respect to that matter.

Change in Accounting Principle

As discussed in Notes 1 and 24 to the financial statements, the City has adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. As a result of implementing the standard there was no effect on beginning net position or fund balance of the City. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund statements and budgetary comparison schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund statements and budgetary comparison schedules as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Salt Lake City, Utah
December 27, 2023

Management's Discussion and Analysis

As management of Sandy City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 7 of this report.

Financial Highlights

- The assets plus deferred outflows of the City exceeded its liabilities plus deferred inflows at the close of fiscal year 2023 by \$776,992,722 (net position). Of this amount, \$73,340,971 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$17,834,722 or 2.4 percent largely due to the increase in interest income as a result of rising interest rates (\$5,095,469), water rate increases which account for \$2,449,246 of the change in net position, a new bulk waste environmental fee which totaled \$433,788, and a \$881,932 gain in franchise fee income from the general rate increase imposed by Dominion Energy on natural gas.
- As of the close of fiscal year 2023, the City's governmental funds reported combined ending fund balances of \$98,860,749, an increase of \$7,776,801 in comparison with fiscal year 2022, which is primarily attributed to unspent proceeds of \$5,300,000 from the Utah State Interfund Bank (SIB) loan program, of which \$1,630,253 was distributed for the purpose constructing a parking structure to and will be paid back by the Gardner Development Project.
- At the end of fiscal year 2023, unassigned fund balance of the general fund was \$8,527,918, or 13.2 percent of total general fund expenditures.
- The City's total long-term obligations decreased \$1,931,100 (1.9 percent) during fiscal year 2023 after taking the \$5,300,000 SIB loan from the State of Utah and making regularly scheduled debt service payments.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference 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 City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, storm water, street lighting, economic development, culture and recreation, and parks (including landscapes and cemeteries). The business-type activities of the City include water, waste collection, River Oaks Golf Course, and Alta Canyon Sports Center (Alta Canyon or the Sports Center).

Although Alta Canyon Sports Center is a legally separate entity from the City (known as the primary government), the Sports Center provides services that almost exclusively benefit the City. Alta Canyon functions for all practical purposes as a department of the City, and therefore has

been included as an integral part of the primary government (see more information about the Sports Center on page 50).

The government-wide financial statements can be found on pages 36-39 of this report.

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

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

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

The City maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, the storm water fund (a special revenue fund), and the Redevelopment Agency (RDA) fund, all of which are considered to be major funds. Data from the other five funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* starting on page 102.

The City adopts an annual appropriated budget for its general fund as well as the storm water and RDA funds. Budgetary comparison statements are provided for these funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 40-46 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, waste services, Alta Canyon Sports Center, and River Oaks Golf Course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, information technology, risk management, payroll management, and equipment management. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements provide separate information for the water utility, waste services, Alta Canyon Sports Center, and River Oaks Golf Course, all of which are considered major funds of the City. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining* statements starting on page 120 of this report.

The proprietary fund financial statements can be found on pages 47-49 of this report.

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 located on pages 50-94 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the modified approach for infrastructure as well as the City's pension obligations. Required supplementary information begins on page 97 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary

information. Combining and individual fund statements and schedules can be found on pages 102-127 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Sandy City, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$776,992,722 at the close of fiscal year 2023.

By far the largest portion of the City's net position (81.8 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

SANDY CITY Summary of Net Position June 30, 2023 and 2022

	Governmental		Business-Type		Total	
	2023	2022 As Restated	2023	2022 As Restated	2023	2022 As Restated
Current and other assets	\$ 194,907,003	\$ 205,744,557	\$ 35,330,866	\$ 39,579,177	\$ 230,237,869	\$ 245,323,734
Capital assets	590,939,992	587,893,260	140,471,968	135,858,572	731,411,960	723,751,832
Total assets	785,846,995	793,637,817	175,802,834	175,437,749	961,649,829	969,075,566
Total deferred outflows of resources	11,410,655	8,790,437	719,114	498,449	12,129,769	9,288,886
Long-term liabilities	97,476,494	87,072,438	15,879,666	17,360,895	113,356,160	104,433,333
Other liabilities	18,550,123	22,362,331	3,691,325	2,772,680	22,241,448	25,135,011
Total liabilities	116,026,617	109,434,769	19,570,991	20,133,575	135,597,608	129,568,344
Total deferred inflows of resources	60,610,399	86,889,922	578,869	2,748,186	61,189,268	89,638,108
Net Position:						
Net Investment in Capital Assets	529,041,262	510,828,693	125,785,468	118,120,471	654,826,730	628,949,164
Restricted	48,411,603	55,329,881	413,418	2,238,770	48,825,021	57,568,651
Unrestricted	43,167,769	39,944,989	30,173,202	32,695,196	73,340,971	72,640,185
Total Net Position	\$ 620,620,634	\$ 606,103,563	\$ 156,372,088	\$ 153,054,437	\$ 776,992,722	\$ 759,158,000

An additional portion of the City's net position at the close of fiscal year 2023 (6.3 percent) represents resources that are subject to external restrictions on how they may be used, all of which is from governmental activities. The remaining balance of *unrestricted net position* (\$73,340,971) may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of fiscal year 2023, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Restricted net position for governmental activities and business-type activities increased 22.6 percent (\$12,494,741) and decreased 81.5 percent (\$1,825,352) respectively during fiscal year 2023. These changes were due to the change in net pension assets and redevelopment activity.

SANDY CITY

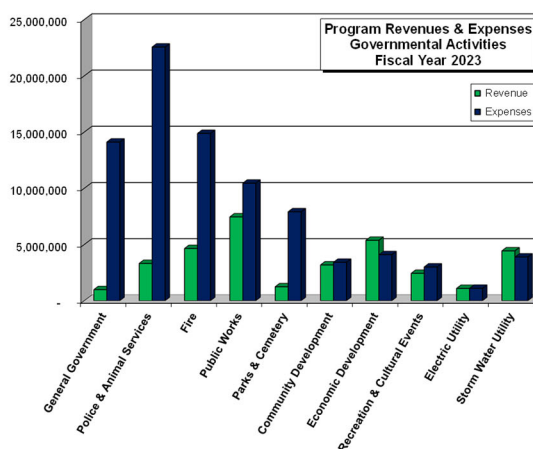
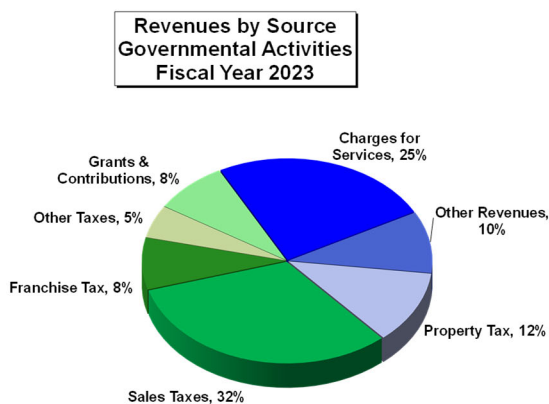
Change in Net Position

For the Years Ended June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services	\$ 24,908,445	\$ 21,772,973	\$ 34,263,436	\$ 28,694,129	\$ 59,171,881	\$ 50,467,102
Operating Grants and Contributions	8,022,976	12,569,948	-0-	-0-	8,022,976	12,569,948
Capital Grants and Contributions	1,325,320	829,875	486,480	369,280	1,811,800	1,199,155
General Revenues:						
Property Taxes	11,935,232	11,737,458	381,590	381,404	12,316,822	12,118,862
Sales Taxes	32,875,215	32,455,302	-0-	-0-	32,875,215	32,455,302
Franchise Taxes	8,485,552	7,503,887	-0-	-0-	8,485,552	7,503,887
Motor Vehicle Taxes	579,755	647,559	20,066	23,353	599,821	670,912
Transient Room Taxes	4,811,357	4,083,103	-0-	-0-	4,811,357	4,083,103
Interest Income (Loss)	4,366,276	1,206,795	763,082	(79,946)	5,129,358	1,126,849
Cell Tower Fees	1,011,661	1,093,450	29,754	28,070	1,041,415	1,121,520
Building Rental	2,892,407	2,889,618	-0-	-0-	2,892,407	2,889,618
Sundry Revenue	755,097	768,998	(29,754)	2,135,263	725,343	2,904,261
Total Revenues	101,969,293	97,558,966	35,914,654	31,551,553	137,883,947	129,110,519
Expenses						
Governmental						
General Government	15,571,672	10,926,854	-0-	-0-	15,571,672	10,926,854
Police and Animal Services	22,616,367	16,150,628	-0-	-0-	22,616,367	16,150,628
Fire	14,992,139	11,840,960	-0-	-0-	14,992,139	11,840,960
Public Works	10,486,013	9,997,224	-0-	-0-	10,486,013	9,997,224
Parks and Cemetery	7,934,299	7,036,149	-0-	-0-	7,934,299	7,036,149
Community Development	3,428,619	3,150,810	-0-	-0-	3,428,619	3,150,810
Economic Development	2,471,783	2,415,713	-0-	-0-	2,471,783	2,415,713
Recreation and Cultural Events	3,008,446	2,307,743	-0-	-0-	3,008,446	2,307,743
Street Lighting	1,110,698	1,029,481	-0-	-0-	1,110,698	1,029,481
Storm Water Utility	3,898,364	2,737,652	-0-	-0-	3,898,364	2,737,652
Interest on Long-Term Debt	1,208,822	2,917,369	-0-	-0-	1,208,822	2,917,369
Business-Type						
Alta Canyon Sports Center	-0-	-0-	1,993,627	1,519,182	1,993,627	1,519,182
Water	-0-	-0-	22,965,644	21,510,705	22,965,644	21,510,705
Waste	-0-	-0-	6,510,475	5,419,670	6,510,475	5,419,670
Golf Course	-0-	-0-	1,852,257	1,754,088	1,852,257	1,754,088
Total Expenses	86,727,222	70,510,583	33,322,003	30,203,645	120,049,225	100,714,228
Increase in Net Position Before Transfers	15,242,071	27,048,383	2,592,651	1,347,908	17,834,722	28,396,291
Transfers	(725,000)	(492,949)	725,000	492,949	-0-	-0-
Increase in Net Position	14,517,071	26,555,434	3,317,651	1,840,857	17,834,722	28,396,291
Beginning Net Position	606,103,563	579,548,129	153,054,437	151,213,580	759,158,000	730,761,709
Ending Net Position	\$ 620,620,634	\$ 606,103,563	\$ 156,372,088	\$ 153,054,437	\$ 776,992,722	\$ 759,158,000

Governmental activities: Governmental activities increased the City's net position \$14,517,071 during fiscal year 2023. Key elements are as follows:

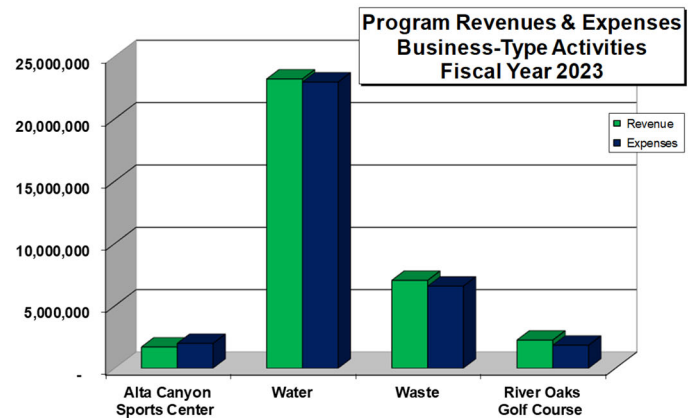
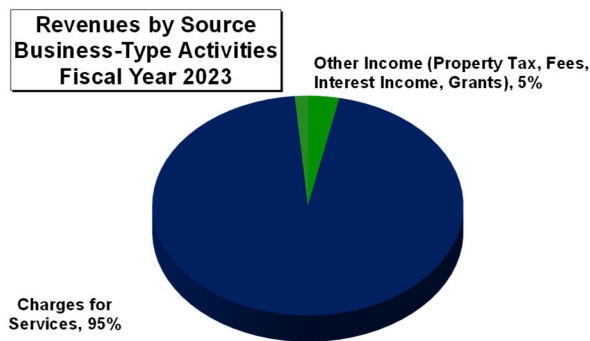
- The City received \$5,300,000 in State Infrastructure Bank Loan proceeds to fund a parking structure related to the development of The Gardner Development Project.
- The City received \$2,000,000 from the State of Utah pursuant to House Bill 244 for congestion mitigation and to improve transportation safety.
- Governmental funds posted over \$3,000,000 more in interest income during fiscal year 2023 than the prior fiscal year due to rising interest rates on cash investments.
- Franchise fees were increased \$881,932 resulting from a 4 percent general rate implemented by Dominion Energy.
- Record snow fall caused the City to incur \$314,117 more in snow removal expenditures than in fiscal year 2022.



Business-type Activities:

Business-type activities increased the City's net position \$3,317,651 during fiscal year 2023. Key elements are as follows:

- The water fund increased base fees 8.3 percent and adjusted usage tiers including adding a fifth tier resulting in \$1,869,633 and \$581,613 posted revenue for base and usage respectively over fiscal year 2022.
- The waste fund collected \$433,788 in new revenue as a result of adding the bulk waste environmental fee to help fund bulk waste program costs including State compliance and code enforcement.
- Alta Canyon Sports Center received \$792,000 from the State of Utah for the Childcare Stabilization grant.



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Sandy City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City Council, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

As of the end of fiscal year 2023, the City's governmental funds reported combined ending fund balances of \$98,860,749, an increase of \$7,776,801 over fiscal year 2022 caused primarily by the receipt SIB loan proceeds of \$5,300,000. Of this amount, \$34,655 is non-spendable, \$61,971,102 is restricted, \$28,239,761 is committed by the City Council for capital projects and debt service, and \$87,313 is assigned for payment to Central Wasatch Commission and the DEI consultant (\$22,500 and \$64,813 respectively). The remainder of governmental fund balance, \$8,527,918 (8.6 percent), is unassigned, and is therefore available for spending at the City's discretion.

The general fund is the chief operating fund of the City. At the end of fiscal year 2023, fund balance of the general fund was \$8,649,886 which \$34,655 has been paid for future services (prepaid assets) and is therefore non-spendable. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (\$8,527,918) and total fund balance to

total fund expenditures. Unassigned fund balance represents 13.2 percent of the total general fund expenditures.

The fund balance of the City's general fund increased \$275,267. The general fund transferred \$3,408,825 to the equipment management fund for capital equipment needs and \$2,126,801 to the capital projects fund for future projects.

The storm water fund decreased fund balance \$656,655 after purchasing a vector truck (\$475,177), mitigating spring run-off flooding (\$144,364), and completing corrugated metal pipe replacement projects totaling \$938,338, leaving a \$6,368,327 fund balance.

Interest income from the Hale Centre Theatre lease, where the City is lessor, resulted in the debt service fund increasing fund balance \$506,968 during the fiscal year resulting in a final fund balance of \$1,926,558, which is committed by City Council for debt service.

Fund balance in the capital projects fund decreased \$816,362 during fiscal year 2023 leaving an ending fund balance of \$34,692,049. Of total capital projects fund balance, \$8,378,846 is restricted for roads and other capital projects while the remaining \$26,313,203 is committed to certain projects by City Council.

The Redevelopment Agency (RDA) ended the fiscal year with a fund balance of \$42,354,560 reflecting an increase of \$7,562,807 in fiscal year 2023. The RDA received \$5,300,000 from the capital projects fund for parking structure facilities and received \$728,254 more in transient room tax and \$1,164,312 in interest earnings than budgeted.

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

The City's enterprise funds experienced a cumulative increase of \$3,014,402 in net position amounting to total net position of \$132,674,253 for the water fund, \$13,359,181 for the waste fund, \$1,542,516 for Alta Canyon Sports Center, and \$5,993,974 for River Oaks Golf Course. Total net position from all internal service funds is \$18,985,750.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During fiscal year 2023, the City transferred \$700,000 from the payroll management fund to the general fund for 3:2 staffing on fire engines to improve safety and address short and long-term firefighter personnel needs. A reduction in regular pay and fixed benefits for fire personnel due to vacant positions helped fund the 3:2 staffing needs, which total \$1,105,000 for the fiscal year.

Utah and Sandy City experienced record snowfall during fiscal year 2023 causing the need for an additional appropriation of \$300,000 for snow removal, which was funded from current year general revenue surplus (\$250,000) and general contingency (\$50,000).

The City increased appropriations \$25,000 for tourism promotion, which is funded by transient room tax revenue and corporate donations boosted appropriations for the City's Deck the Hall event \$37,500. Rate increases by Dominion Energy for gas heating caused an additional \$55,000 appropriation funded by general revenue surplus. In addition, the City transferred \$75,000 to the community arts fund for a City Dowdle puzzle, which was contingent on a corporate donation that fell through. Therefore, the City chose not to move forward with the puzzle at this time.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023 are water rights and capacity, water system, land, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure (roadway system), street light system, storm drain system, subscription-based information technology arrangements (software subscriptions), and right-to-use assets (leases). The net increase in the City's investment in capital assets for fiscal year 2023 was \$7,663,652 (0.5 percent increase and 3.4 percent increase for governmental activities and business-type activities respectively).

Major capital asset events during fiscal year 2023 included the following:

- The City purchased property for the Fire Station 31 expansion/relocation project costing \$1,121,014.
- The Federal Government donated a mine resistant ambush protected vehicle (MRAP) to the Sandy Police Department valued at \$764,785.

- The fleet fund replaced six police vehicles and three fire pumper trucks totaling \$330,421 and \$2,745,182 respectively. Of the fire pumper truck total, \$726,971 was paid for in prior years.
- The Public Utilities Department completed \$6,865,920 in main line projects during fiscal year 2023 and added \$2,101,263 of construction in progress including \$1,907,219 of boring under I-15.
- Governmental funds completed non-building improvement projects amounting to \$3,679,627 during the fiscal year including \$926,494 for the Bell Canyon Preservation Trail and \$769,630 for the city fuel site. Parks and Recreation also finished playground replacements (\$199,989), tennis court reconstruction (\$416,853), and the Crescent Pickleball Courts (\$282,645).

SANDY CITY
Capital Assets
June 30, 2023

	Governmental Activities		Business-Type Activities		Total	
	2023	2022 As Restated	2023	2022 As Restated	2023	2022 As Restated
Capital Assets not Being Depreciated						
Land	\$ 247,822,819	\$ 246,431,027	\$ 8,114,564	\$ 8,114,564	\$ 255,937,383	\$ 254,545,591
Infrastructure	175,457,836	174,681,029	-0-	-0-	175,457,836	174,681,029
Construction in Progress	2,609,869	1,730,242	2,384,023	388,743	4,993,892	2,118,985
Water Rights and Capacity	-0-	-0-	41,467,209	41,464,209	41,467,209	41,464,209
Capital Assets, Net of Depreciation						
Buildings and Systems	119,099,145	121,281,162	84,545,170	82,384,457	203,644,315	203,665,619
Improvement Other Than Buildings	34,209,275	33,552,657	2,026,361	1,889,586	36,235,636	35,442,243
Vehicles	9,031,889	7,154,016	1,140,847	593,042	10,172,736	7,747,058
Machinery and Equipment	2,504,446	2,764,560	361,503	546,266	2,865,949	3,310,826
IT Subscription	190,168	266,854	140,409	161,500	330,577	428,354
Right-to-Use	14,545	28,189	291,882	316,205	306,427	344,394
Total	\$ 590,939,992	\$ 587,889,736	\$ 140,471,968	\$ 135,858,572	\$ 731,411,960	\$ 723,748,308

Because many infrastructure assets may reasonably be expected to continue to function indefinitely if they are adequately preserved and maintained, GAAP allow a government to forego reporting depreciation in connection with networks or subsystems of infrastructure assets. A government choosing this option must commit to maintain those particular infrastructure assets at a predetermined condition level of its own choosing and must establish an asset management system adequate for that purpose. The City has established a policy to maintain at least 80 percent of its roadway system in a good or better condition and have no more than 10 percent in substandard condition. For the fiscal year ended June 30, 2023, the City has exceeded this goal for two of the three subsystems of the roadway network (arterials and secondary), but did not meet the goal for collectors, which are 76.13 percent in good or better condition. However, 83.9 percent of the overall roadway network is in good or better condition and only 0.7 percent in

substandard condition. The overall system exceeds the City's policy to maintain 80 percent of the roadway system in good. While the streets division completed planned improvements of arterials during fiscal year 2023, progress on collectors and secondary subsystems was impeded by a severe winter. As the City focused road maintenance efforts on arterials, those in good or better condition increased 3.2 percent and collectors and secondary subsystems decreased 1.1 percent and 7 percent respectively. The projected needed amount of \$6,041,473 compared to the actual amount spent, (\$4,924,636) reflects careful prioritization to maintain road infrastructure in good or better conditions. More detailed information on this subject can be found in the section of note 1 titled "Modified Approach" on page 58 in the notes to the financial statements and in the Required Supplementary Information section on page 97.

Additional information on the City's capital assets can be found in note 10 of the notes to the financial statements beginning on page 67 of this report.

Long-term debt. At the end of fiscal year 2023, the City had total long-term obligations outstanding of \$98,255,632. The City's bonded debt (\$63,672,000) represents bonds secured solely by specified revenue sources (*i.e.* revenue bonds). The City's long-term obligations outstanding also include long-term loans payable, lease liabilities, contracts payable and compensated absences totaling \$34,583,632.

SANDY CITY
Outstanding Debt
As of June 30, 2023

	Governmental Activities		Business-type Activities		Total	
	2022		2022		2022	
	2023	As Restated	2023	As Restated	2023	As Restated
Revenue Bonds	\$ 56,467,000	\$ 61,172,000	\$ 7,205,000	\$ 8,525,000	\$ 63,672,000	\$ 69,697,000
Other Note Payables	19,869,517	15,597,524	-0-	-0-	19,869,517	15,597,524
Lease and Subscription Liabilities	191,522	287,791	418,174	491,551	609,696	779,342
Compensated Absences	7,116,459	6,439,646	-0-	-0-	7,116,459	6,439,646
Long-Term Contract Payable	-0-	-0-	6,987,960	7,673,220	6,987,960	7,673,220
Total Outstanding Debt	\$ 83,644,498	\$ 83,496,961	\$ 14,611,134	\$ 16,689,771	\$ 98,255,632	\$ 100,186,732

The City's total long-term debt decreased \$1,931,100 (1.9 percent) during fiscal year 2023 after receiving the State of Utah SIB loan (\$5,300,000) and paying \$7,597,241 for regularly scheduled debt service payments.

The City's sales tax revenue bonds and transient room tax refunding bonds are rated "AAA" and water refunding bonds are rated "AA+" by Standard and Poor's. Because the Series 2017 Water Revenue Bonds were privately placed, they were not rated.

Utah state statute limits the amount of general obligation debt a governmental entity may issue to eight percent of the “reasonable fair cash value” of property. Of this percentage, a maximum of four percent may be used for general purposes. The remaining four percent and any unused portion of the four percent available for general purposes, up to the maximum eight percent, may be utilized for water and/or sewer purposes. The current debt limitation for the City’s general purpose debt and for the City as a whole is \$1,799,628,007. The City currently has no outstanding general obligation debt.

Additional information on the City’s long-term debt can be found in note 11 on pages 69-74 of this report.

Economic Factors and Next Year’s Budgets and Rates

Our world is changing in a new economy after experiencing record inflation impacting the City’s budget. Key economic indicators driving decisions such as deferring long-term projects include Utah’s inflation rate from last year, which was 9 percent (the current Utah inflation rate is 3.9 percent), Utah’s 2.6 percent unemployment rate, the rising cost of fuel and construction, Social Security’s 8.7 percent cost of living adjustment, and competition in the marketplace for skilled employees.

Several fees have increased city-wide to cover rising costs such as mailing fees for passport applications, police reports, certain animal services, and various parks and recreation program fees. In addition, new fees have been implemented for 1) erecting event tents at River Oaks Golf Course to cover maintenance costs from damage caused by tents and 2) to cover the costs to write, review and administer franchise agreements that impact right-of-way. Both new fees are \$500.

The fiscal year 2024 fee schedule also includes increases to impact fees for parks and recreation, police, fire/EMS, culinary water, and storm water. The City followed the recommendation from the Impact Fee Analysis conducted by an independent third party.

Changes to community development fees were also implemented based on a study conducted by an independent third party.

Requests for Information

This financial report is designed to provide a general overview of Sandy City's finances for everyone with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sandy City Finance Division, 10000 Centennial Parkway, Sandy, Utah 84070.

BASIC FINANCIAL STATEMENTS

SANDY CITY
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash, Cash Equivalents, and Investments	\$ 108,139,813	\$ 14,897,574	\$ 123,037,387
Receivables, Net	24,410,290	4,771,664	29,181,954
Lease Receivable	47,088,571	206,693	47,295,264
Intergovernmental Receivable	1,141,810	-0-	1,141,810
Internal Balances	(2,802,164)	2,802,164	-0-
Inventories	11,094	1,430,340	1,441,434
Prepaid Assets	104,151	-0-	104,151
Net Pension Asset	5,853,520	413,418	6,266,938
Restricted Cash, Cash Equivalents, and Investments:			
Road Funds	3,529,140	-0-	3,529,140
Capital Projects	7,430,778	-0-	7,430,778
Investment in Joint Venture	-0-	10,809,014	10,809,014
Capital Assets Not Being Depreciated			
Land	247,822,819	8,114,564	255,937,383
Infrastructure	175,457,836	-0-	175,457,836
Construction in Progress	2,609,869	2,384,023	4,993,892
Water Rights and Capacity	-0-	41,467,209	41,467,209
Capital Assets, Net of Accumulated Depreciation			
Buildings and Systems	119,099,145	84,545,170	203,644,315
Improvements Other Than Buildings	34,209,275	2,026,361	36,235,636
Vehicles	9,031,889	1,140,847	10,172,736
Machinery and Equipment	2,504,446	361,503	2,865,949
Right-to-Use Assets	14,545	291,881	306,426
Subscription IT Assets	190,168	140,409	330,577
Total Assets	<u>785,846,995</u>	<u>175,802,834</u>	<u>961,649,829</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Charge on Refunding	149,671	61,781	211,452
Deferred Amounts Relating to Pensions	<u>11,260,984</u>	<u>657,333</u>	<u>11,918,317</u>
Total Deferred Outflows of Resources	<u>11,410,655</u>	<u>719,114</u>	<u>12,129,769</u>

The accompanying notes are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Total
<u>LIABILITIES</u>			
Accounts Payable	\$ 3,854,236	\$ 2,164,724	\$ 6,018,960
Salaries and Benefits Payable	3,251,405	287,581	3,538,986
Accrued Interest Payable	868,615	119,733	988,348
Claims and Judgments Payable	511,960	-0-	511,960
Unearned Revenue	-0-	70,781	70,781
Customer Deposits	12,506,347	830,419	13,336,766
Noncurrent Liabilities:			
Compensated Absences:			
Due within One Year	2,401,883	710,640	3,112,523
Due in More Than One Year	4,714,576	-0-	4,714,576
Bonds, Notes, Leases and Other Payables:			
Due within One Year	6,397,668	1,082,940	7,480,608
Due in More Than One Year			
Other Bonds Payable	51,500,000	6,185,000	57,685,000
Unamortized Bond Premium	4,933,382	847,787	5,781,169
Other Long-Term Payable - LT	18,541,312	6,277,320	24,818,632
Net Pension Liability	6,456,174	638,832	7,095,006
Lease Liability	-0-	303,234	303,234
Subscription IT Liability	89,059	52,000	141,059
Total Liabilities	116,026,617	19,570,991	135,597,608
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Property Taxes	14,113,486	379,760	14,493,246
Deferred Amounts Relating to Pensions	325,264	-0-	325,264
Deferred Amounts Relating to Leases	46,171,649	199,109	46,370,758
Total Deferred Inflows of Resources	60,610,399	578,869	61,189,268
<u>NET POSITION</u>			
Net Investment in Capital Assets	529,041,262	125,785,468	654,826,730
Restricted for:			
Capital Projects	6,628,071	-0-	6,628,071
Road Funds	1,750,775	-0-	1,750,775
Storm Water	6,368,327	-0-	6,368,327
RDA	22,941,541	-0-	22,941,541
Non-major Funds	4,869,369	-0-	4,869,369
Net Pension Asset	5,853,520	413,418	6,266,938
Unrestricted	43,167,769	30,173,202	73,340,971
Total Net Position	\$ 620,620,634	\$ 156,372,088	\$ 776,992,722

SANDY CITY
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 15,571,672	\$ 997,731	\$ -0-	\$ -0-
Police and Animal Services	22,616,367	3,215,520	106,225	-0-
Fire	14,992,139	3,058,466	859,134	733,000
Public Works	10,486,013	942,415	6,518,257	-0-
Parks and Cemetery	7,934,299	1,238,942	-0-	8,320
Community Development	3,428,619	2,683,281	504,524	-0-
Economic Development	2,471,783	5,377,685	-0-	-0-
Recreation and Cultural Events	3,008,446	1,858,030	-0-	584,000
Street Lighting	1,110,698	1,107,281	-0-	-0-
Storm Water Utility	3,898,364	4,429,094	34,836	-0-
Interest on Long-Term Debt	1,208,822	-0-	-0-	-0-
Total Governmental Activities	86,727,222	24,908,445	8,022,976	1,325,320
Business-Type Activities:				
Alta Canyon Sports Center	1,993,627	1,706,825	-0-	-0-
Water	22,965,644	23,201,354	-0-	486,480
Waste	6,510,475	7,094,887	-0-	-0-
Golf Course	1,852,257	2,260,370	-0-	-0-
Total Business-Type Activities	33,322,003	34,263,436	-0-	486,480
Total Primary Government	\$ 120,049,225	\$ 59,171,881	\$ 8,022,976	\$ 1,811,800

General Revenues:

Property Taxes
Sales Taxes
Franchise Taxes
Motor Vehicle Taxes
Transient Room Taxes
Interest Income (Loss)
Cell Tower Fees
Building Rental
Sundry Revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

The accompanying notes are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (14,573,941)	\$ -0-	\$ (14,573,941)
(19,294,622)	-0-	(19,294,622)
(10,341,539)	-0-	(10,341,539)
(3,025,341)	-0-	(3,025,341)
(6,687,037)	-0-	(6,687,037)
(240,814)	-0-	(240,814)
2,905,902	-0-	2,905,902
(566,416)	-0-	(566,416)
(3,417)	-0-	(3,417)
565,566	-0-	565,566
(1,208,822)	-0-	(1,208,822)
(52,470,481)	-0-	(52,470,481)
-0-	(286,802)	(286,802)
-0-	722,190	722,190
-0-	584,412	584,412
-0-	408,113	408,113
-0-	1,427,913	1,427,913
(52,470,481)	1,427,913	(51,042,568)
11,935,232	381,590	12,316,822
32,875,215	-0-	32,875,215
8,485,552	-0-	8,485,552
579,755	20,066	599,821
4,811,357	-0-	4,811,357
4,366,276	763,082	5,129,358
1,011,661	29,754	1,041,415
2,892,407	-0-	2,892,407
755,097	(29,754)	725,343
(725,000)	725,000	-0-
66,987,552	1,889,738	68,877,290
14,517,071	3,317,651	17,834,722
606,103,563	153,054,437	759,158,000
<u>\$ 620,620,634</u>	<u>\$ 156,372,088</u>	<u>\$ 776,992,722</u>

SANDY CITY
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Storm Water	Debt Service	Capital Projects	RDA	Non-major Funds	Governmental Funds Total
<u>ASSETS</u>							
Current Assets:							
Cash, Cash Equivalents, and Investments	\$ 13,324,035	\$ 6,682,316	\$ 3,664,035	\$ 26,703,082	\$ 41,263,853	\$ 4,994,882	\$ 96,632,203
Receivables - Net	27,503,136	385,625	38,035,373	1,694,307	1,134,765	126,784	68,879,990
Due from other Governments	979,835	34,836	-0-	-0-	-0-	127,139	1,141,810
Prepaid Assets	34,655	-0-	-0-	-0-	-0-	-0-	34,655
Restricted Cash, Cash Equivalents, and Investments:							
Road Funds	-0-	-0-	-0-	3,529,140	-0-	-0-	3,529,140
Capital Projects	-0-	-0-	-0-	7,430,778	-0-	-0-	7,430,778
Total Assets	<u>\$ 41,841,661</u>	<u>\$ 7,102,777</u>	<u>\$ 41,699,408</u>	<u>\$ 39,357,307</u>	<u>\$ 42,398,618</u>	<u>\$ 5,248,805</u>	<u>\$ 177,648,576</u>
<u>LIABILITIES</u>							
Accounts Payable	\$ 1,457,368	\$ 677,444	\$ -0-	\$ 1,049,185	\$ 31,719	\$ 140,019	\$ 3,355,735
Salaries and Benefits Payable	3,031,470	57,006	-0-	-0-	12,339	60,539	3,161,354
Deposits	7,008,070	-0-	2,855,000	2,464,399	-0-	178,878	12,506,347
Total Liabilities	<u>11,496,908</u>	<u>734,450</u>	<u>2,855,000</u>	<u>3,513,584</u>	<u>44,058</u>	<u>379,436</u>	<u>19,023,436</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Property Taxes	13,592,742	-0-	-0-	-0-	-0-	-0-	13,592,742
Leases	8,102,125	-0-	36,917,850	1,151,674	-0-	-0-	46,171,649
Total Deferred Inflows of Resources	<u>21,694,867</u>	<u>-0-</u>	<u>36,917,850</u>	<u>1,151,674</u>	<u>-0-</u>	<u>-0-</u>	<u>59,764,391</u>
<u>FUND BALANCES</u>							
Nonspendable:							
Prepaid Assets	34,655	-0-	-0-	-0-	-0-	-0-	34,655
Restricted for:							
Storm Water	-0-	6,368,327	-0-	-0-	-0-	-0-	6,368,327
Capital Projects	-0-	-0-	-0-	6,628,071	-0-	-0-	6,628,071
Roads	-0-	-0-	-0-	1,750,775	-0-	-0-	1,750,775
RDA	-0-	-0-	-0-	-0-	42,354,560	-0-	42,354,560
Recreation	-0-	-0-	-0-	-0-	-0-	311,102	311,102
Sandy Arts Guild	-0-	-0-	-0-	-0-	-0-	2,412,592	2,412,592
Street Lighting	-0-	-0-	-0-	-0-	-0-	1,476,100	1,476,100
Special Purpose	-0-	-0-	-0-	-0-	-0-	669,575	669,575
Committed for:							
Capital Projects	-0-	-0-	-0-	26,313,203	-0-	-0-	26,313,203
Debt Service	-0-	-0-	1,926,558	-0-	-0-	-0-	1,926,558
Assigned	87,313	-0-	-0-	-0-	-0-	-0-	87,313
Unassigned	8,527,918	-0-	-0-	-0-	-0-	-0-	8,527,918
Total Fund Balances	<u>8,649,886</u>	<u>6,368,327</u>	<u>1,926,558</u>	<u>34,692,049</u>	<u>42,354,560</u>	<u>4,869,369</u>	<u>98,860,749</u>
Total Liabilities and Fund Balances	<u>\$ 41,841,661</u>	<u>\$ 7,102,777</u>	<u>\$ 41,699,408</u>	<u>\$ 39,357,307</u>	<u>\$ 42,398,618</u>	<u>\$ 5,248,805</u>	<u>\$ 177,648,576</u>

The accompanying notes are an integral part of this statement.

SANDY CITY

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2023

Fund Balances - Governmental Funds (page 40)		\$ 98,860,749
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital Assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds. Those assets consist of:		
Land	\$ 247,822,819	
Buildings and Systems	119,099,145	
Improvements Other Than Buildings	34,133,111	
Machinery and Equipment	941,658	
Infrastructure	175,457,836	
Right-to-Use Assets	14,545	
Construction in Progress	2,088,465	
Net Investment in Capital Assets		579,557,579
Net pension assets are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds.		
Net pension assets		5,544,336
Deferred Outflows of resources are not available to pay for current period expenditures, and, therefore are not reported in the governmental funds.		
Deferred outflows - pension related		11,053,003
Other assets used in governmental activities are not available to pay current period expenditures, and therefore are not reported in governmental funds.		
		2,125,933
A portion of the excess revenue collected by the internal service funds in the current fiscal year must be returned to the business-type activities.		
		(2,802,164)
Internal services funds are used by the City to charge the costs of the fleet operations, information services, risk management, equipment and employee benefits to the individual funds. The assets and liabilities of the internal service funds are included in the statement of net position.		
		18,985,750
Long-term liabilities, including bonds payable, accrued interest and lease liabilities, are not due and payable in the current period, and therefore are not reported in governmental funds.		
Governmental Bonds and Notes	(75,880,018)	
Net Pension Liabilities	(6,230,923)	
Accrued Interest Payable	(862,663)	
Unamortized Bond Premiums and Discounts	(4,933,382)	
Deferred Charge on Refunding	149,671	
Compensated Absences - Noncurrent	(4,714,576)	
		(92,471,891)
Deferred inflows of resources related to pensions and leases are applicable to future periods and, therefore, are not reported in the governmental funds.		
Deferred inflows - pension related		(232,661)
Net Position of Governmental Activities (page 37)		<u>\$ 620,620,634</u>

The accompanying notes are an integral part of this statement.

SANDY CITY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Storm Water	Debt Service	Capital Projects	RDA	Non-major Funds	Governmental Funds Total
Revenues:							
Taxes	\$ 51,300,724	\$ -0-	\$ -0-	\$ 2,769,079	\$ 10,006,494	\$ -0-	\$ 64,076,297
Innkeeper Fees	583,567	-0-	-0-	-0-	-0-	-0-	583,567
Licenses and Permits	3,158,790	-0-	-0-	-0-	-0-	-0-	3,158,790
Intergovernmental	4,692,870	34,836	-0-	2,283,707	-0-	1,134,604	8,146,017
Administrative Charges	3,603,823	-0-	-0-	-0-	-0-	-0-	3,603,823
Fines and Forfeitures	1,189,014	-0-	-0-	-0-	-0-	-0-	1,189,014
Cell Tower Lease	900,453	-0-	-0-	111,207	-0-	-0-	1,011,660
Fees from Developers	-0-	229,723	17,440	910,591	-0-	-0-	1,157,754
Charges for Sales and Services	4,672,056	4,176,169	2,854,013	-0-	5,775	2,710,430	14,418,443
Interest Income	788,062	254,550	564,712	1,322,543	1,276,370	160,039	4,366,276
Miscellaneous	176,615	23,201	2,500	-0-	-0-	656,372	858,688
Total Revenues	71,065,974	4,718,479	3,438,665	7,397,127	11,288,639	4,661,445	102,570,329
Expenditures:							
Current							
General Government	13,602,347	-0-	-0-	-0-	-0-	23,148	13,625,495
Police and Animal Services	22,163,640	-0-	-0-	-0-	-0-	432,487	22,596,127
Fire	13,586,674	-0-	-0-	-0-	-0-	22,831	13,609,505
Public Works	5,666,074	-0-	-0-	-0-	-0-	13,175	5,679,249
Parks and Cemetery	6,065,581	-0-	-0-	-0-	-0-	-0-	6,065,581
Community Development	3,362,131	-0-	-0-	-0-	-0-	522,683	3,884,814
Economic Development	-0-	-0-	-0-	-0-	1,133,778	-0-	1,133,778
Recreation and Cultural Events	-0-	-0-	-0-	-0-	-0-	2,749,042	2,749,042
Street Lighting	-0-	-0-	-0-	-0-	-0-	692,515	692,515
Storm Water Utility	-0-	2,572,336	-0-	-0-	-0-	-0-	2,572,336
Capital Outlays	-0-	2,348,598	-0-	10,839,466	3,000,871	-0-	16,188,935
Debt Service:							
Principal	-0-	-0-	5,591,981	-0-	-0-	-0-	5,591,981
Interest	-0-	-0-	2,804,722	-0-	-0-	-0-	2,804,722
Bond Issuance Cost and Trustee Fees	-0-	-0-	9,800	-0-	-0-	-0-	9,800
Total Expenditures	64,446,447	4,920,934	8,406,503	10,839,466	4,134,649	4,455,881	97,203,880
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,619,527	(202,455)	(4,967,838)	(3,442,339)	7,153,990	205,564	5,366,449
Other Financing Sources (Uses):							
Proceeds from Issuance of Debt	-0-	-0-	-0-	5,300,000	-0-	-0-	5,300,000
Proceeds from Sale of Capital Assets	-0-	-0-	-0-	5,617	45,000	-0-	50,617
Transfers In	900,000	-0-	5,474,806	2,620,360	5,300,000	699,212	14,994,378
Transfers Out	(7,244,260)	(454,200)	-0-	(5,300,000)	(4,936,183)	-0-	(17,934,643)
Total Other Financing Sources (Uses)	(6,344,260)	(454,200)	5,474,806	2,625,977	408,817	699,212	2,410,352
Net Change in Fund Balances	275,267	(656,655)	506,968	(816,362)	7,562,807	904,776	7,776,801
Beginning Fund Balances as Restated	8,374,619	7,024,982	1,419,590	35,508,411	34,791,753	3,964,593	91,083,948
Ending Fund Balances	\$ 8,649,886	\$ 6,368,327	\$ 1,926,558	\$ 34,692,049	\$ 42,354,560	\$ 4,869,369	\$ 98,860,749

The accompanying notes are an integral part of this statement.

SANDY CITY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds (page 42) \$ 7,776,801

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay. 1,758,231

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 823,944

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and issuance of note receivables consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 490,902

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Long-term Debt	502,940
Compensated Absences	(389,885)
Pension Expense	1,948,934

Internal service funds are used by the City to charge the costs of various activities to individual funds. A portion of the internal service funds net revenues is reported with governmental activities.

	1,605,204
Change in Net Position of Governmental Activities (page 39)	<u>\$ 14,517,071</u>

The accompanying notes are an integral part of this statement.

SANDY CITY**General Fund****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Property Taxes	\$ 11,967,000	\$ 12,129,281	\$ 162,281
Sales and Use Taxes	29,272,000	30,106,136	834,136
Franchise Taxes	7,075,000	8,485,552	1,410,552
Motor Vehicle Fee	675,000	579,755	(95,245)
Total Taxes	48,989,000	51,300,724	2,311,724
Innkeeper Fees	150,000	583,567	433,567
Licenses and Permits	3,011,000	3,158,790	147,790
Intergovernmental	4,549,820	4,692,870	143,050
Administrative Charges	3,603,823	3,603,823	-0-
Fines and Forfeitures	961,000	1,189,014	228,014
Cell Tower Lease	959,846	900,453	(59,393)
Charges for Sales and Services	4,249,638	4,672,056	422,418
Interest Income	430,000	788,062	358,062
Miscellaneous	198,500	176,615	(21,885)
Total Revenues	67,102,627	71,065,974	3,963,347
Expenditures:			
General Government:			
Mayor	891,323	826,929	64,394
City Administrator	1,471,280	1,386,080	85,200
City Council	1,117,909	1,102,133	15,776
City Attorney	2,074,351	2,074,351	-0-
Court Services	1,572,761	1,512,062	60,699
Administrative Services	5,224,895	5,224,895	-0-
Non-Departmental	1,569,387	1,475,897	93,490
Total General Government	13,921,906	13,602,347	319,559
Public Safety:			
Police and Animal Services	22,286,576	22,163,640	122,936
Fire	13,930,701	13,586,674	344,027
Total Public Safety	36,217,277	35,750,314	466,963
Public Works	6,265,311	5,666,074	599,237
Parks and Cemetery	6,403,246	6,065,581	337,665
Community Development	3,446,982	3,362,131	84,851
Total Expenditures	66,254,722	64,446,447	1,808,275
Excess of Revenues Over Expenditures	847,905	6,619,527	5,771,622
Other Financing Sources (Uses):			
Transfers In	910,000	900,000	(10,000)
Transfers Out	(1,783,097)	(7,244,260)	(5,461,163)
Total Other Financing Sources (Uses)	(873,097)	(6,344,260)	(5,471,163)
Net Change in Fund Balance	(25,192)	275,267	300,459
Beginning Fund Balance as Restated	8,374,619	8,374,619	-0-
Ending Fund Balance	\$ 8,349,427	\$ 8,649,886	\$ 300,459

The accompanying notes are an integral part of this statement.

SANDY CITY

Storm Water Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -0-	\$ 69,700	\$ 34,836	\$ (34,864)
Charges for Sales and Services	4,093,955	4,093,955	4,176,169	82,214
Fees from Developers	210,000	210,000	229,723	19,723
Interest Income	32,000	32,000	254,550	222,550
Miscellaneous	4,125,955	6,000	23,201	17,201
Total Revenues	8,461,910	4,411,655	4,718,479	306,824
Expenditures:				
Salaries and Benefits	1,254,055	1,254,055	1,164,556	89,499
Materials and Supplies	207,713	207,713	213,960	(6,247)
Contracted Services	51,100	132,500	95,477	37,023
Internal Charges	459,930	1,218,204	908,038	310,166
Administrative Charges	189,020	189,020	186,082	2,938
Cost of Goods Sold	20,541	20,541	4,223	16,318
Capital Outlays	1,941,600	5,304,376	2,348,598	2,955,778
Total Expenditures	4,123,959	8,326,409	4,920,934	3,405,475
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,337,951	(3,914,754)	(202,455)	3,712,299
Other Financing Sources (Uses):				
Transfers Out	(454,200)	(454,200)	(454,200)	-0-
Total Other Financing Sources (Uses)	(454,200)	(454,200)	(454,200)	-0-
Net Change in Fund Balance	3,883,751	(4,368,954)	(656,655)	3,712,299
Beginning Fund Balance	7,024,982	7,024,982	7,024,982	-0-
Ending Fund Balance	\$ 10,908,733	\$ 2,656,028	\$ 6,368,327	\$ 3,712,299

The accompanying notes are an integral part of this statement.

SANDY CITY**Redevelopment Agency (RDA)****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes:				
Property Taxes	\$ 5,591,500	\$ 5,591,500	\$ 5,195,137	\$ (396,363)
Charges for Services	6,000	6,000	5,775	(225)
Transient Room Taxes	3,350,000	3,350,000	4,811,357	1,461,357
Interest Income	74,000	74,000	1,276,370	1,202,370
Total Revenues	9,021,500	9,021,500	11,288,639	2,267,139
Expenditures:				
Salaries and Benefits	431,576	431,576	415,154	16,422
Materials and Supplies	62,585	62,585	51,403	11,182
Contracted Services	309,800	713,071	215,782	497,289
Administrative Charges	451,439	451,439	451,439	-0-
Capital Outlays	22,355,339	43,379,404	3,000,871	40,378,533
Total Expenditures	23,610,739	45,038,075	4,134,649	40,903,426
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(14,589,239)	(36,016,575)	7,153,990	43,170,565
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	-0-	-0-	45,000	45,000
Transfers In	-0-	5,300,000	5,300,000	-0-
Transfers Out	(4,676,606)	(4,676,606)	(4,936,183)	(259,577)
Total Other Financing Sources (Uses)	(4,676,606)	623,394	408,817	(214,577)
Net Change in Fund Balance	(19,265,845)	(35,393,181)	7,562,807	42,955,988
Beginning Fund Balance as Restated	34,791,753	34,791,753	34,791,753	-0-
Ending Fund Balance	\$ 15,525,908	\$ (601,428)	\$ 42,354,560	\$ 42,955,988

The accompanying notes are an integral part of this statement.

SANDY CITY
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds					Internal Service Funds
	Alta Canyon Sports Center	Water	Waste	Golf Course	Total	
ASSETS						
Current Assets:						
Cash, Cash Equivalents, and Investments	\$ 1,190,765	\$ 11,115,177	\$ 1,482,663	\$ 1,108,969	\$ 14,897,574	\$ 11,507,610
Receivables, Net	376,532	3,790,150	586,805	18,177	4,771,664	492,938
Lease Receivable	206,693	-0-	-0-	-0-	206,693	-0-
Prepaid Assets	-0-	-0-	-0-	-0-	-0-	69,496
Inventories	-0-	1,158,819	-0-	271,521	1,430,340	11,094
Total Current Assets	1,773,990	16,064,146	2,069,468	1,398,667	21,306,271	12,081,138
Noncurrent Assets:						
Net Pension Asset	26,687	337,136	-0-	49,595	413,418	309,184
Right-to-Use Assets	-0-	-0-	-0-	291,881	291,881	-0-
Investment in Joint Venture	-0-	-0-	10,809,014	-0-	10,809,014	-0-
Capital Assets						
Water Rights and Capacity	-0-	41,467,209	-0-	-0-	41,467,209	-0-
Land, Building, Plant, and Equipment	4,754,555	207,407,056	1,325,774	5,811,176	219,298,561	41,894,629
Accumulated Depreciation	(4,192,958)	(117,185,512)	(641,347)	(949,889)	(122,969,706)	(31,033,620)
Construction in Progress	-0-	2,122,718	261,305	-0-	2,384,023	521,404
Total Noncurrent Assets	588,284	134,148,607	11,754,746	5,202,763	151,694,400	11,691,597
Total Assets	2,362,274	150,212,753	13,824,214	6,601,430	173,000,671	23,772,735
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charges on Refunding	-0-	61,781	-0-	-0-	61,781	-0-
Deferred Amounts Relating to Pensions	64,512	460,028	74,515	58,278	657,333	207,981
Total Deferred Outflows of Resources	64,512	521,809	74,515	58,278	719,114	207,981
LIABILITIES						
Current Liabilities:						
Accounts Payable	48,090	1,588,054	453,702	74,879	2,164,725	498,502
Salaries and Benefits Payable	69,051	159,401	23,901	35,228	287,581	90,051
Accrued Interest Payable	-0-	119,733	-0-	-0-	119,733	5,492
Claims and Judgments Payable	-0-	-0-	-0-	-0-	-0-	511,960
Unearned Revenue	70,781	-0-	-0-	-0-	70,781	-0-
Deposits	26,696	634,443	-0-	169,280	830,419	-0-
Bonds Payable	-0-	1,020,000	-0-	-0-	1,020,000	-0-
Lease Liability and Notes Payable	-0-	-0-	-0-	14,440	14,440	146,455
Other Payables	-0-	710,640	-0-	-0-	710,640	2,401,883
Total Current Liabilities	214,618	4,232,271	477,603	293,827	5,218,319	3,654,343
Noncurrent Liabilities						
Net Pension Liability	90,783	417,431	61,945	68,673	638,832	236,509
Lease Liability and Notes Payable	-0-	-0-	-0-	303,234	303,234	310,043
Subscription IT Liability	-0-	100,500	-0-	-0-	100,500	180,724
Unamortized Bond Premium	-0-	847,787	-0-	-0-	847,787	-0-
Bonds Payable - Long Term	-0-	6,185,000	-0-	-0-	6,185,000	-0-
Notes Payable	-0-	6,277,320	-0-	-0-	6,277,320	-0-
Total Noncurrent Liabilities:	90,783	13,828,038	61,945	371,907	14,352,673	1,437,916
Total Liabilities	305,401	18,060,309	539,548	665,734	19,570,992	5,092,259
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	379,760	-0-	-0-	-0-	379,760	520,744
Deferred Amounts Relating to Pensions	-0-	-0-	-0-	-0-	-0-	92,603
Deferred Amounts Relating to Leases	199,109	-0-	-0-	-0-	199,109	-0-
Total Deferred Outflows of Resources	578,869	-0-	-0-	-0-	578,869	613,347
NET POSITION						
Net Investment in Capital Assets	561,597	119,442,645	945,732	4,835,494	125,785,468	10,745,191
Unrestricted	980,919	13,231,608	12,413,449	1,158,480	27,784,456	8,240,559
Total Net Position	\$ 1,542,516	\$ 132,674,253	\$ 13,359,181	\$ 5,993,974	153,569,924	\$ 18,985,750
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					2,802,164	
Net Position of business-type activities (page 37)					\$ 156,372,088	

The accompanying notes are an integral part of this statement.

SANDY CITY

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds					Internal Service Funds
	Alta Canyon Sports Center	Water	Waste	Golf Course	Total	
Operating Revenues:						
Charges for Sales and Services	\$ 861,405	\$ 22,688,467	\$ 6,372,689	\$ 2,233,035	\$ 32,155,596	\$ 12,016,702
Fees from Developers	-0-	498,175	-0-	-0-	498,175	-0-
Miscellaneous	-0-	-0-	-0-	-0-	-0-	913,989
Total Operating Revenue	861,405	23,186,642	6,372,689	2,233,035	32,653,771	12,930,691
Operating Expenses:						
Salaries and Benefits	1,348,044	2,930,366	750,983	837,054	5,866,447	3,306,963
Materials and Supplies	244,722	539,212	77,037	246,390	1,107,361	72,339
Contracted Services	64,508	618,965	161,219	67,845	912,537	3,623,205
Internal Charges	-0-	-0-	-0-	-0-	-0-	956,218
Administrative Charges	237,558	2,138,766	802,077	218,700	3,397,101	1,092,870
Cost of Goods Sold	68,022	11,058,763	4,827,975	378,544	16,333,304	2,176,834
Noncapital Improvements	8,275	39,800	-0-	330	48,405	510,377
Depreciation	35,341	5,457,745	75,694	84,481	5,653,261	2,558,630
Total Operating Expenses	2,006,470	22,783,617	6,694,985	1,833,344	33,318,416	14,297,436
Operating Income (Loss)	(1,145,065)	403,025	(322,296)	399,691	(664,645)	(1,366,745)
Nonoperating Revenues (Expenses):						
Taxes	401,656	-0-	-0-	-0-	401,656	529,639
Inter-Governmental Revenue	815,599	-0-	-0-	-0-	815,599	-0-
Interest Income (Expense)	41,985	621,957	67,979	31,161	763,082	268,199
Cell Tower Lease	29,754	-0-	-0-	-0-	29,754	-0-
Equity Earnings from Joint Venture	-0-	-0-	722,198	-0-	722,198	-0-
Other Income (Expense)	67	277	-0-	2,835	3,179	80
Gain (Loss) on Disposal of Asset	-0-	10,937	-0-	23,700	34,637	278,134
Bond Interest Expense	-0-	(286,905)	-0-	(15,633)	(302,538)	(16,166)
Total Nonoperating Revenues (Expenses)	1,289,061	346,266	790,177	42,063	2,467,567	1,059,886
Income (Loss) Before Capital Contributions and Transfers	143,996	749,291	467,881	441,754	1,802,922	(306,859)
Contributions from Developers	-0-	486,480	-0-	-0-	486,480	-0-
Transfers In	-0-	-0-	575,000	150,000	725,000	3,448,825
Transfers Out	-0-	-0-	-0-	-0-	-0-	(1,233,559)
Total Contributions and Transfers	-0-	486,480	575,000	150,000	1,211,480	2,215,266
Change in Net Position	143,996	1,235,771	1,042,881	591,754	3,014,402	1,908,407
Beginning Net Position	1,398,520	131,438,482	12,316,300	5,402,220		17,077,343
Ending Net Position	\$ 1,542,516	\$ 132,674,253	\$ 13,359,181	\$ 5,993,974		\$ 18,985,750
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					303,249	
Change in net position of business-type activities (page 39)					\$ 3,317,651	

The accompanying notes are an integral part of this statement.

SANDY CITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds					
	Alta Canyon Sports Center	Water	Waste	Golf Course	Total	Internal Service Funds
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 861,995	\$ 22,179,481	\$ 6,352,082	\$ 2,274,436	\$ 31,667,994	\$ 12,950,369
Payments to Suppliers	(623,915)	(13,113,788)	(5,811,305)	(1,058,072)	(20,607,080)	(8,103,022)
Payments to Employees	(1,341,233)	(3,068,548)	(721,921)	(848,847)	(5,980,549)	(3,076,303)
Net Cash Provided (Used) by Operating Activities	(1,103,153)	5,997,145	(181,144)	367,517	5,080,365	1,771,044
Cash Flows from Noncapital Financing Activities:						
Tax Receipts	401,656	-0-	-0-	-0-	401,656	532,145
Grants and Contributions	815,599	-0-	-0-	-0-	815,599	-0-
Transfers from Other Funds	-0-	-0-	575,000	150,000	725,000	2,215,266
Net Cash Provided (Used) by Noncapital Financing Activities	1,217,255	-0-	575,000	150,000	1,942,255	2,747,411
Cash Flows from Capital and Related Financing Activities:						
Acquisition of Capital Assets	(41,892)	(8,944,803)	(807,559)	(46,922)	(9,841,176)	(4,068,753)
Capital Grants and Contributions	-0-	-0-	-0-	-0-	-0-	-0-
Lease Proceeds	1,942	-0-	-0-	-0-	1,942	-0-
Principal Paid on Revenue Bonds	-0-	(1,665,260)	-0-	(352,377)	(2,017,637)	-0-
Interest Paid on Revenue Bonds	-0-	(461,573)	-0-	(23,302)	(484,875)	(16,166)
Proceeds from Cell Tower Leases	29,754	-0-	-0-	-0-	29,754	-0-
Proceeds from Sale of Capital Assets	-0-	10,937	-0-	23,700	34,637	278,134
Net Cash Provided (Used) by Capital and Related Financing Activities	(10,196)	(11,060,699)	(807,559)	(398,901)	(12,277,355)	(3,806,785)
Cash Flows from Investing Activities:						
Interest Received (Paid)	41,985	621,957	67,979	31,161	763,082	268,199
Net Increase (Decrease) in Cash and Cash Equivalents	145,891	(4,441,597)	(345,724)	149,777	(4,491,653)	979,869
Cash and Cash Equivalents - Beginning of Year	1,044,874	15,556,774	1,828,387	959,192	19,389,227	10,527,741
Cash and Cash Equivalents - End of Year	\$ 1,190,765	\$ 11,115,177	\$ 1,482,663	\$ 1,108,969	\$ 14,897,574	\$ 11,507,610
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (1,145,065)	\$ 403,025	\$ (322,296)	\$ 399,691	\$ (664,645)	\$ (1,366,745)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:						
Depreciation	35,341	5,457,745	75,694	84,481	5,653,261	2,558,630
Other Non-Operating Income (Expenses)	-0-	-0-	-0-	-0-	-0-	80
Accounts Receivables	(6,724)	(891,530)	(20,342)	35,196	(883,400)	(3,407)
Inventories	-0-	(122,321)	-0-	(59,762)	(182,083)	25,260
Prepaid Assets	-0-	-0-	-0-	-0-	-0-	(26,878)
Accounts Payable	6,755	1,404,040	57,003	(86,501)	1,381,297	353,442
Salaries and Benefits Payable	6,811	(138,183)	29,062	(11,793)	(114,103)	230,662
Customer Deposits	(271)	(115,631)	(265)	6,205	(109,962)	-0-
Net Cash Provided (Used) by Operating Activities	\$ (1,103,153)	\$ 5,997,145	\$ (181,144)	\$ 367,517	\$ 5,080,365	\$ 1,771,044
Noncash Investing, Capital, and Financing Activities:						
Contributions of Capital Assets From Developers	\$ -0-	\$ 486,480	\$ -0-	\$ -0-	\$ 486,480	\$ -0-
Investments in Joint Venture	-0-	-0-	722,198	-0-	722,198	-0-
Noncash Transactions Affecting Financial Position	\$ -0-	\$ 486,480	\$ 722,198	\$ -0-	\$ 1,208,678	\$ -0-

The accompanying notes are an integral part of this statement.

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Sandy City operates under the council-mayor optional form of government. The City Council, comprising seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. The City Council establishes City policy, approves the budget, and ratifies the appointment of City Officials. The City Council is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government.

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Therefore, data from these units are combined with data of the primary government. Each blended component unit has a June 30 year end.

Blended Component Units

The Sandy Redevelopment Agency (RDA) was legally created as authorized by the Utah Neighborhood Development Act. The City Council is designated by ordinance as the governing body of the RDA. Therefore, the RDA is part of the City's reporting entity because the City has accountability for all significant fiscal and operating matters. The RDA is reported as a major governmental fund.

The Alta Canyon Recreation Special Service District (the Sports Center) was legally created as authorized by the Utah Special Service District Act. The Sports Center is within the boundaries of the City and services the northeast quadrant. The Sports Center's Advisory Board comprises seven elected individuals. The Advisory Board establishes policy for the Sports Center, appoints Sports Center officials, advises the City with respect to collection and disbursement of funds, and is responsible for funding deficits. The Sports Center also has the following powers: to sue and be sued, eminent domain, to enter into contracts, and to acquire and construct facilities. Of equal importance, no tax may be levied and no bonds will be issued unless authorized by a majority of the qualified voters of the District.

The City Council approves the Sports Center's budget, property tax rate, issuance of long-term debt, and can, at its discretion, dissolve the Sports Center special services district. The Sports Center provides services that, almost exclusively benefit the City. As of January 1, 2003, the Sports Center requested the City to take over the management of its daily operations. Accordingly, the Sports Center is reported as a blended component unit (the Alta Canyon Sports Center Fund) in the enterprise funds section of the financial statements.

The Sandy Arts Guild (Arts Guild) was legally created and authorized as a member-driven organization with a primary missions to execute community musical theater opportunities along with special community and artistic events. The City Council is designated by ordinance as the governing body of the Sandy Arts Guild. Therefore, the Arts Guild is part of the City's reporting entity because the City has accountability for all significant fiscal and operating matters. As such, the Arts Guild presented as a nonmajor blended component unit of the City.

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Investment in Joint Venture

The City is a partner with neighboring cities in a joint venture known as Trans-Jordan Cities. The purpose of this joint venture is to provide solid waste management and disposal services. Investment in this joint venture is accounted for using the equity method (see note 9 on page 64).

Related Organizations

The City also has activities with Metropolitan Water District of Salt Lake and Sandy (MWDSLs). City Officials appoint members to the board of directors, but the City's accountability does not extend beyond making the appointments.

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, interfund activity has been eliminated from these statements. Interfund services that are provided and used are not eliminated in the process of consolidation. Governmental activities, which are largely supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are supported to a significant extent by charges for services.

The statement of activities demonstrates the degree to which the direct expenses for a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include i) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and ii) 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 as general revenues.

Separate financial statements are provided for the governmental funds, proprietary funds, and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the basic financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to when revenues or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting and reporting treatment applied is determined by its measurement focus. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. All governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental funds operating statements present increases (revenues and other financing sources)

SANDY CITY
Notes to the Financial Statements
June 30, 2023

and decreases (expenditures and other financing uses) in net current assets.

All governmental fund financial statements are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become 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, generally 60 days. Principal revenue sources susceptible to accrual include property taxes, sales taxes, franchise taxes, special assessments, and interest on investments. Furthermore, expenditures are recorded when fund liabilities are incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension, etc. which are only recorded when payment is due.

The enterprise and internal service fund financial statements are reported using the accrual basis of accounting. These funds are accounted for on a cost of services or "economic resources" measurement focus. This means all assets and liabilities associated with their activity are included on their statement of net position.

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

Description of Funds

The City reports the following major governmental funds:

The **general fund** is the primary operating fund and accounts for the normal activities of the City (police, fire, public works, parks, community development, general government, etc.). These activities are funded principally by property taxes, sales and use taxes, franchise taxes, licenses, and permits.

The **storm water fund** accounts for the City's revenues and capital expenditures associated with drainage for storm water runoff. The revenue source for storm water is payments from citizens on their monthly utility bill.

The **debt service fund** is used to account for the accumulation of resources for payment of general long-term debt principal and interest and special assessment levies when the City is obligated in some manner for the payment.

The **capital projects fund** accounts for the resources used to acquire, construct, and improve major capital facilities, other than those financed by proprietary funds. Capital projects funds allow the City to compile project cost data and demonstrate that legal or contractual requirements regarding the use of the

SANDY CITY
Notes to the Financial Statements
June 30, 2023

resources are fully satisfied. The principal source of funding is contributions from developers restricted for capital construction, transfers from the general fund, grants, and long-term debt.

The **RDA fund** accounts for the City's revenues and expenditures associated with promoting new capital investment and job creation within the City. The revenue source for RDA is annual tax increment.

The City reports the following major proprietary funds:

The **Alta Canyon Sports Center fund** accounts for the activities of the Alta Canyon Recreation Special Service District. The main activity is a recreation center located within the District.

The **water fund** is used to account for the operations of the City's water utility.

The **waste fund** accounts for waste collection services provided by an independent contractor.

The **golf course fund** is used to account for the City's golf course.

Additionally, the City reports the following fund type:

Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The internal service funds include the fleet fund, the information technology fund, the risk management fund, the equipment management fund, and the payroll management fund.

Fund Balance Classifications

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

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Fund balance amounts related to prepaid expenditures and inventories are classified as nonspendable.

Restricted fund balance includes net fund resources that are subject to external constraints that have been placed on the use of the resources. External constraints can be imposed by creditors (such as through a debt covenant), grantors, contributors, laws or regulations of other governments, or law through constitutional provisions or enabling legislation. Restricted fund balances include storm water, bond proceeds restricted for construction, impact fees, Class "C" road funds, RDA, and liquor allotment.

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Committed fund balance includes amounts that can only be used for specific purposes established by formal action of the City Council. Fund balance commitments can only be removed or changed by a resolution approved by the City Council, the highest level of decision-making authority. Committed fund balance includes amounts for capital projects and debt service.

Assigned fund balance classification includes amounts that are constrained by the government's intent to use the funds for specific purposes, but are neither restricted nor committed, as established by the Administrative Services Director. Also included are all remaining amounts that are reported in governmental funds, other than the general fund that are not classified as nonspendable, restricted or committed or in the general fund that are intended to be used for specific purposes.

Unassigned fund balance includes fund balance in the general fund that is not otherwise classified. Any deficit fund balance within other governmental fund types are reported as unassigned.

The City Council authorizes the assignment of fund balance with resolution. The City reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted amounts are available. The City reduces committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The City does not have a minimum fund balance policy. *Utah Code* 10-6-116(4) requires a minimum fund balance of 5 percent of total revenues be maintained in the general fund.

Budget Operation

The City operates within the budget requirements as specified by Utah state law. The budget reflects the following standards:

1. For the fiscal year beginning July 1, the budget officer prepares a tentative budget which is presented to the City Council on or before the first regularly scheduled meeting in May.
2. By resolution, the City Council legally adopts the final budget on or before June 30, after appropriate public hearings have been held. However, if there is a change to the certified tax rate, the final budget can be adopted as late as September 1.
3. Once adopted, the budget can be amended by subsequent City Council action. Reductions in or reallocations of departmental appropriations can be approved by the City Council upon recommendation of the Budget Officer, but increased appropriations require a public hearing prior to amending the budget. Transfers of unexpended appropriations from one expenditure account to another in the same department can be made with the approval of the Budget Officer.
4. Interim adjustments in estimated revenue and departmental appropriations during the fiscal year 2023 have been included in the final budget approved by the City Council, as presented in the financial statements. These amendments were not material in relation to the original appropriations.

SANDY CITY
Notes to the Financial Statements
June 30, 2023

5. As determined by Utah state law, the level for which expenditures may not legally exceed appropriations is the departmental budget within a given fund.
6. Budgets for the general, special revenue, debt service (general purposes debt service only), and capital projects funds are adopted on a basis consistent with GAAP. Special assessment funds are grouped with debt service funds. Operating and capital budgets are required by Utah state law for proprietary fund types, although such budgets are not required to be presented in the financial statements. In addition, budgets for special assessment funds are not required by Utah state law.
7. All unexpended appropriations lapse at the end of the budget year. However, unexpended capital projects fund appropriations may be reappropriated by a resolution of the City Council without holding public hearings.

Encumbrances

Encumbrance accounting is not employed by the City.

Cash, Cash Equivalents, and Investments

The City's policy is to report all investments at estimated fair value with the change in fair value included in revenues. The City's investment in the State Treasurer's Pool has an estimated fair value equivalent to the value of the pool shares. In all statements, the City considers cash on hand, demand deposits, and highly liquid short-term investments as cash and cash equivalents.

Inventory

Inventories are stated at cost, however, items held for resale are reported at lower of cost or market. Cost method of inventory is first-in, first-out.

Prepaid Items

Prepaid items are accounted for using the consumption method in the governmental funds.

Right-to-use Assets

Right-to-use assets are considered to be leases according to Governmental Accounting Standards Board Statement No. 87, "Leases" (GASB 87) and have a definite useful life. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability at the present value of lease payments expected to be made during the lease term plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. They are amortized on a straight-line basis over an estimated life (shorter of the lease term or the useful life). As used in these statements, accumulated depreciation includes amortization of right-to-use assets. The amortization period varies from 4 to 14 years.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount

SANDY CITY
Notes to the Financial Statements
June 30, 2023

rate for leases. The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net positions.

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received is discounted based on the interest rate the City charges the lessee.

Right-to-use Subscription IT Assets

According to Governmental Accounting Standards Board Statement No. 96, "Subscription-Based Information Technology Arrangements" (GASB 96), right-to-use subscription IT assets are recognized at the subscription commencement date and represent the City's right to use the underlying IT assets for the subscription term. The right-to-use subscription IT assets are initially measured at an amount equal to the initial measurement of the related subscription liability at the present value of subscription payments expected to be made during the subscription term plus any payments made to the vendor prior to the subscription term, less any subscription incentives, and plus any capitalizable initial implementation costs necessary to place the subscription asset into service. They are amortized on a straight-line basis over an estimated life (shorter of the subscription term or the useful life). The amortization period varies from 2 to 5 years.

The present value of subscription payments are discounted based on an estimated incremental borrowing rate determined by the City. The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. At the commencement of GASB 96, the City initially measured the right-to-use subscription liability at the present value in the amount of \$428,354. Right-to-use subscription IT assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net positions.

Deferred Outflows/Inflows of Resources

In addition to assets, a separate section for deferred outflows of resources is reported. This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense or expenditure) until then. The City has two items that qualify for reporting in this category, the deferred charge on refunding and that relating to pensions. A deferred charge on refunding results 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 the refunded or refunding debt. A deferred outflow from pensions results from contributions made by the City prior to fiscal

SANDY CITY
Notes to the Financial Statements
June 30, 2023

year end, but subsequent to the pension plan's actuarial valuation measurement date of December 31, 2022, which are deferred for one year.

In addition to liabilities, a separate section for deferred inflows of resources is reported. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category: deferred amounts relating to leases; unavailable revenue, which was not collected within sixty days of fiscal year end; and deferred amounts relating to pensions. The deferred amount relating to leases is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. This amount is subsequently recognized as inflows of resources, if available, over the term of the lease. Unearned revenues result from property taxes and are deferred and recognized as an inflow of resources in the following fiscal year to correspond with the period in which the taxes are levied. Deferred inflows relating to pensions are a result of changes in assumptions and are amortized over the average expected remaining service life of all employees that are provided with pension benefits, with the exception of investment earnings, which are recognized over a closed five-year period.

Interfund Transactions

In the normal course of operations, the City has transactions between funds. Various City funds provide a number of services such as administrative, fleet operations, information services, insurance and risk management, *etc.* to other City funds. Charges are treated as revenues in the fund providing the service and as operating expenses in the fund receiving the service. Other transfers are recognized as transfers in and out, respectively, by the funds involved. Short-term payables are shown as due to/from other funds. Long-term payables are shown as advances to/from other funds.

Capital Assets

Capital assets, which include water rights and capacity, land, buildings and systems, improvements other than buildings, vehicles, machinery and equipment, and infrastructure assets (*e.g.*, roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$7,500 and an estimated useful life in excess of one year with the exception of water rights and capacity which have no threshold and are recorded at cost. Assets are recorded at historical cost or estimated historical cost when actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. Depreciation on buildings and systems, improvements other than buildings, vehicles, machinery and equipment, and infrastructure (other than the roadway system) is computed using the straight-line method over the following estimated useful lives:

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Asset Description	Useful Life Years	Asset Description	Useful Life Years
Wells	25	Vehicles	5-15
Water Tanks	25	Office Furniture and Equipment	5-10
Distribution Mains	33	Street Lights and Traffic Signals	30-50
Buildings and Structures	20-40	Storm Water Improvements	40
Pumps	8	Swimming Pools	30
Machinery and Equipment	5-10	Infrastructure	25

Modified Approach

The City has elected to follow the modified approach to account for infrastructure. The City has made a commitment to preserve and maintain the roadway system of infrastructure assets at a condition level determined by the City. The Public Works department is responsible for determining the appropriate condition level at which the roadway system is to be maintained. Amounts capitalized in connection with improvements that lengthen the life of the roadway system are recorded as expenditures, and not reported as capital assets unless the improvements also increase its service potential. There is also no depreciation expense for the roadway system. The City maintains an inventory of the roadway system and performs periodic condition assessments to establish that the predetermined condition level is being maintained. Annual estimates are made by the City for expenses to preserve and maintain the roadway system at the predetermined condition levels.

Contributions

Certain proprietary funds receive contributions for aid in construction from various sources reported as nonoperating revenue.

Utility Revenue

Revenue in the water, storm water, waste, and street lighting funds is recorded when billed. At year end, each fund records, as unbilled receivables and revenue, an amount which approximates revenue from the last meter reading or billing date at fiscal year end.

Pensions

For the purpose of measuring the net pension asset, 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) including additions to and 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.

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements
Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance for total governmental funds and net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that some of the City's revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and are therefore reported as receivables. The \$2,125,933 receivables consists of \$1,630,253 of a loan receivable and \$495,680 in delinquent property taxes and court fines.

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The \$1,758,273 difference consists of \$9,733,571 of net capital additions less \$7,961,653 depreciation expense and \$13,645 in amortization for the Right-to-Use asset.

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The \$490,902 represents \$3,669,747 of unspent proceeds from the SIB Loan, \$1,431,332 of capitalized issuance costs, and the remaining \$5,591,981 was regularly schedule principal payments on existing debt.

Note 3 - Property Taxes

The property tax revenue of Sandy City is collected and distributed by the Salt Lake County Treasurer as an agent for the City. Utah state laws establish the process by which taxes are levied and collected. The property tax calendar is as follows:

1. By March 31, the County Treasurer settles property taxes charged and collected for the previous year by submitting the completed "Year End Statement of Taxes Charged, Collected, and Disbursed" (Report TC-750) to the Utah State Tax Commission.
2. Before June 22, the City adopts a proposed tax rate and certifies the tax rate with the County Auditor on Report 693.
3. Before July 22 (if the City adopts a tax rate higher than the certified tax rate), the County Auditor mails a notice of intent to exceed the certified tax rate to property owners. This notice is normally combined with the tax notice.

SANDY CITY
Notes to the Financial Statements
June 30, 2023

4. After August 1st or at least 10 days after mailing Valuation Notice, the City holds public hearing(s) on the property tax increase before adopting the final budget. Resolution PT-800 must be sent to the Utah State Tax Commission.
5. From August 1 thru September 15, the County Board of Equalization is open for taxpayer appeals of property valuations.
6. By November 1, the County Auditor approves changes in taxable value of the real property and the County Treasurer mails tax notices with a due date of November 30. Payments made after November 30 are considered delinquent and are subject to a penalty.
7. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the real property, and the amount of taxes and penalties bear interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale.

For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes and has recorded a receivable and a corresponding deferred inflow of resources for the assessed amount of those property taxes as of January 1, 2023. Most of the tax will not be received until the following fiscal year.

Note 4 - Cash, Cash Equivalents, and Investments

Detailed cash, cash equivalent, and investment accounting records are maintained for each individual fund. However, to provide the maximum amount of interest earnings on all funds of the City, all cash is pooled for deposit and investment purposes.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of City funds in a “qualified depository.” The Act defines a “qualified depository” as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the commissioner of financial institutions as meeting the requirements as defined in Chapter 11 of the Utah Money Management Act. Chapter 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements, which an institution must maintain to be eligible to accept public funds. The Utah Money Management Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's deposits are insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation (FDIC), with the exception of the Gold International Sweep Account held with Zions Bank and the Wells Fargo Stagecoach Sweep account which are cash accounts. The amount in this account as of June 30, 2023, was \$1,121,329.95 at Zions Bank and \$6,164,989.98 at Wells Fargo Bank. Deposits above

SANDY CITY
Notes to the Financial Statements
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\$250,000 per bank are exposed to credit risk. Of the City's bank balance deposit carrying value of \$8,499,128, \$8,249,128 was uninsured. The City has no formal policy regarding custodial credit risk.

A summary of restricted and unrestricted cash, cash equivalents, and investments at June 30, 2023 is as follows:

	Cash, Cash Equivalents, and Investments
Unrestricted	\$ 123,037,387
Restricted	10,959,918
Total	<u>\$ 133,997,305</u>
Cash	\$ 8,499,128
Cash Equivalents & Investments	125,498,177
Total	<u>\$ 133,997,305</u>

Note 5 - Investment Rating and Risk

The City's investments are governed by state statutes. City funds are invested only in the following: (1) negotiable or nonnegotiable deposits of qualified depositories; (2) repurchase agreements with qualified depositories or primary reporting dealers, acting as principal for securities of the United States Treasury or other authorized investments, only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are conducted with a qualified depository; (3) commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Service or Standard & Poor's; (4) bankers' acceptances that are eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less; (5) negotiable interest bearing deposits of \$100,000 or more which have a remaining term to maturity of 365 days or less; (6) obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds; (7) obligations issued or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Home Loan Banks, Federal Farm Credit Banks, Federal National Mortgage Association, Federal Agricultural Mortgage Corporation, Federal Home Loan

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Notes to the Financial Statements
June 30, 2023

Mortgage Corporation, Tennessee Valley Authority, or Student Loan Marketing Association; (8) the Utah State Treasurer's Investment Fund; and (9) fixed and variable rate corporate obligations that meet criteria under the Utah Money Management Act.

The City invests in the Public Treasurer's Investment Fund (PTIF), which is an external investment pool administered by the Utah State Treasurer. The PTIF is available for investment of funds administered by any Utah public treasurer. There is no required participation and no minimum balance or minimum/maximum transaction requirements. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Utah Money Management Act. The Act establishes the Money Management Council, which oversees the activities of the State Treasurer and the PTIF. Deposits in the PTIF are not insured or otherwise guaranteed by the state of Utah and participants share proportionally in any realized gains or losses on investments. You may request the PTIF financial statements by emailing ptifadmin@utah.gov or calling the toll free number 800-395-7665.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participant's balance is their investment deposited in the PTIF plus their share of income, gains, and losses net of administration fees, which is allocated to each participant on the ratio of each participant's share to the total funds. The participant's monthly investment amount is based upon their average daily balance.

The City measures and records its investments using the 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.

Twice a year, at June 30 and December 31, the investments are valued at fair value and participants are informed of the valuation factor that enables them to adjust their statement balances to fair value. As of June 30, 2023, the City's fair value investments in the PTIF were \$6,968 more than the amortized cost of \$92,708,111. The City's investments have been adjusted to show this increase in value. As of June 30, 2023, the City's \$92,708,111 investment in the PTIF had an average adjusted maturity of .95 (Level 1 inputs).

The City also invests in the Zions Liquid Asset Management (LAM) fund. The LAM fund invests in money market funds and short and intermediate-term fixed income securities (including taxable, tax-exempt or tax advantaged). The LAM fund meets the requirements of the Utah Money Management Act.

For the year ended June 30, 2023, the City's fair value investments in the LAM were \$419,603 less than the amortized cost of \$17,208,672. The City's LAM investment has been adjusted to show this decrease in value. As of June 30, 2023, the City's \$17,105,342 investment in the LAM fund had an average final maturity of 1.119 years (Level 2 inputs).

The City also invests with Moreton Financial Advisors (Moreton). Moreton invests in money market funds and short and intermediate-term fixed income securities (including taxable, tax-exempt, or tax advantaged). Moreton meets the requirements of the Utah Money Management Act.

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For the year ended June 30, 2023, the City's fair value investments in Moreton were \$347,291 less than the amortized cost of \$16,232,205. The City's Moreton investment has been adjusted to show this decrease in value. As of June 30, 2023, the City's \$16,154,436 investment with Moreton had an average final maturity of 1.327 years (Level 2 input).

Credit Risk

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the Utah Money Management Act. The Act details authorized investments which are high-grade securities and, therefore, subject to very little credit risk except in the most unusual and unforeseen circumstances. The PTIF, LAM, and Moreton funds are not rated.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Utah Money Management Act. The Act requires the remaining term to maturity of investments not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

As of June 30, 2023, the City had no investments requiring interest rate risk disclosure.

Note 6 - Restricted Assets

Unexpended state road funds, during fiscal year 2023, that are required by Utah state law to be restricted for road construction and maintenance, are summarized as follows:

State Road Allotment	\$	4,234,550
Expenditures: Highway Maintenance		(4,234,550)
Unexpended State Road Allotment	\$	<u><u>-0-</u></u>

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Governmental Funds

Restricted cash represent unexpended receipts which are restricted for use on future projects, and in the case of the general fund, services paid for but not yet received. The changes in restricted balances during fiscal year 2023 are summarized as follows:

	Road Funds	Capital Projects Fund
Balance - July 1, 2022	\$ 3,073,431	\$ 6,475,122
Additions:		
Fees, Bond Proceeds, and Transfers In	4,769,079	3,892,195
Interest Earnings	88,942	102,587
Reductions:		
Expenditures and Transfers Out	(4,402,313)	(3,039,126)
Balance - June 30, 2023	<u>\$ 3,529,139</u>	<u>\$ 7,430,778</u>

Business-Type Funds

There are no restricted assets in the business-type funds.

Note 7 - Receivables

Net Receivables

The \$24,410,290 in governmental activities receivables found in the Statement of Net Position consists of \$21,283,783 in taxes, \$823,713 in billing receivables, \$1,630,253 in loan receivables, \$569,944 in accrued interest, and \$102,597 in other receivables.

The \$4,771,666 in business-type activities receivables are comprised of \$4,395,134 in billing receivables, \$370,151 in taxes receivable, and \$6,381 in other receivables. The City expects to collect all of these receivables during fiscal year 2024.

Lease Receivable

The City has accrued a receivable for building, parking, and cell tower leases. The remaining receivable for these leases was \$47,295,263 for the year ended June 30, 2023. Deferred inflows related to these leases were \$46,370,758 as of June 30, 2023. Interest revenue recognized on these leases was \$1,794,263 for the year ended June 30, 2023. Principal receipts of \$1,700,690 were recognized during the fiscal year.

Lease receivables for building and parking consist of 3 leases with terms of 25-76 years. The interest rate on these leases ranged from 2.5% to 3.83%. The corresponding lease receivable related to these leases is \$38,813,265 as of June 30, 2023.

Lease receivables for cell towers consist of 23 leases with terms of 15-41 years. The interest rate on these leases ranged from 2.5% to 4%. The corresponding lease receivable related to these leases is \$8,481,998 as of June 30, 2023.

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Notes to the Financial Statements
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Note 8 - Due From/To Other Funds

The interfund loan for the CDBG is for expenses incurred in that fund that will be reimbursed by federal Community Development Block Grant funds the following year.

Note 9 - Joint Venture

The City has a 27.75 percent ownership in Trans-Jordan Cities (the Association). The Association was organized in 1968 as a joint enterprise fund of the cities of Midvale, West Jordan, Murray, and Sandy. In 1997, the Association was joined by the City of South Jordan, and the Cities of Draper and Riverton joined in 1998. The primary purpose of the Association is the operation, maintenance, and control of a refuse dumping site situated east of Bingham Canyon in Salt Lake County. The percentage interest in operations for each of the entities is as follows

The Association is governed by its own Board of Directors. Under the Organization Agreement, the board is composed of the Mayors, or their appointed representatives, of the seven participating cities. The Board of Directors appoints the management and staff of the Association and approves all financial matters such as the operating budget and usage fees.

<u>Participating Cities</u>	<u>Percent</u>
Draper City	10.41%
Midvale City	5.20%
Murray City	7.81%
Riverton City	11.22%
Sandy City	27.75%
South Jordan City	16.23%
West Jordan City	21.38%
	<u>100.00%</u>

SANDY CITY
Notes to the Financial Statements
June 30, 2023

The following is a summary of audited financial information of the Association for the fiscal year ended June 30, 2023:

<u>Net Position</u>		<u>Revenues, Expenses, and Changes in Net Position</u>	
Current Assets	<u>\$13,329,901</u>	Revenues	
Non Current Assets		Operating Revenues	\$12,437,218
Capital Assets	26,748,181	Other Revenues	<u>1,740,449</u>
Other Assets	<u>23,414,412</u>	Total Revenues	<u>14,177,667</u>
Total Non Current Assets	<u>50,162,593</u>	Expenses	
Total Assets	<u>63,492,494</u>	Operating Expenses	10,132,328
Deferred Outflows of Resources		Other Expenses	<u>761,604</u>
related to pensions	<u>621,888</u>	Total Expenses	<u>10,893,932</u>
Current Liabilities	2,110,333	Income Before Contributions	3,283,735
Noncurrent Liabilities	<u>22,773,094</u>	Capital Contributions	<u>-0-</u>
Total Liabilities	<u>24,883,427</u>	Change in Net Assets	3,283,735
Deferred Inflows of Resources		Net Position - Beginning	<u>35,667,665</u>
related to pensions	<u>279,555</u>	Total Net Position - Ending	<u>\$38,951,400</u>
Net Position			
Net Investments in Capital Assets	23,894,817		
Restricted for Closure and			
Postclosure costs	1,226,941		
Unrestricted	<u>13,829,642</u>		
Total Net Position	<u>\$38,951,400</u>		

The City paid \$1,074,827 to the Association for landfill costs during fiscal year 2023. Complete financial statements for the Association may be obtained at the following address:

Trans-Jordan City Landfill
PO Box 95610
South Jordan, Utah 84095-0610

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Note 10 - Capital Assets

The following tables summarize the changes in capital assets for governmental and business-type activities during the year ended June 30, 2023:

	Beginning As Restated	Additions	Deletions	Ending Balance
Government Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 246,431,027	\$ 1,391,792	\$ -0-	\$ 247,822,819
Infrastructure	174,681,029	776,808	-0-	175,457,836
Construction in Progress	1,730,242	2,498,111	1,618,484	2,609,869
Total Capital Assets, Not Being Depreciated	422,842,298	4,666,711	1,618,484	425,890,524
Capital Assets, Being Depreciated:				
Buildings and Improvements	180,998,043	4,998,374	-0-	185,996,417
Machinery, Equipment and Vehicles	42,957,197	4,385,904	175,948	47,167,153
Street Lights	12,736,148	4,309	-0-	12,740,457
Storm Water	58,645,683	1,154,854	-0-	59,800,537
Right-to-Use Subscription IT Assets	266,854	-0-	-0-	266,854
Right-to-Use	32,437	-0-	-0-	32,437
Total Capital Assets being depreciated	295,636,363	10,543,441	175,948	306,003,856
Less Accumulated Depreciation:				
Buildings and Improvements	63,550,254	5,925,658	-0-	69,475,912
Machinery, Equipment, and Vehicles	33,038,622	2,760,661	168,464	35,630,819
Street Lights	8,084,464	424,682	-0-	8,509,146
Storm Water	25,911,337	1,332,596	-0-	27,243,933
Right-to-Use Subscription IT Assets	-0-	76,686	-0-	76,686
Right-to-Use	4,248	13,644	-0-	17,892
Total Accumulated Depreciation	130,588,925	10,533,927	168,464	140,954,388
Total Capital Assets, Being Depreciated, Net	165,047,438	9,514	7,484	165,049,468
Governmental Activities Capital Assets, Net	\$ 587,889,736	\$ 4,676,225	\$ 1,625,968	\$ 590,939,992
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Water Rights and Capacity	\$ 41,464,209	\$ 3,000	\$ -0-	\$ 41,467,209
Land	8,114,564	-0-	-0-	8,114,564
Construction in Progress	388,743	2,239,702	244,422	2,384,023
Total Capital Assets, Not Being Depreciated	49,967,516	2,242,702	244,422	51,965,796
Capital Assets, Being Depreciated:				
Buildings and Improvements	19,958,386	467,939	-0-	20,426,325
Main Lines	124,724,254	6,865,920	-0-	131,590,174
Wells	19,872,008	96,939	-0-	19,968,947
Storage Tanks	29,199,236	20,253	-0-	29,219,489
Pump Equipment	3,090,470	52,953	-0-	3,143,423
Swimming Pools	630,410	-0-	-0-	630,410
Machinery, Equipment, and Vehicles	5,634,085	764,373	354,728	6,043,730
Right-to-Use Subscription IT Assets	161,500	-0-	-0-	161,500
Right-to-Use	340,528	-0-	-0-	340,528
Total Capital Assets Being Depreciated	203,610,877	8,268,377	354,728	211,524,526
Less Accumulated Depreciation:				
Buildings and Improvements	10,200,936	525,530	-0-	10,726,466
Main Lines	71,483,055	3,092,566	-0-	74,575,621
Wells	12,796,348	655,166	-0-	13,451,514
Storage Tanks	15,091,530	910,411	-0-	16,001,941
Pump Equipment	3,020,412	21,594	-0-	3,042,006
Swimming Pools	608,440	1,249	-0-	609,689
Machinery, Equipment, and Vehicles	4,494,777	401,331	354,728	4,541,380
Right-to-Use Subscription IT Assets	-0-	21,091	-0-	21,091
Right-to-Use	24,323	24,323	-0-	48,647
Total Accumulated Depreciation	117,719,821	5,653,261	354,728	123,018,354
Total Capital Assets, Being Depreciated, Net	85,891,056	2,615,116	-0-	88,506,172
Business-Type Activities Capital Assets, Net	\$ 135,858,572	\$ 4,857,818	\$ 244,422	\$ 140,471,968

SANDY CITY
Notes to the Financial Statements
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Depreciation expense for the year ended June 30, 2023, for governmental and business-type activities is shown in the following table:

Governmental Activities:

General Government	\$ 2,232,475
Police and Animal Control	218,171
Fire	229,761
Public Works	1,033,706
Parks, Landscapes and Cemetery	2,026,991
Community Development	89,842
Economic Development	26,896
Recreation and Cultural Events	277,052
Electric Utility	444,290
Storm Water Utility	1,396,112
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>2,558,631</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 10,533,927</u>

Business-Type Activities

Alta Canyon Sports Center	\$ 35,341
Water	5,457,745
Waste	75,694
Golf Course	<u>84,481</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 5,653,261</u>

Investment in Water Stock, Rights and Capacity

The water fund had the following investments in water stock, rights and capacity at June 30, 2023:

Water Stock:	Shares	Cost
Bell Canyon Irrigation Company	2,046	\$ 642,197
Draper Irrigation Company	125	131,255
East Jordan Irrigation Company	87	394,680
Little Cottonwood Water Company	11,358	113,580
Sandy Irrigation Company	2,210	1,426,393
Tanner Ditch Company	1,237	380,264
Union East Jordan Irrigation Company	7	272
Walker Ditch	6	611
Welby Jacob Water Users Company	9	9,050
North Jordan Irrigation Company	84	<u>199,500</u>
Total Water Stock		3,297,802
Water Rights and Capacity		<u>38,169,407</u>
Total Water Stock, Rights and Capacity		<u>\$ 41,467,209</u>

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Note 11 - Long-Term Liabilities

Revenue bonds and other long-term liabilities directly related to and intended to be paid from proprietary fund revenues are included in the accounts of such funds. All other long-term obligations of the City are accounted for in the governmental activities of the government-wide statements. The following table summarizes changes in long-term obligations for the year ended June 30, 2023:

	Rate (%)	Amount of Original Issue (bonds only)	Balance June 30, 2022 As Restated	Additions	Retirements	Balance June 30, 2023	Unamortized Bond Premiums	Due Within One Year
Governmental Activities								
Revenue Bonds								
2012 Sales Tax Refunding	2.00 to 4.00	\$ 3,920,000	\$ 570,000	\$ -0-	\$ 280,000	\$ 290,000	\$ 6,839	\$ 290,000
2013C Sales Tax Refunding	3.35	10,816,000	5,257,000	-0-	805,000	4,452,000	11,994	832,000
2015 Sales Tax Revenue	4.00 to 5.00	41,545,000	36,630,000	-0-	1,125,000	35,505,000	3,288,175	1,180,000
2019 Sales Tax Revenue	4.00	3,750,000	3,110,000	-0-	335,000	2,775,000	367,731	350,000
2021 Transient Room Tax	2.00 to 4.00	15,605,000	15,605,000	-0-	2,160,000	13,445,000	1,258,643	2,315,000
Other Payables								
2022 State Infrastructure Bank Loan	1.62	15,000,000	15,000,000	-0-	886,981	14,113,019		901,971
2023 State Infrastructure Bank Loan	3.25	5,300,000	-0-	5,300,000	-0-	5,300,000		279,779
2018 Fire Truck	3.85	990,000	597,524	-0-	141,026	456,498		146,455
Lease Liabilities								
Right to Use	6.50		20,937	-0-	10,139	10,798		10,798
IT Subscription			266,854	-0-	86,130	180,724		91,665
Compensated Absences								
Current Compensated Absences			2,114,954	2,252,106	1,965,177	2,401,883		2,401,883
Long-Term Compensated Absences			4,324,692	2,136,708	1,746,824	4,714,576		-0-
Total Governmental Long-Term Obligations		127,661,000	83,496,961	9,688,814	9,541,277	83,644,498	4,933,382	8,799,552
Business-Type Activities								
Revenue Bonds								
2012 Water Refunding	2.00 to 4.00	4,330,000	1,535,000	-0-	490,000	1,045,000	34,856	510,000
2020 Water Revenue	4.00	7,035,000	6,650,000	-0-	490,000	6,160,000	812,930	510,000
2019 Sales Tax Revenue (Golf)	4.00	975,000	340,000	-0-	340,000	-0-	-0-	-0-
Other Payables		13,832,100	7,673,220	-0-	685,260	6,987,960	-0-	710,640
Lease Liabilities/Finance Purchase/Subscription Liabilities								
Right to Use	5.00		330,051	-0-	12,377	317,674		14,440
IT Subscription	4.00		161,500	-0-	61,000	100,500		48,500
Total Business-Type Long-Term Obligations		26,172,100	16,689,771	-	2,078,637	14,611,134	847,787	1,793,580
Total Government-wide Long-Term Obligations		\$ 153,833,100	\$ 100,186,732	\$ 9,688,814	\$ 11,619,914	\$ 98,255,632	\$ 5,781,169	\$ 10,593,132

SANDY CITY
Notes to the Financial Statements
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The annual debt requirements to maturity, including principal and interest, as of June 30, 2023 are listed in the following table:

Year Ending June 30	Governmental Activities			
	Revenue Bonds		Notes, Other Payables & Leases	
	Principal	Interest	Principal	Interest
2024	\$ 4,967,000	\$ 2,389,580	\$ 1,430,669	\$ 436,266
2025	4,782,000	2,207,458	1,400,707	401,923
2026	5,427,000	2,009,553	1,435,458	369,477
2027	5,761,000	1,778,986	1,256,433	336,078
2028-2032	13,005,000	6,593,136	6,684,883	1,277,671
2033-2037	9,950,000	4,329,650	7,415,088	547,464
2038-2042	12,575,000	1,702,150	437,801	14,229
Net Debt	\$ 56,467,000	\$ 21,010,513	\$ 20,061,039	\$ 3,383,108

Year Ending June 30	Governmental Activities (Continued)		Business-Type Activities	
	Totals		Bonds, Other Payables & Leases	
	Principal	Interest	Principal	Interest
2024	\$ 6,397,669	\$ 2,825,846	1,793,580	431,317
2025	6,182,707	2,609,381	1,878,158	381,555
2026	6,862,458	2,379,030	1,352,424	340,060
2027	7,017,433	2,115,064	1,442,731	308,410
2028-2032	19,689,883	7,870,807	7,319,639	867,462
2033-2037	17,365,088	4,877,114	824,603	21,532
2038-2042	13,012,801	1,716,379	-0-	-0-
Net Debt	\$ 76,528,039	\$ 24,393,621	\$ 14,611,135	\$ 2,350,336

Water Revenue Bonds

On March 22, 2012, the Water Utility issued \$4,330,000 in Water Revenue Refunding Bonds (Series 2012) at rates from 2.00 to 4.00 percent with a final maturity date of November 15, 2024. The bonds were issued for the purpose of i) refund outstanding 2004 Water Revenue Bonds, and to ii) pay the cost of issuance of the Series 2012 bonds. The bonds are payable solely by a pledge and assignment of water system revenues, after payment of operation and maintenance expenses. The total principal and interest remaining to be paid on the bonds is \$2,172,425. Please see "Defeasance of Debt" on page 73 for more information. Bonds maturing on or after November 15, 2022, are subject to redemption at the option of the City on November 15, 2021, and on any date thereafter prior to maturity. The redemption price will be equal to 100 percent of the principal amount of the bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

The bond resolution approved in conjunction with the issuance of the Series 2012 bonds provides, among other things, that certain funds be established and certain accounting procedures be followed. Under the terms of the resolution, the City will establish and collect rates and charges (including impact fees and

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connection fees) which are reasonably expected to produce net revenues equal to 110 percent of the aggregate annual debt service requirement for such year.

On September 18, 2020, the Water Utility issued \$7,035,000 in Water Revenue Refunding Bonds (Series 2020) at a rate of 4.00 percent with a final maturity date of July 15, 2032. The bonds were issued for the purpose of i) refund outstanding 2017 Water Revenue Bonds for economic savings, and to ii) pay the cost of issuance of the Series 2020 bonds. The bonds are payable solely by a pledge and assignment of water system revenues, after payment of operation and maintenance expenses. The bonds maturing on or after July 15, 2031, are subject to optional redemption prior to maturity on or after July 15, 2030 at a price equal to 100 percent of the principal amount of the bonds to be redeemed plus accrued interest to the date of redemption.

Principal and interest paid for the current year and net available revenues were \$1,287,800 and \$5,907,378, respectively. It is estimated that annual principal and interest payments are expected to require approximately 22 percent of net revenues.

Sales Tax Revenue Bonds

Sales Tax Revenue Bonds are special limited obligations of the City backed by the sales and use taxes levied by the City under the Local Sales and Use Tax Act.

On November 27, 2013, the City issued \$10,816,000 in Sales Tax Revenue and Refunding Bonds (Series 2013C) with an interest rate of 3.35 percent with a final maturity date of June 15, 2029. The bonds were issued to i) finance an ownership interest in the Mount Jordan Theater Project and related improvements, and ii) refund the Series 2008 Tax Increment Transient Room Tax. The total principal and interest remaining to be paid on the bonds is \$4,972,825. The 2013C bonds are not subject to optional redemption prior to maturity.

On August 18, 2015, the City issued \$41,545,000 in Sales Tax Revenue Bonds (Series 2015) with an interest rate of 4.00 to 5.00 percent with a final maturity date of March 1, 2042. The bonds were issued to i) finance a performing arts theater for lease to the Hale Centre Theatre, and ii) pay the cost of issuing the Series 2015 Bonds. The total principal and interest remaining to be paid on the bonds is \$54,253,388. The 2015 bonds maturing on or before March 1, 2025 are not subject to redemption at the option of the City. The 2015 bonds maturing after March 1, 2026, are subject to subject to redemption at the option of the City. The 2015 bonds maturing after March 1, 2025, are subject to redemption at the option of the city at a redemption price equal to 100 percent of bonds to be redeemed plus accrued interest up to the date of redemption. The series 2015 bonds maturing on March 1, 2040 are subject to mandatory sinking fund redemption at a price equal to 100 percent of outstanding principal plus interest.

On September 12, 2019, the City issued \$4,725,000 in Sales Tax Revenue Refunding Bonds (Series 2019) with an interest rate of 4.00 percent with a final maturity date of September 15, 2029. The bonds were issued to i) refund Sandy City's currently outstanding Series 2009 Sales Tax Revenue Bonds (Taxable Build America Bonds (BABs)) and Series 2010 Sales Tax Revenue Refunding Bonds for economic savings; and ii) pay certain costs of issuing the Series 2019 Bonds. The total principal and interest remaining to be paid on the bonds is \$3,180,500. The 2019 bonds are not subject to optional redemption prior to maturity.

Principal and interest paid for the current year on all outstanding Sales Tax Revenue Bonds and total sales and use tax revenues were \$4,931,722 and \$30,106,136 respectively. It is estimated approximately 15.8 percent of sales and use tax revenues will be used for annual principal and interest payments.

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Transient Room Tax Revenue Bonds

On August 21, 2007, the City's Redevelopment Agency issued \$27,000,000 in Transient Room Tax Revenue Bonds, Series 2007A, and \$8,000,000 in Subordinate Transient Room Tax and Annual Contribution Revenue Bonds, Series 2007B, at a 4.88 percent interest rate with a final maturity date of July 15, 2027. The bonds were issued to i) finance the costs of acquiring land for a new soccer stadium and related facilities, ii) acquire and construct infrastructure, parking, landscaping, and related improvements in connection with such stadium to be built in the City and more specifically within the Community Development Project Area, and iii) pay costs associated with the issuance of the bonds. The City's portion of the transient room tax has been pledged as collateral for these bonds. Annual principal and interest payments on the bonds are estimated to require 100 percent of transient room tax revenues.

For both the Series 2007A and 2007B bonds, up to \$1,000,000 in aggregate principal amounts are subject to redemption, but only from excess revenues, at the option of the issuer on any interest payment date prior to maturity. The redemption price is equal to 100 percent of the principal amount of the Series 2007A and Subordinate Series 2007B bonds to be redeemed, plus accrued interest thereon to the redemption date.

Series 2007A and 2007B bonds maturing on or after July 15, 2018, are also subject to redemption at the option of the issuer on July 15, 2017, and on any date thereafter prior to maturity, in whole or in part, at a redemption price of 100 percent of the principal amount of the bonds to be redeemed, plus accrued interest to the date of redemption.

On July 15, 2013 the City refunded \$24,215,000 of the Transient Room Tax Revenue Series 2007A and \$6,252,000 of the Subordinated Transient Room Tax and Annual Contribution Revenue Bonds Series 2007B at a 3.45 percent interest rate.

On December 15, 2021 the City refunded \$13,135,000 of the Transient Room Tax, Series 2013A and \$3,595,000 of the Subordinated Transient Room Tax and Annual Contribution Revenue Bonds Series 2013B at a 2 to 4 percent interest rate with a final maturity date of July 15, 2027. The total amount of principal and interest remaining to be paid on the bonds is \$14,772,100.

Principal and interest paid for the current year on all outstanding Transient Room Tax Revenue Bonds were \$2,160,000 and \$511,300, respectively. Transient Room Tax revenues were \$5,394,924. It is estimated that 100 percent of transient room tax revenues will be used for annual principal and interest payments.

Other Loan Payable

In May 2022, the City entered into a loan with the Utah Department of Transportation's State Infrastructure Bank Loan Fund for \$15,000,000 at a 1.62 percent interest rate with a maturity date of April 30, 2037. These funds were granted to enable the City to finance the construction of parking facilities. The City will use tax increment funds from the Civic Center North project area to fund the annual payment of \$1,140,481.

In April 2023 the City entered into a loan with the Utah Department of Transportation's State Infrastructure Bank Loan Fund for \$5,300,000 at a 3.25 percent interest rate with a maturity date of March 31, 2038. These funds were granted to enable the City to finance the construction of parking facilities. The City will use tax increment funds from the Civic Center North project area to fund the annual payment of \$452,029.

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Compensated Absences

It is the City's policy to permit employees to accumulate earned personal time-off (PTO). All PTO pay is accrued when incurred in the government-wide financial statements. The liability for these amounts is funded in the payroll management fund, an internal service fund, for proprietary funds and governmental funds if they have matured. For governmental funds, the compensated absence liability has typically been liquidated by the general fund.

Contracts Payable

During fiscal year 2005, the City acquired preferential water rights for water produced from the Ontario Drain Tunnel through MWDSLs. MWDSLs issued \$81,750,000 in Series 2005A and Series 2005B Water Revenue Bonds bearing interest rates from 3.00 to 5.00 percent. The City will pay 16.92 percent of this debt to MWDSLs over 27 years (the life of the debt).

Defeasance of Debt

During fiscal year 2012, the City issued \$3,920,000 in Sales Tax Revenue and Refunding Bonds. All of the proceeds of the bonds plus \$10,000 of City money were used to advance refund \$2,430,000 of the 2003 Sales Tax Revenue Bonds and \$1,500,000 of the 2004 Sales Tax Revenue Bonds. At June 30, 2023, the balance of the bonds which were considered extinguished was \$290,000.

During fiscal year 2012, the City issued \$4,330,000 in Water Revenue and Refunding Bonds. \$4,110,000 of the proceeds were used to advance refund a portion of the 2004 Water Revenue Bonds. At June 30, 2023, the balance of the bonds which were considered extinguished was \$1,045,000.

Right-To-Use Leased Assets

The related leases are discussed in the Leases subsection of this note. The right-to-use lease assets are amortized on a straight-line basis over the terms (shorter of the lease term or the useful life) of the related leases.

Right-To-Use Subscription IT Assets

The related subscription IT assets are discussed in the Subscription IT Assets subsection of this note. The right-to-use subscription IT assets are amortized on a straight-line basis over the terms (shorter of the subscription term or the useful life) of the related subscription IT assets.

Leases

The City has entered into agreements to lease land and equipment under various lease agreements. The lease agreements qualify as other than short-term leases under GASB 87 and therefore have been recorded at the present value of the future minimum lease payments as of the date of their inception. Total lease payments in Fiscal Year 2023 were composed of principal payment of \$22,516 and interest payment of \$17,863 for a total of \$40,379.

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Subscription IT Assets

The City has entered into agreements to subscribe software under various subscription agreements. The subscription agreements qualify as other than short-term subscription under GASB 96 and therefore have been recorded at the present value of the future minimum subscription payments as of the date of their inception. Total subscription payments in Fiscal Year 2023 were composed of principal payment of \$147,130 and interest payment of \$17,134 for a total of \$164,264.

The subscription IT assets for water utility billing and geographic information system consist of 3 subscription agreements with terms of 3-5 years. The subscriptions expire ranged from fiscal year 2024 to fiscal year 2027. The interest rate on these subscriptions is 4%.

Note 12 - Pension Plans

Plan Description

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

Defined Benefit Plans

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

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

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.

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

Summary of Benefits by System

Benefits provided: URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percentage per Year of Service	COLA**
Noncontributory System	Highest 3 Years	30 years, any age	2.0% per year all years	Up to 4%
		25 years, any age*		
		20 years, age 60*		
		10 years, age 62*		
Contributory System	Highest 5 Years	4 years, age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
		30 years, any age		
		20 years, age 60*		
		10 years, age 62*		
Public Safety System	Highest 3 Years	4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
		20 years, any age		
		10 years, age 60		
		4 years, age 65		
Firefighters System	Highest 3 Years	20 years, any age	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
		10 years, age 60		
		4 years, age 65		
		35 years, any age		
Tier 2 Public Employees System	Highest 5 Years	20 years, age 60*	1.50% per year all years	Up to 2.5%
		10 years, age 62*		
		4 years, age 65		
		25 years, any age		
Tier 2 Public Safety and Firefighter System	Highest 5 Years	20 years, age 60*	1.50% per year to June 2020 2.00% per year July 2020 to present	Up to 2.5%
		10 years, age 62*		
		4 years, age 65		
		35 years, any age		

*Actuarial reductions are applied

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

Contribution Rate Summary

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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 June 30, 2023 are as follows:

	Employee	Employer	Employer 401(k)
Contributory System			
11 Local Government Div - Tier 1	6.00	13.96	-0-
111 Local Government Div - Tier 2	-0-	16.01	0.18
Noncontributory System			
15 Local Government Div - Tier 1	-0-	17.97	-0-
Public Safety System			
Contributory			
122 Tier 2 DB Hybrid PublicSafety	2.59	23.74	-0-
Noncontributory			
49 Other Div B with 2.5% COLA	-0-	32.28	-0-
Firefighters Retirement System			
32 Other Division B	16.71	6.24	-0-
132 Tier 2 DB Hybrid Firefighters	2.59	14.08	-0-
Tier 2 DC Only			
211 Local Government	-0-	6.19	10.00
222 Public Safety	-0-	9.74	14.00
232 Firefighters	-0-	0.08	14.00

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

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For fiscal year ended June 30, 2023, the employer and employee contributions to the System were as follows:

System	Employer Contributions		Employee Contributions	
Noncontributory System	\$	2,273,093	\$	-0-
Contributory System		55,752		23,962
Public Safety System		1,823,308		-0-
Firefighters System		244,349		654,339
Tier 2 Public Employees System		1,255,996		-0-
Tier 2 Public Safety & Firefighter		1,302,631		167,450
Tier 2 DC Only System		112,351		-0-
Tier 2 DC Public Safety & Firefighter System		67,427		-0-
Total Contributions	\$	7,134,907	\$	845,751

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 System.

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

At June 30, 2023, the City reported a net pension asset of \$6,266,937 and a net pension liability of \$7,095,006.

(Measure Date): December 31, 2022

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate share December 31, 2021	Change (Decrease)
Noncontributory System	\$ -0-	\$ 2,414,957	1.4099887%	1.3908004%	.0191883%
Contributory System	-0-	329,530	3.2040664%	3.8538470%	(0.6497806)%
Public Safety System	-0-	3,827,940	8.2378866%	8.0536007%	0.1842859%
Firefighters System	6,266,937	-0-	4.9789224%	5.0431277%	(0.0642053)%
Tier 2 Public Employees System	-0-	360,392	0.3309709%	0.3537760%	(0.0228051)%
Tier 2 Public Safety and Firefighter	-0-	162,187	1.9441173%	2.0290051%	(0.0848878)%
	<u>\$ 6,266,937</u>	<u>\$ 7,095,006</u>			

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The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 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 June 30, 2023 the City recognized pension expense of \$4,457,689.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,641,951	\$ 76,125
Changes in assumptions	1,331,463	58,005
Net difference between projected and actual earnings on pension plan investments	4,157,132	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	289,169	191,134
Contributions subsequent to the measurement date	3,498,602	-0-
	<u>\$ 11,918,317</u>	<u>\$ 325,264</u>

\$3,498,601 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (676,204)
2024	543,600
2025	1,720,227
2026	6,270,098
2027	41,611
Thereafter	195,118

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

For the year ended June 30, 2023, the City recognized pension expense of \$1,026,390.

At June 30, 2023, the City reported deferred outflow of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 819,117	\$-0-
Changes in assumptions	395,779	9,643
Net difference between projected and actual earnings on pension plan investments	1,592,929	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	20,609	60,588
Contributions subsequent to the measurement date	1,113,554	-0-
	<u>\$ 3,941,989</u>	<u>\$ 70,231</u>

\$1,113,554 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (402,750)
2024	74,879
2025	639,818
2026	2,446,257
2027	-0-
Thereafter	-0-

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

For year ended June 30, 2023, the City recognized pension expense of \$799,827.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -0-	\$ -0-
Changes in assumptions	-0-	-0-
Net difference between projected and actual earnings on pension plan investments	98,240	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	-0-	-0-
Contributions subsequent to the measurement date	25,570	-0-
	<u>\$ 123,810</u>	<u>\$ -0-</u>

\$25,570 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (278,886)
2024	(83,328)
2025	75,551
2026	384,903
2027	-0-
Thereafter	-0-

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

For the year ended June 30, 2023, the City recognized pension expense of \$2,331,689.

As of June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,321,049	\$ -0-
Changes in assumptions	282,641	31,200
Net difference between projected and actual earnings on pension plan investments	1,083,363	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	84,164	-0-
Contributions subsequent to the measurement date	875,000	-0-
	<u>\$ 3,646,217</u>	<u>\$ 31,200</u>

\$875,000 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ 514,134
2024	361,213
2025	401,618
2026	1,463,052
2027	-0-
Thereafter	-0-

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

For the year ended June 30, 2023, the City recognized pension expense of (\$1,095,669).

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 301,821	\$ 8,042
Changes in assumptions	433,471	-0-
Net difference between projected and actual earnings on pension plan investments	1,069,026	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	80,339	90,711
Contributions subsequent to the measurement date	111,118	-0-
	<u>\$ 1,995,775</u>	<u>\$ 98,753</u>

\$111,118 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (545,260)
2024	113,681
2025	480,829
2026	1,736,654
2027	-0-
Thereafter	-0-

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

For the year ended June 30, 2023, the City recognized pension expense of \$691,842.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 121,727	\$ 14,299
Changes in assumptions	117,000	917
Net difference between projected and actual earnings on pension plan investments	145,298	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	71,639	19,128
Contributions subsequent to the measurement date	692,658	-0-
	<u>\$ 1,148,322</u>	<u>\$ 34,344</u>

\$692,658 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ 21,614
2024	44,507
2025	70,165
2026	132,077
2027	31,931
Thereafter	121,027

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June 30, 2023

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

For the year ended June 30, 2023, the City recognize pension expense of \$703,612.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 78,237	\$ 53,784
Changes in assumptions	102,572	16,245
Net difference between projected and actual earnings on pension plan investments	168,276	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	32,416	20,708
Contributions subsequent to the measurement date	680,702	-0-
	<u>\$ 1,062,203</u>	<u>\$ 90,737</u>

\$680,702 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ 14,944
2024	32,648
2025	52,247
2026	107,155
2027	9,680
Thereafter	74,091

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Notes to the Financial Statements
June 30, 2023

Actuarial Assumptions

The total pension liability in the December 31, 2022 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 - 9.25 percent, average, including inflation
Investment Rate of Return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed from URS retiree experience and based upon gender, occupation and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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

Expected Return Arithmetic Basis			
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long Term Expected Portfolio Real Rate of Return
Equity securities	35.00%	6.58%	2.30%
Debt securities	20.00%	1.08%	0.22%
Real Assets	18.00%	5.72%	1.03%
Private equity	12.00%	9.8%	1.18%
Absolute return	15.00%	2.91%	0.44%
Cash and cash equivalents	-0-%	(0.11)%	-0-%
Totals	100.00%		5.17%
Inflation			2.50%
Expected arithmetic nominal return			7.67%

SANDY CITY
Notes to the Financial Statements
June 30, 2023

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.85 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.

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

The following presents the proportionate shares of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System		1% Decrease or 5.85%	Discount Rate of 6.85%	1% Increase or 7.85%
Noncontributory System	\$	15,219,865	2,414,957	(8,284,219)
Contributory System	\$	1,690,546	329,530	(825,583)
Public Safety System	\$	12,632,255	3,827,940	(3,353,493)
Firefighters System	\$	1,947,530	(6,266,938)	(13,012,375)
Tier 2 Public Employee System	\$	1,574,716	360,392	(575,090)
Tier 2 Public Safety and Firefighter	\$	1,298,260	162,187	(740,720)
Total	\$	34,363,172	828,068	(26,791,480)

***Pension plan fiduciary net position: Detailed information about the fiduciary net position of the pension plans is available in the separately issued URS financial report.

Defined Contribution Savings Plans

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.

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Sandy City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

*401(k) Plan

*457(b) Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30th were as follows:

	2023		2022		2021	
401(k) Plan						
Employer Contributions	\$	805,150	\$	723,758	\$	635,763
Employee Contributions	\$	523,575	\$	448,650	\$	369,579
457 Plan						
Employer Contributions	\$	-0-	\$	-0-	\$	-0-
Employee Contributions	\$	144,996	\$	129,119	\$	103,957

Note 13 - Deferred Compensation Plans

The City offers its employees a 457 deferred compensation plan and 401(k) defined contribution tax-sheltered annuity plan. Both plans are provided for within the Internal Revenue Code. The plans' assets and associated liabilities are administered by external agencies: MissionSquare Retirement Corporation and URS. The plans, available to all City employees, permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All ownership and associated interest of the plans are held solely for the benefit of the employees. As a result, the City does not report the assets or associated liabilities in the City's financial statements.

The City contributes to a 401(k) plan for and on behalf of its public employees, elected and appointed officials, including City Council members. Part-time non-benefitted (PTNB) and seasonal employees receive a City-provided 457 plan contribution. The City Council authorizes a percentage based upon an employees base wage for Tier 1 URS employees to be contributed into deferred compensation plans: 19.96 percent for full-time employees (excluding police officers), 32.28 percent for police officers, 22.95 percent for Firefighters, and a percentage for PTNB and seasonal employees, if eligible, depending on the year hired. As noted previously, the URS deferred compensation rate is actuarially determined by the state depending upon employee classification. The required contribution rates to the 401(k) and 457 plans equal the City Council authorized amount less the URS mandated rate and are as follows: Mayor/appointed officials, 17.95 percent; and council members, 17.97 percent. Because the deferred compensation rate for public employees covered under the Non-Contributory Retirement plan equals 17.97 percent, the Public Safety Retirement System equals 32.28 percent, and the rate for Firefighters equals 22.95 percent, the City does not pay into the 401(k) plan for public non-contributory, police, or fire employees. The required contribution rate to the 457 plan on behalf of temporary and seasonal employees is 7.50 percent.

SANDY CITY
Notes to the Financial Statements
June 30, 2023

For Tier 2 URS employees, the City will match employees' contributions to their 401(k) plan up to 3.00 percent. This percentage is the same for public contributory, public non-contributory, police officers, firefighters, mayor and council members. Tier 2 PTNB and seasonal employees have the same 7.50 percent required contribution to the 457 plan as the Tier 1 PTNB and seasonal employees.

The City's total contributions were \$1,442,784, which is 2.38 percent of the \$60,546,885 in total payroll for covered employees for the year ended June 30, 2023. The City's and employee's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. In addition, all employees are eligible to participate in an elective deferral plan, which permits them to defer a portion of their salary until future years. The total contributions made by the employees were \$2,206,629 for the year ended June 30, 2023. At June 30, 2023, the City has made all payments to the plan administrator to satisfy this funding requirement.

Note 14 - Post-employment Benefits

The City allows terminated or retired employees to continue their health and dental insurance benefits for a period of time after the employee's termination or retirement date. For terminated employees on the COBRA plan, this time period is 18 months and, for retired employees on the Retirement System, this period of time is up to 5 years from the retirement date or until eligible for Medicare, whichever comes first. The City also will pay up to two months of these premiums for an employee and their plan dependents in the event that a current full or part-time employee dies. All other terminated or retired employees are required to pay the full cost of such extended health insurance coverage.

As of June 30, 2023, 6 employees had elected to participate in this post-employment benefit program on the Retirement Plan and no employee had elected to participate thru COBRA, bearing the full cost of the insurance coverage. The administrative costs to the City for such benefits were not significant, and the City does not have a material post-employment benefit (OPEB) liability.

Note 15 - Personal Time-off

The City permits employees to accumulate earned but unused personal time-off (PTO) days. All PTO pay is accrued when incurred in the government-wide and proprietary funds financial statements.

Employees can accrue PTO days at various rates depending upon length of service. There are no requirements that PTO be taken, but the maximum permissible accumulation is 320 hours except for firefighters who can accumulate 480 hours. At termination, employees are paid for any unused accumulated vacation leave at the full dollar value.

The payroll management fund, an internal service fund, reports the City's entire compensated absences liability except for the long-term liability portion of the general fund. The long-term liability portion of the general fund is considered to be any amount in excess of 1/4 of what an employee can accrue in one year. As of June 30, 2023, the general fund long-term liability portion is \$4,714,621, and is only reported in the government-wide statements.

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Note 16 - Commitments and Contingencies

The City is a defendant in various claims and suits arising from the ordinary course of business. The City's legal counsel believes it has meritorious defenses and any liability resulting from these matters would not be material. Accordingly, no provision for loss related to litigation has been made in the accompanying financial statements. The City records such costs as they occur.

Commitments for major construction and capital improvements projects totaled \$5,024,144 at June 30, 2023.

The RDA, a governmental-type fund, has three agreements for the collection and remittance of tax increment. The following is a schedule of estimated future payments to all of these entities as of June 30, 2023. Scheels, All Sports Inc. and the City's commitments are each of these are a flat amount and not based on taxable value. The remaining payments are estimated based on 2022 property tax rates and values.

	2024	2025-2029	2030-2034	2035-2039
Union Heights	\$ 84,160	\$ 168,320	\$ -0-	\$ -0-
East Village	765,000	3,825,000	3,825,000	540,033
Scheels, All Sports Inc	370,000	1,850,000	1,850,000	1,850,000
	<u>\$ 1,219,160</u>	<u>\$ 5,843,320</u>	<u>\$ 5,675,000</u>	<u>\$ 2,390,033</u>

In the normal course of operations, the City receives grant funds from various federal agencies. The grant operations are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of audits of grant funds is not believed to be material.

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Note 17 - Transfers In/Out

During the course of normal operations, the City has transfers between the various funds. The principal purposes of the City's interfund transfers are debt service and capital projects. Transfers in and out for the year ended June 30, 2023 are summarized as follows:

Transfers Out from the Following Funds:							
Transfer Into the Following Funds:	General	Storm Water	Capital Projects	RDA	Internal Service Funds	Total Transfers In	
General	\$ -0-	\$ -0-	\$ -0-	\$ 200,000	\$ 700,000	\$ 900,000	
Debt Service	434,423	454,200	-0-	4,586,183	-0-	5,474,806	
Capital Projects	2,126,800	-0-	-0-	-0-	493,559	2,620,359	
Other Governmental Funds	699,212	-0-	-0-	-0-	-0-	699,212	
Internal Service Funds	3,408,825	-0-	-0-	-0-	40,000	3,448,825	
Waste Collection	575,000	-0-	-0-	-0-	-0-	575,000	
RDA	-0-	-0-	5,300,000	-0-	-0-	5,300,000	
Golf Course	-0-	-0-	-0-	150,000	-0-	150,000	
Total Transfers Out	<u>\$ 7,244,260</u>	<u>\$ 454,200</u>	<u>\$ 5,300,000</u>	<u>\$ 4,936,183</u>	<u>\$ 1,233,559</u>	<u>\$19,168,202</u>	

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Note 18 - General Fund Administrative Charges

The general fund charges certain special revenue funds and proprietary funds for various administrative services. These transactions have been recorded as revenue and expenses or expenditures to the funds as if they involved organizations external to the City. The amounts charged to those funds during fiscal year 2023 are as follows:

	General Government	Public Works Administration	Total
Special Revenue Funds:			
Redevelopment Agency	\$ 403,046	\$ -0-	\$ 403,046
Recreation	78,877	-0-	78,877
Sandy Arts Guild	49,863	-0-	49,863
Storm Water Utilities	309,776	-0-	309,776
Street Lighting	133,942	-0-	133,942
Enterprise Funds:			
Alta Canyon Sports Center	146,179	-0-	146,179
Water	950,807	-0-	950,807
Waste Collection	294,619	109,626	404,245
Golf Course	116,919	-0-	116,919
Internal Service Funds:			
Fleet Operations	214,118	46,227	260,345
Information Technology	484,793	-0-	484,793
Risk Management	250,867	14,164	265,031
Total	\$ 3,433,806	\$ 170,017	\$ 3,603,823

Note 19 - Risk Management

The City is exposed to various risks of loss including liability claims and lawsuits, property damage to real and personal property, employee work-related injuries; errors and omissions; and natural disasters. To address these risks, the City purchases various commercial insurance policies which are subject to specific exclusions, self-insured retention and deductibles. The general liability policy purchased by the City has a \$1,000,000 self-insured retention with a \$10,000,000 annual aggregate limit. Employee workers compensation claims are covered by WCF Insurance. The City purchases property insurance for property, including fleet equipment, with individual values in excess of \$50,000. Individual fleet equipment less than \$50,000 in value is self-insured while being operated. There has been no significant reductions in insurance coverage from the prior year and claim settlements, judgements and litigation expenses have not exceeded self-retention levels for the last three years.

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The liability for claims and judgements is reported in the risk management fund and has been expensed in the current period. Changes in the balances of claims liabilities are as follows:

	Year Ended June 30, 2023	Year Ended June 30, 2022
Unpaid Claims, Beginning of Fiscal Year	\$ 488,692	\$ 268,975
Incurred Claims and Changes in Estimates (including IBNR's)	564,152	711,471
Claim Payments	(540,884)	(491,754)
Unpaid Claims, End of Fiscal Year	<u>\$ 511,960</u>	<u>\$ 488,692</u>

Note 20 - Sandy City Redevelopment Agency

For the year ended June 30, 2023, the following activity occurred in the City's RDA:

Taxes collected by the RDA:	
Transient Room Tax	\$ 4,811,357
Tax increment by project:	
Civic Center South	625,315
9400 South CDA	88,929
Union Heights CDA	39,796
Civic Center North	2,853,677
11400 South CDA	515,576
Transit-oriented	1,071,844
Total tax increment:	<u>5,195,137</u>
Total taxes collected	<u>\$10,006,494</u>

Long-term liabilities which financed RDA projects	\$23,689,019
Amounts expended for:	
Equipment	3,822
Tax increment from non-taxing agencies	1,357,347
Housing	9,450
Administrative	451,439

Note 21 - Tax Abatement Agreements

Utah State law (see Utah Code Ann. § 17C-1-102(47)) allows cities to abate taxes for a variety of economic development purposes. Sandy City negotiates tax abatement agreements on an individual basis. As of June 30, 2023, the City's RDA had one post-performance tax increment financing agreement where specific actions which contribute to economic development must be taken by the entity receiving the abatement. This agreement is with Scheels, All Sports, Inc.

SANDY CITY
Notes to the Financial Statements
June 30, 2023

Each year, Scheels, All Sports, Inc. must send written proof to the RDA that the number of jobs employed at the Sandy site is at least 140 during that year. Upon such proof, 100 percent of the property tax increment generated from the site will be paid to Scheels, All Sports, Inc. In addition, the RDA shall pay Scheels, All Sports, Inc. \$150,000 per year if the participant generates point of sale taxable sales equal to a dollar amount stated in the agreement. The length of the agreement for both types of taxes is 25 years. The tax increment share paid to Scheels, All Sports, Inc. during fiscal year 2023 was \$345,076.

Utah Code § 59-1-403 prohibits the release of sales tax information specific to a particular entity. Therefore, no further detail can be provided regarding the sales tax abatement agreements listed above.

Note 22 - Related Party Transactions

During the year ended June 30, 2023, the following payments were made to MWDSLS, which is a related entity:

- \$1,038,620 in debt service payments for water rights to the Ontario Drain Tunnel water
- \$4,210,322 capital improvements to be conducted by MWDSLS (long-term commitment)
- \$6,464,455 for water purchases for resale

To meet the water supply needs of Salt lake City and Sandy, the Metropolitan Water District Board, a related entity, completed a new treatment plant. The 70 million gallon per day plant is funded by an assessment paid by the two cities. Sandy City has 37.5 percent of the capacity and cost assessment in the new plant. Future minimum payments due as of June 30, 2023 total \$50,523,864, which will be made in annual payments of \$4,210,322 through fiscal year 2033, with the final payment, to be made in fiscal year 2034, of \$8,420,644.

Note 23 - Subsequent Events

On October 19, 2023, the City issued Sales Tax Revenue Bonds, Series for \$8,645,000. The proceeds will be used to i) finance Monroe Street construction and all related improvements (the "Series 2023 project") and ii) pay costs associated with the issuance of the bonds.

Note 24 - Implementation of New Accounting Principles

Effective July 1, 2022, the City implemented GASB 96, "Subscription-Based Information Technology Arrangements" (SBITAs) and restated its fiscal year 2022 financial statements to reflect the impact of GASB 96 adoption as of June 30, 2022. This statement established accounting and financial reporting requirements related to accounting and reporting for subscription IT assets.

The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard, the financial statements for June 30, 2023 and 2022 reflect a net right-to-use subscription asset of approximately

SANDY CITY
Notes to the Financial Statements
June 30, 2023

\$330,578 and \$428,354, respectively. The statement also required the City to record a corresponding subscription liability of approximately \$281,224 and \$428,354 as of June 30, 2023 and 2022, respectively. The right-to-use subscription assets are presented in note 10 Capital Assets, and they are amortized on a straight-line basis over an estimated life (shorter of the subscription term or the useful life).

Note 25 - Restatement

During the year ended June 30, 2023 the City determined that Lease receivables and deferred inflows related to leases previously recorded on the Governmental Statement of Net Position should also be recorded on the General Fund, Debt Service Fund, and Capital Projects fund. The City has restated beginning net position for these funds as follows:

	General Fund		Debt Service Fund		Capital Projects Fund		Total Government al Funds	
Fund Balance, June 30, 2022	\$	8,353,910	\$	835,290	\$	35,322,015	\$	90,292,543
Adjustment for lease receivables		20,709		584,300		186,396		791,405
Beginning Balances, June 30, 2022, as restated	\$	8,374,619	\$	1,419,590	\$	35,508,411	\$	91,083,948

The adjustment does not impact previously recorded net position. Change in net position for the year ended June 30, 2022 would increase by the amounts noted in the table above had the amounts been recorded on the funds statements in the previous year.

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Required Supplementary Information

SANDY CITY

Roadway System Condition and Maintenance Modified Approach for Infrastructure Last 5 Fiscal Years Ending June 30

The condition of the road pavement is measured using the Stantec Pavement Management Application (PMA), which is based on a weighted average of nine distress factors found in pavement surfaces (cracking, raveling, chuck holes, patching, edge cracking, rutting/shoving, bleeding, excessive crown, and distortion). The PMA uses a measurement scale based on a condition index ranging from 0 to 10 for pavement in perfect condition. The condition index is used to classify roads in good or better condition (6.5 - 10), fair condition (4.0 - 6.4), and substandard condition (less than 4.0). These condition indexes are used to evaluate other elements in the right-of-way including sidewalks, curb and gutter, waterways, drive approaches, street signs, and traffic signals. All of these elements, including pavement, make up what is known as the street system. The City's policy is to maintain at least 80 percent of its street system at a good or better condition and have no more than 10 percent in a substandard condition.

Condition assessments in the appropriate database are updated annually. For fiscal year 2023, arterials and collectors in good or better condition increased 3.3 percent and decreased 1.2 percent respectively. The streets division completed planned improvement of Arterials in FY23. Work on Collectors and Secondary continued in FY23 but a severe winter impeded progress. The focus for FY24 is to continue implementing a plan to resolve any deficiencies in these road classes. Due to the size of the City, it takes approximately two years to complete a 100 percent evaluation of these elements before restarting the process.

Condition Rating of the City's Roadway System for Fiscal Years Ending June 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Percentage of Roadway System in Good or Better Condition					
Arterials	94.1%	91.1%	83.6%	90.2%	91.0%
Collectors	76.1%	77.0%	82.4%	93.9%	94.2%
Secondary	83.1%	89.3%	88.8%	88.6%	89.3%
Overall System	83.9%	86.9%	85.7%	90.8%	91.3%

Percentage of Roadway System in Substandard Condition					
Arterials	0.1%	0.1%	0.5%	0.6%	0.5%
Collectors	1.1%	1.0%	0.1%	0.3%	0.3%
Secondary	0.7%	0.3%	0.3%	0.4%	0.5%
Overall System	0.7%	0.4%	0.3%	0.5%	0.5%

Comparison of Needed to Actual Maintenance/Preservation

Arterials:

Needed	\$ 4,229,031	\$ 4,412,123	\$ 3,636,177	\$ 4,771,690	\$ 5,378,073
Actual	3,447,245	4,212,134	3,256,190	4,595,740	4,387,236

Collectors:

Needed	845,806	882,425	727,235	954,338	1,075,615
Actual	689,449	842,427	651,238	919,148	877,447

Secondary:

Needed	966,636	1,008,485	831,126	1,090,672	1,229,274
Actual	787,942	962,773	744,272	1,050,455	1,002,796

Overall System:

Needed	6,041,473	6,303,033	5,194,538	6,816,700	7,682,962
Actual	4,924,636	6,017,333	4,651,699	6,565,342	6,267,478
	<u>\$ (1,116,837)</u>	<u>\$ (285,700)</u>	<u>\$ (542,839)</u>	<u>\$ (251,358)</u>	<u>\$ (1,415,484)</u>

See Notes to Required Supplementary Information.

SANDY CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Utah Retirement Systems
Last 10 Years Ended June 30, ¹

	Non- contributory System	Contributory Retirement System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)						
12/31/14	1.5082545%	1.5821766 %	8.2765248 %	4.8256306 %	0.1919522 %	1.6223995 %
12/31/15	1.5718891%	1.7875300%	8.1301718%	4.9296581%	0.2901317%	2.1163697%
12/31/16	1.4785597%	2.9751790%	7.7662414%	4.6938587%	0.3413357%	2.1060616%
12/31/17	1.4972565%	3.0774344%	7.7880332%	4.7421452%	0.3351613%	2.0752385%
12/31/18	1.4769813%	2.9340912%	7.4132550%	4.6425852%	0.3818330%	2.0362817%
12/31/19	1.4682922%	2.8784461%	7.4187303%	4.6154473%	0.3884722%	2.0886436%
12/31/20	1.4246075%	3.2541910%	7.5782657%	4.8517722%	0.3590855%	2.0880969%
12/31/21	1.3908004%	3.8538470%	8.0536007%	5.0431277%	0.3537760%	2.0290051%
12/31/22	1.4099887%	3.2040664%	8.2378866%	4.9789224%	0.3309709%	1.9441173%
Proportionate share of the net pension liability (asset)						
12/31/14	\$6,549,196	\$456,369	\$3,272,808	(\$531,049)	(\$5,817)	(\$24,001)
12/31/15	\$8,894,513	\$1,256,373	\$3,967,128	\$838,822	(\$633)	(\$30,921)
12/31/16	\$9,494,163	\$976,189	\$4,840,676	\$694,304	\$38,076	(\$18,282)
12/31/17	\$6,559,930	\$250,424	\$3,763,204	(\$1,063,831)	\$29,550	(\$24,012)
12/31/18	\$10,876,082	\$1,190,662	\$5,841,615	\$1,876,310	\$163,531	\$51,020
12/31/19	\$5,533,800	\$188,643	\$3,684,141	(\$2,886,101)	\$87,370	\$196,467
12/31/20	\$730,742	(\$583,222)	\$2,724,631	(\$6,537,033)	\$51,646	\$187,291
12/31/21	(\$7,965,263)	(\$2,789,965)	(\$2,884,161)	(\$13,641,279)	(\$149,731)	(\$102,551)
12/31/22	\$2,414,957	\$329,530	\$3,827,940	(\$6,266,938)	\$360,392	\$162,187
Covered payroll						
12/31/14	\$12,905,260	\$846,396	\$5,295,716	\$4,021,404	\$943,307	\$672,128
12/31/15	\$13,307,208	\$761,645	\$5,191,566	\$4,153,655	\$1,874,930	\$1,259,576
12/31/16	\$12,770,763	\$713,861	\$4,981,161	\$4,056,195	\$2,799,225	\$1,740,065
12/31/17	\$12,810,158	\$624,459	\$4,790,872	\$3,968,371	\$2,190,289	\$2,190,289
12/31/18	\$12,448,939	\$549,172	\$4,446,884	\$3,795,708	\$4,457,284	\$2,722,613
12/31/19	\$12,457,841	\$515,797	\$4,507,494	\$3,796,156	\$5,398,631	\$3,442,457
12/31/20	\$12,068,306	\$536,795	\$4,541,647	\$4,004,922	\$5,740,676	\$4,147,054
12/31/21	\$11,735,002	\$566,060	\$4,919,710	\$4,128,002	\$6,563,301	\$4,852,148
12/31/22	\$12,656,928	\$449,330	\$5,672,865	\$4,102,380	\$7,216,810	\$5,981,656
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll						
12/31/14	50.70%	53.90%	61.80%	-13.20%	-0.60%	-3.60%
12/31/15	66.84%	164.96%	76.41%	20.19%	-0.03%	-2.45%
12/31/16	74.34%	136.75%	97.18%	17.12%	1.36%	-1.05%
12/31/17	51.21%	40.10%	78.55%	-26.81%	0.90%	-1.10%
12/31/18	87.37%	216.81%	131.36%	49.43%	3.67%	1.87%
12/31/19	44.42%	36.57%	81.73%	-76.03%	1.62%	5.71%
12/31/20	6.06%	-108.65%	59.99%	-163.22%	0.90%	4.52%
12/31/21	-67.88%	-492.87%	-58.62%	-330.46%	-2.28%	-2.11%
12/31/22	19.08%	73.34%	67.48%	-152.76%	4.99%	2.71%
Plan fiduciary net position as a percentage of the total pension liability						
12/31/14	90.2%	94.0%	89.0%	101.3%	103.5%	120.5%
12/31/15	87.8%	85.7%	87.6%	98.1%	100.2%	110.7%
12/31/16	87.3%	92.9%	86.1%	98.4%	95.1%	103.6%
12/31/17	91.9%	98.2%	90.5%	102.3%	97.4%	103.0%
12/31/18	87.0%	91.2%	85.6%	96.1%	90.8%	95.6%
12/31/19	93.7%	98.6%	91.7%	105.8%	96.5%	89.6%
12/31/20	99.2%	103.9%	94.5%	112.0%	98.3%	93.1%
12/31/21	108.7%	115.9%	105.1%	122.9%	103.8%	102.8%
12/31/22	97.5%	97.7%	93.7%	110.3%	92.3%	96.4%

¹ In accordance with paragraph 81.a of GASB 68, a 10-year history of this schedule is required to be disclosed. However is only for nine years. A 10-year history is not currently available and will be built prospectively.

See notes to required supplementary information

SANDY CITY
SCHEDULE OF CONTRIBUTIONS
Utah Retirement Systems
Last 10 Years Ended June 30, ¹

Fiscal Year Ended June 30,	Non- contributory System	Contributory Retirement System	Public Safety System	Firefighters System	Tier 2 Public Employees System²	Tier 2 Public Safety and Firefighter System²	Tier 2 Public Employees DC Only System²	Tier 2 public Safety and Firefighter DC Only System²
Actuarial Determined Contributions								
2014	\$2,207,717	\$115,043	\$1,653,642	\$177,911	\$100,402	\$76,069	\$16,561	\$226
2015	2,351,088	112,497	1,590,536	262,106	196,519	171,126	27,506	66
2016	2,442,666	112,011	1,619,571	287,498	363,709	266,973	31,564	244
2017	2,318,384	96,627	1,529,664	271,238	450,758	337,996	35,571	4,019
2018	2,275,303	85,814	1,439,688	254,408	585,337	420,965	50,866	7,973
2019	2,189,872	72,753	1,391,022	270,726	766,340	538,718	49,387	9,380
2020	2,220,196	74,789	1,466,544	286,797	880,276	661,259	65,931	24,173
2021	2,103,594	80,032	1,443,247	291,829	946,215	881,396	79,972	39,906
2022	2,142,361	76,302	1,671,963	296,569	1,112,753	1,062,585	94,049	52,089
2023	2,273,093	55,752	1,823,308	244,349	1,255,996	1,302,631	112,351	67,427
Contributions in relation to the contractually required contribution								
2014	(2,207,717)	(115,043)	(1,653,642)	(177,911)	(100,402)	(76,069)	(16,561)	(226)
2015	(2,351,088)	(112,497)	(1,590,536)	(262,106)	(196,519)	(171,126)	(27,506)	(66)
2016	(2,442,666)	(112,011)	(1,619,571)	(287,498)	(363,709)	(266,973)	(31,564)	(244)
2017	2,318,384	96,627	1,529,664	271,238	450,758	337,996	35,571	4,019
2018	2,275,303	85,814	1,439,688	254,408	585,337	420,965	50,866	7,973
2019	2,189,872	72,753	1,391,022	270,726	766,340	538,718	49,387	9,380
2020	2,220,196	74,789	1,466,544	286,797	880,276	661,259	65,931	24,173
2021	2,103,594	80,032	1,443,247	291,829	946,215	881,396	79,972	39,906
2022	2,142,361	76,302	1,671,963	296,569	1,112,753	1,062,585	94,049	52,089
2023	2,273,093	55,752	1,823,308	244,349	1,255,996	1,302,631	112,351	67,427
Contribution deficiency (excess)								
2014	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2017	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2018	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2019	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2020	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2021	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2022	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2023	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Covered payroll								
2014	\$12,899,219	\$866,291	\$5,452,041	\$3,989,042	\$719,149	\$401,829	\$289,195	\$80,427
2015	12,849,931	777,965	5,117,461	3,977,331	1,314,956	967,929	409,325	81,999
2016	13,420,343	774,624	5,237,673	4,252,911	2,439,355	1,533,838	462,346	125,075
2017	12,880,732	668,236	4,914,664	4,072,638	3,023,198	1,928,660	506,690	204,318
2018	12,641,604	594,251	4,586,993	3,781,745	3,863,890	2,447,454	737,593	226,207
2019	12,197,490	503,129	4,422,273	3,761,202	4,899,557	3,075,844	703,556	304,191
2020	12,382,694	527,426	4,681,765	3,976,187	5,621,172	3,864,643	927,887	464,224
2021	11,760,509	553,472	4,620,705	4,031,445	5,988,698	4,477,967	1,115,777	602,787
2022	12,009,517	527,678	5,308,498	4,096,226	6,924,418	5,301,894	1,288,259	738,267
2023	13,169,731	399,371	5,789,367	4,007,588	7,845,068	6,465,239	1,612,048	884,326
Contributions as a percentage of covered payroll								
2014	17.12%	13.28%	30.33%	4.46%	13.96%	18.93%	5.73%	0.28%
2015	18.30%	14.46%	31.08%	6.59%	14.94%	17.68%	6.72%	0.08%
2016	18.20%	14.46%	30.92%	6.76%	14.91%	17.41%	6.83%	0.20%
2017	18.00%	14.46%	31.12%	6.66%	14.91%	17.52%	7.02%	1.97%
2018	18.00%	14.44%	31.39%	6.73%	15.15%	17.20%	6.90%	3.52%
2019	17.95%	14.46%	31.45%	7.20%	15.64%	17.51%	7.02%	3.08%
2020	17.93%	14.18%	31.32%	7.21%	15.66%	17.11%	7.11%	5.21%
2021	17.89%	14.46%	31.23%	7.24%	15.80%	19.68%	7.17%	6.62%
2022	17.84%	14.46%	31.50%	7.24%	16.07%	20.04%	7.30%	7.06%
2023	17.26%	13.96%	31.49%	6.10%	16.01%	20.15%	6.97%	7.62%

SANDY CITY

Notes to Required Supplementary Information

June 30, 2023

Note 1: Changes in Assumptions

No changes were made in actuarial assumptions from the prior year's valuation.

Supplementary Information

SANDY CITY

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2023

	General Fund	Storm Water	Debt Service	Capital Projects	RDA	Other Governmental Funds	Governmental Funds Total
Revenues:							
Taxes:							
Property Taxes	\$ 12,129,281	\$ -0-	\$ -0-	\$ -0-	\$ 5,195,137	\$ -0-	\$ 17,324,418
Sales and Use Taxes	30,106,136	-0-	-0-	2,769,079	-0-	-0-	32,875,215
Franchise Taxes	8,485,552	-0-	-0-	-0-	-0-	-0-	8,485,552
Motor Vehicle Fee	579,755	-0-	-0-	-0-	-0-	-0-	579,755
Transient Room Taxes	-0-	-0-	-0-	-0-	4,811,357	-0-	4,811,357
Total Taxes	51,300,724	-0-	-0-	2,769,079	10,006,494	-0-	64,076,297
Innkeeper Fees	583,567	-0-	-0-	-0-	-0-	-0-	583,567
Licenses and Permits	3,158,790	-0-	-0-	-0-	-0-	-0-	3,158,790
Intergovernmental	4,692,870	34,836	-0-	2,283,707	-0-	1,134,604	8,146,017
Sponsors	-0-	-0-	-0-	-0-	-0-	220,973	220,973
Administrative Charges	3,603,823	-0-	-0-	-0-	-0-	-0-	3,603,823
Fines and Forfeitures	1,189,014	-0-	-0-	-0-	-0-	-0-	1,189,014
Cell Tower Lease	900,453	-0-	-0-	111,207	-0-	-0-	1,011,660
Fees from Developers	-0-	229,723	17,440	910,591	-0-	-0-	1,157,754
Charges for Sales and Services	4,672,056	4,176,169	2,854,013	-0-	5,775	2,710,430	14,418,443
Interest Income	788,062	254,550	564,712	1,322,543	1,276,370	160,039	4,366,276
Miscellaneous	176,615	-0-	2,500	-0-	-0-	420,241	599,356
Total Revenues	71,065,974	4,695,278	3,438,665	7,397,127	11,288,639	4,646,287	102,531,970
Expenditures:							
Salaries and Benefits	50,677,184	1,164,556	-0-	-0-	415,154	1,655,793	53,912,687
Materials and Supplies	4,958,530	213,960	-0-	-0-	51,403	622,662	5,846,555
Contracted Services	1,852,729	95,477	-0-	-0-	215,782	460,016	2,624,004
Internal Charges	1,292,454	908,038	-0-	-0-	-0-	95,864	2,296,356
Administrative Charges	5,502,254	186,082	-0-	-0-	451,439	476,691	6,616,466
Cost of Goods Sold	-0-	4,223	-0-	-0-	-0-	498,249	502,472
Capital Outlays	163,296	2,348,598	-0-	10,839,466	3,000,871	646,496	16,998,727
Debt Service:							
Principal	-0-	-0-	5,591,981	-0-	-0-	-0-	5,591,981
Interest	-0-	-0-	2,804,722	-0-	-0-	-0-	2,804,722
Bond Issuance Cost and Trustee Fees	-0-	-0-	9,800	-0-	-0-	110	9,910
Total Expenditures	64,446,447	4,920,934	8,406,503	10,839,466	4,134,649	4,455,881	97,203,880
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,619,527	(225,656)	(4,967,838)	(3,442,339)	7,153,990	190,406	5,328,090
Other Financing Sources (Uses):							
Proceeds from Issuance of Debt	-0-	-0-	-0-	5,300,000	-0-	-0-	5,300,000
Other Income (Expense)	-0-	23,201	-0-	-0-	-0-	15,158	38,359
Proceeds from Sale of Capital Assets	-0-	-0-	-0-	5,617	45,000	-0-	50,617
Transfers In	900,000	-0-	5,474,806	2,620,360	5,300,000	699,212	14,994,378
Transfers Out	(7,244,260)	(454,200)	-0-	(5,300,000)	(4,936,183)	-0-	(17,934,643)
Total Other Financing Sources (Uses)	(6,344,260)	(430,999)	5,474,806	2,625,977	408,817	714,370	2,448,711
Net Change in Fund Balances	275,267	(656,655)	506,968	(816,362)	7,562,807	904,776	7,776,801
Beginning Fund Balance as Restated	8,374,619	7,024,982	1,419,590	35,508,411	34,791,753	3,964,593	91,083,948
Ending Fund Balances	\$ 8,649,886	\$ 6,368,327	\$ 1,926,558	\$ 34,692,049	\$ 42,354,560	\$ 4,869,369	\$ 98,860,749

SANDY CITY

Debt Service

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Innkeeper Fees	\$ 300,000	\$ -0-	\$ (300,000)
Fees from Developers	-0-	17,440	17,440
Charges for Sales and Services	2,854,013	2,854,013	-0-
Interest Income	6,045	564,712	558,667
Miscellaneous	2,500	2,500	-0-
Total Revenues	3,162,558	3,438,665	276,107
Expenditures:			
Principal	5,591,981	5,591,981	-0-
Interest	2,804,723	2,804,722	1
Bond Issuance Cost and Trustee Fees	16,800	9,800	7,000
Total Expenditures	8,413,504	8,406,503	7,001
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,250,946)	(4,967,838)	283,108
Other Financing Sources (Uses):			
Transfers In	5,204,691	5,474,806	270,115
Total Other Financing Sources (Uses)	5,204,691	5,474,806	270,115
Net Change in Fund Balance	(46,255)	506,968	553,223
Beginning Fund Balance as Restated	1,419,590	1,419,590	-0-
Ending Fund Balance	\$ 1,373,335	\$ 1,926,558	\$ 553,223

SANDY CITY

Capital Projects

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Sales and Use Taxes	\$ 2,637,000	\$ 2,769,079	\$ 132,079
Intergovernmental	2,561,550	2,283,707	(277,843)
Cell Tower Lease	109,184	111,207	2,023
Fees from Developers	-0-	910,591	910,591
Interest Income	158,800	1,322,543	1,163,743
Total Revenues	5,466,534	7,397,127	1,930,593
Expenditures:			
Capital Outlays	42,077,759	10,839,466	31,238,293
Total Expenditures	42,077,759	10,839,466	31,238,293
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,611,225)	(3,442,339)	33,168,886
Other Financing Sources (Uses):			
Proceeds from Issuance of Debt	5,300,000	5,300,000	-0-
Proceeds from Sale of Capital Assets	-0-	5,617	5,617
Transfers In	493,559	2,620,360	2,126,801
Transfers Out	(5,300,000)	(5,300,000)	-0-
Total Other Financing Sources (Uses)	493,559	2,625,977	2,132,418
Net Change in Fund Balance	(36,117,666)	(816,362)	35,301,304
Beginning Fund Balance as Restated	35,508,411	35,508,411	-0-
Ending Fund Balance	\$ (609,255)	\$ 34,692,049	\$ 35,301,304

Non-major Governmental Funds

Special revenue funds are used to account for specific revenues that are legally restricted, committed, or assigned to expenditure for particular purposes.

Community Development Block Grant (CDBG) - This fund is used to account for the revenues received by the City as grantee participant in the Community Development Block Grant program.

Recreation -This fund is used to account for the City's recreation activities.

Sandy Arts Guild - The City arranges for concerts, programs, and special events to be performed within our amphitheater for the enjoyment of our citizens. This fund is used to account for the revenue and expenditures associated with these events.

Street Lighting - This fund is used to account for the operation of the City's street light system.

Special Purpose - This fund was established to account for individual, private, and intergovernmental contributions held in trust by the City.

SANDY CITY
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2023

						Non-major Governmental Funds
	CDBG	Recreation	Sandy Arts Guild	Street Lighting	Special Purpose	Total
ASSETS						
Current Assets:						
Cash, Cash Equivalents, and Investments	\$ (2,790)	\$ 363,261	\$ 2,460,447	\$ 1,389,489	\$ 784,475	\$ 4,994,882
Receivables	-0-	-0-	21,833	105,829	(878)	126,784
Due from other Governments	42,202	-0-	-0-	-0-	84,937	127,139
Total Assets	<u>\$ 39,412</u>	<u>\$ 363,261</u>	<u>\$ 2,482,280</u>	<u>\$ 1,495,318</u>	<u>\$ 868,534</u>	<u>\$ 5,248,805</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 37,794	\$ 28,018	\$ 49,029	\$ 12,196	\$ 12,982	\$ 140,019
Salaries and Benefits Payable	1,618	24,141	20,659	7,022	7,099	60,539
Deposits	-0-	-0-	-0-	-0-	178,878	178,878
Total Current Liabilities	<u>39,412</u>	<u>52,159</u>	<u>69,688</u>	<u>19,218</u>	<u>198,959</u>	<u>379,436</u>
Fund Balance						
Restricted for:						
Recreation	-0-	311,102	-0-	-0-	-0-	311,102
Sandy Arts Guild	-0-	-0-	2,412,592	-0-	-0-	2,412,592
Street Lighting	-0-	-0-	-0-	1,476,100	-0-	1,476,100
Special Purpose	-0-	-0-	-0-	-0-	669,575	669,575
Total Fund Balances	<u>-0-</u>	<u>311,102</u>	<u>2,412,592</u>	<u>1,476,100</u>	<u>669,575</u>	<u>4,869,369</u>
Total Liabilities and Fund Balance	<u>\$ 39,412</u>	<u>\$ 363,261</u>	<u>\$ 2,482,280</u>	<u>\$ 1,495,318</u>	<u>\$ 868,534</u>	<u>\$ 5,248,805</u>

SANDY CITY

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

Non-major Governmental Funds

For the Year Ended June 30, 2023

						Non-major Governmental Funds
	CDBG	Recreation	Sandy Arts Guild	Street Lighting	Special Purpose	Total
Revenues:						
Intergovernmental	\$ 504,524	\$ -0-	\$ 584,000	\$ -0-	\$ 46,080	\$ 1,134,604
Sponsors	-0-	-0-	220,973	-0-	-0-	220,973
Charges for Sales and Services	-0-	703,629	914,677	1,092,124	-0-	2,710,430
Interest Income	-0-	15,838	79,489	41,911	22,801	160,039
Miscellaneous	-0-	18,750	-0-	15,158	401,491	435,399
Total Revenues	504,524	738,217	1,799,139	1,149,193	470,372	4,661,445
Expenditures:						
General Government	-0-	-0-	-0-	-0-	23,148	23,148
Police and Animal Services	-0-	-0-	-0-	-0-	432,487	432,487
Fire	-0-	-0-	-0-	-0-	22,831	22,831
Public Works	-0-	-0-	-0-	-0-	13,175	13,175
Community Development	504,524	-0-	-0-	-0-	18,159	522,683
Recreation and Cultural Events	-0-	1,254,378	1,494,664	-0-	-0-	2,749,042
Street Lighting	-0-	-0-	-0-	692,515	-0-	692,515
Total Expenditures	504,524	1,254,378	1,494,664	692,515	509,800	4,455,881
Excess (Deficiency) of Revenues Over (Under) Expenditures	-0-	(516,161)	304,475	456,678	(39,428)	205,564
Other Financing Sources (Uses):						
Transfers In	-0-	445,330	253,882	-0-	-0-	699,212
Net Change in Fund Balances	-0-	(70,831)	558,357	456,678	(39,428)	904,776
Beginning Fund Balances	-0-	381,933	1,854,235	1,019,422	709,003	3,964,593
Ending Fund Balances	\$ -0-	\$ 311,102	\$ 2,412,592	\$ 1,476,100	\$ 669,575	\$ 4,869,369

SANDY CITY

Community Development Block Grant (CDBG)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 371,041	\$ 850,299	\$ 504,524	\$ (345,775)
Expenditures:				
Salaries and Benefits	49,357	49,357	48,822	535
Materials and Supplies	62,009	117,352	114,704	2,648
Administrative Charges	3,900	3,900	3,900	-0-
Capital Outlays	255,775	679,690	337,098	342,592
Total Expenditures	371,041	850,299	504,524	345,775
Net Change in Fund Balance	-0-	-0-	-0-	-0-
Beginning Fund Balance	-0-	-0-	-0-	-0-
Ending Fund Balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-

SANDY CITY

Recreation

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2023

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Sales and Services	\$ 779,400	\$ 703,629	\$ (75,771)
Interest Income	3,000	15,838	12,838
Miscellaneous	18,750	18,750	-0-
Total Revenues	801,150	738,217	(62,933)
Expenditures:			
Salaries and Benefits	698,858	649,988	48,870
Materials and Supplies	30,772	14,805	15,967
Contracted Services	33,775	35,083	(1,308)
Administrative Charges	154,262	154,262	-0-
Cost of Goods Sold	359,500	389,129	(29,629)
Capital Outlays	10,000	11,111	(1,111)
Total Expenditures	1,287,167	1,254,378	32,789
Excess (Deficiency) of Revenues Over (Under) Expenditures	(486,017)	(516,161)	(30,144)
Other Financing Sources:			
Transfers In	445,330	445,330	-0-
Net Change in Fund Balance	(40,687)	(70,831)	(30,144)
Beginning Fund Balance	381,933	381,933	-0-
Ending Fund Balance	\$ 341,246	\$ 311,102	\$ (30,144)

SANDY CITY

Sandy Arts Guild

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2023

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Sponsors	\$ 223,000	\$ 220,973	\$ (2,027)
Charges for Sales and Services	368,470	914,677	546,207
Intergovernmental	544,000	584,000	40,000
Interest Income	3,000	79,489	76,489
Total Revenues	1,138,470	1,799,139	660,669
Expenditures:			
Salaries and Benefits	564,005	589,883	(25,878)
Materials and Supplies	328,600	275,304	53,296
Contracted Services	315,565	411,031	(95,466)
Administrative Charges	137,725	137,725	-0-
Capital Outlays	777,909	80,721	697,188
Total Expenditures	2,123,804	1,494,664	629,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	(985,334)	304,475	1,289,809
Other Financing Sources (Uses):			
Transfers In	328,882	253,882	(75,000)
Net Change in Fund Balance	(656,452)	558,357	1,214,809
Beginning Fund Balance	1,854,235	1,854,235	-0-
Ending Fund Balance	\$ 1,197,783	\$ 2,412,592	\$ 1,214,809

SANDY CITY

Street Lighting

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2023

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Sales and Services	\$ 1,052,738	\$ 1,092,124	\$ 39,386
Interest Income	4,000	41,911	37,911
Miscellaneous	2,500	15,158	12,658
Total Revenues	1,059,238	1,149,193	89,955
Expenditures:			
Salaries and Benefits	247,882	246,163	1,719
Materials and Supplies	235,500	203,000	32,500
Contracted Services	14,600	13,902	698
Internal Charges	227,637	43,981	183,656
Administrative Charges	180,804	180,804	-0-
Cost of Goods Sold	-0-	316	(316)
Capital Outlays	753,088	4,349	748,739
Total Expenditures	1,659,511	692,515	966,996
Net Change in Fund Balance	(600,273)	456,678	1,056,951
Beginning Fund Balance	1,019,422	1,019,422	-0-
Ending Fund Balance	\$ 419,149	\$ 1,476,100	\$ 1,056,951

SANDY CITY

Special Purpose

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2023

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ -0-	\$ 46,080	\$ 46,080
Interest Income	-0-	22,801	22,801
Miscellaneous	1,000,000	401,491	(598,509)
Total Revenues	1,000,000	470,372	(529,628)
Expenditures:			
Salaries and Benefits	156,059	120,937	35,122
Materials and Supplies	-0-	14,849	(14,849)
Internal Charges	-0-	51,883	(51,883)
Cost of Goods Sold	1,077,378	108,804	968,574
Interest Expense	-0-	110	(110)
Capital Outlays	-0-	213,217	(213,217)
Total Expenditures	1,233,437	509,800	723,637
Net Change in Fund Balance	(233,437)	(39,428)	194,009
Beginning Fund Balance	709,003	709,003	-0-
Ending Fund Balance	\$ 475,566	\$ 669,575	\$ 194,009

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

Alta Canyon Sports Center - This fund is used to account for the City's recreation center.

Water - This fund is used to account for the operations of the City's water utility.

Waste - This fund is used to account for waste collection services provided by an independent contractor.

Golf Course - This fund is used to account for the City's golf course.

SANDY CITY**Alta Canyon Sports Center****Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual****For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Operating Revenues:				
Charges for Sales and Services	\$ 854,300	\$ 869,300	\$ 861,405	\$ (7,895)
Operating Expenses:				
Salaries and Benefits	1,070,066	1,241,066	1,348,044	(106,978)
Materials and Supplies	172,369	255,369	244,722	10,647
Contracted Services	35,900	49,900	64,508	(14,608)
Administrative Charges	237,558	237,558	237,558	-0-
Cost of Goods Sold	63,750	71,250	68,022	3,228
Noncapital Improvements	-0-	5,000	8,275	(3,275)
Depreciation	35,341	35,341	35,341	-0-
Total Operating Expenses	1,614,984	1,895,484	2,006,470	(110,986) *
Operating Income (Loss)	(760,684)	(1,026,184)	(1,145,065)	(118,881)
Nonoperating Revenues:				
General Property Taxes	386,760	386,760	381,590	(5,170)
Motor Vehicle Fee	33,500	33,500	20,066	(13,434)
Inter-Governmental Revenue	-0-	816,000	815,599	(401)
Interest Income (Expense)	-0-	33,000	41,985	8,985
Cell Tower Lease	28,000	28,000	29,754	1,754
Other Income (Expense)	300	300	67	(233)
Total Nonoperating Revenues:	448,560	1,297,560	1,289,061	(8,499)
Change in Net Position	(312,124)	271,376	143,996	(127,380)
Beginning Net Position	1,398,520	1,398,520	1,398,520	-0-
Ending Net Position	\$ 1,086,396	\$ 1,669,896	\$ 1,542,516	\$ (127,380)

*GASB 68, Accounting and Financial Reporting for Pension, is not included in the budgetary basis causing this to appear to be over budget.

SANDY CITY**Water****Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual****For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Operating Revenues:				
Charges for Sales and Services	\$ 22,045,374	\$ 22,045,374	\$ 22,688,467	\$ 643,093
Fees from Developers	-0-	-0-	498,175	498,175
Total Operating Revenues	22,045,374	22,045,374	23,186,642	1,141,268
Operating Expenses:				
Salaries and Benefits	2,873,686	2,873,686	2,930,366	(56,680)
Materials and Supplies	749,738	749,738	539,212	210,526
Contracted Services	864,900	864,900	618,965	245,935
Internal Charges	2,066,637	2,066,637	-0-	2,066,637
Administrative Charges	2,143,576	2,143,576	2,138,766	4,810
Cost of Goods Sold	11,574,830	11,574,830	11,058,763	516,067
Noncapital Improvements	2,800	2,800	39,800	(37,000)
Depreciation	5,457,745	5,457,745	5,457,745	-0-
Total Operating Expenses	25,733,912	25,733,912	22,783,617	2,950,295
Operating Income (Loss)	(3,688,538)	(3,688,538)	403,025	4,091,563
Nonoperating Revenues (Expenses):				
Interest Income (Expense)	105,000	105,000	621,957	516,957
Other Income (Expense)	12,000	12,000	277	(11,723)
Gain on Sale of Capital Assets	-0-	-0-	10,937	10,937
Bond Interest Expense	(455,113)	(455,113)	(286,905)	168,208
Total Nonoperating Revenues (Expenses)	(338,113)	(338,113)	346,266	684,379
Income (Loss) Before Contributions	(4,026,651)	(4,026,651)	749,291	4,775,942
Other Financing Sources:				
Contributions from Developers	340,000	340,000	486,480	146,480
Change in Net Position	(3,686,651)	(3,686,651)	1,235,771	4,922,422
Beginning Net Position	131,438,482	131,438,482	131,438,482	-0-
Ending Net Position	\$ 127,751,831	\$ 127,751,831	\$ 132,674,253	\$ 4,922,422

SANDY CITY**Waste****Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual****For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Operating Revenues:				
Charges for Sales and Services	\$ 6,252,553	\$ 6,252,553	\$ 6,372,689	\$ 120,136
Operating Expenses:				
Salaries and Benefits	753,571	753,571	750,983	2,588
Materials and Supplies	82,384	82,384	77,037	5,347
Contracted Services	102,080	102,080	161,219	(59,139)
Internal Charges	630,000	1,038,000	-0-	1,038,000
Administrative Charges	802,077	802,077	802,077	-0-
Cost of Services	4,748,623	4,748,623	4,827,975	(79,352)
Depreciation	75,694	75,694	75,694	-0-
Total Operating Expenses	7,194,429	7,602,429	6,694,985	907,444
Operating Income (Loss)	(941,876)	(1,349,876)	(322,296)	1,027,580
Nonoperating Revenues:				
Interest Income (Expense)	7,000	7,000	67,979	60,979
Equity Earnings from Joint Venture	-0-	-0-	722,198	722,198
Total Nonoperating Revenues:	7,000	7,000	790,177	783,177
Income (Loss) Before Transfers	(934,876)	(1,342,876)	467,881	1,810,757
Other Financing Sources:				
Transfers In	575,000	575,000	575,000	-0-
Change in Net Position	(359,876)	(767,876)	1,042,881	1,810,757
Beginning Net Position	12,316,300	12,316,300	12,316,300	-0-
Ending Net Position	\$ 11,956,424	\$ 11,548,424	\$ 13,359,181	\$ 1,810,757

SANDY CITY**Golf Course****Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual****For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Operating Revenues:				
Charges for Sales and Services	\$ 1,843,655	\$ 1,843,655	\$ 2,233,035	\$ 389,380
Operating Expenses:				
Salaries and Benefits	777,578	777,578	837,054	(59,476)
Materials and Supplies	264,700	283,700	246,390	37,310
Contracted Services	89,400	89,400	67,845	21,555
Administrative Charges	218,700	218,700	218,700	-0-
Cost of Services	323,240	323,240	378,544	(55,304)
Noncapital Improvements	-0-	-0-	330	(330)
Depreciation	84,481	84,481	84,481	-0-
Total Operating Expenses	1,758,099	1,777,099	1,833,344	(56,245) *
Operating Income (Loss)	85,556	66,556	399,691	333,135
Nonoperating Revenues (Expenses):				
Interest Income (Expense)	1,000	1,000	31,161	30,161
Other Income (Expense)	(800)	(800)	2,835	3,635
Gain on Sale of Capital Assets	-0-	-0-	23,700	23,700
Bond Interest Expense	(15,633)	(15,633)	(15,633)	-0-
Total Nonoperating Revenues (Expenses)	(15,433)	(15,433)	42,063	57,496
Income (Loss) Before Transfers	70,123	51,123	441,754	390,631
Transfers In	150,000	150,000	150,000	-0-
Change in Net Position	220,123	201,123	591,754	390,631
Beginning Net Position	5,402,220	5,402,220	5,402,220	-0-
Ending Net Position	\$ 5,622,343	\$ 5,603,343	\$ 5,993,974	\$ 390,631

*GASB 68, Accounting and Financial Reporting for Pension, is not included in the budgetary basis causing this to appear to be over budget.

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Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Fleet - This fund is used to account for the purchase and maintenance of machinery, equipment, vehicles, and their related costs for other departments.

Information Technology - This fund is used to account for the accumulation and allocation of costs associated with the centralized data processing systems.

Risk Management - This fund is used to account for the accumulation and allocation of costs associated with general liability, worker's compensation and risk management functions.

Equipment Management - This fund is used to account for the accumulation and allocation of costs associated with the purchase of equipment for the governmental funds.

Payroll Management - This fund is used to account for the payroll liability associated with accrued vacation, compensation time, and related expenses.

SANDY CITY**Combining Statement of Net Position****Internal Service Funds****June 30, 2023**

						Internal Service Funds Total
	Fleet	Information Technology	Risk Management	Equipment Management	Payroll Management	
<u>ASSETS</u>						
Current Assets:						
Cash, Cash Equivalents, and Investments	\$ 679,096	\$ 1,270,282	\$ 2,173,836	\$ 4,187,936	\$ 3,196,460	\$ 11,507,610
Receivables	-0-	-0-	492,938	-0-	-0-	492,938
Inventories	11,094	-0-	-0-	-0-	-0-	11,094
Prepaid Assets	-0-	-0-	-0-	-0-	69,496	69,496
Total Current Assets	690,190	1,270,282	2,666,774	4,187,936	3,265,956	12,081,138
Noncurrent Assets:						
Net Pension Asset	101,874	108,336	98,974	-0-	-0-	309,184
Land, Building, Plant, and Equipment	35,820,263	6,074,366	-0-	-0-	-0-	41,894,629
Accumulated Depreciation	(25,976,055)	(5,057,565)	-0-	-0-	-0-	(31,033,620)
Construction in Progress	521,404	-0-	-0-	-0-	-0-	521,404
Total Noncurrent Assets	10,467,486	1,125,137	98,974	-0-	-0-	11,691,597
Total Assets	11,157,676	2,395,419	2,765,748	4,187,936	3,265,956	23,772,735
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Amounts Relating to Pensions	110,084	80,859	17,038	-0-	-0-	207,981
Total Deferred Outflows of Resources	110,084	80,859	17,038	-0-	-0-	207,981
<u>LIABILITIES</u>						
Current Liabilities:						
Accounts Payable	333,341	94,566	48,078	11,772	10,745	498,502
Salaries and Benefits Payable	38,847	54,245	(3,041)	-0-	-0-	90,051
Accrued Interest Payable	-0-	5,492	-0-	-0-	-0-	5,492
Claims and Judgments Payable	-0-	-0-	511,960	-0-	-0-	511,960
Note Payable	146,455	-0-	-0-	-0-	-0-	146,455
Compensated Absences	-0-	-0-	-0-	-0-	2,401,883	2,401,883
Total Current Liabilities	518,643	154,303	556,997	11,772	2,412,628	3,654,343
Noncurrent Liabilities:						
Net Pension Liability	85,597	141,398	9,514	-0-	-0-	236,509
SBITA Liability	-0-	180,724	-0-	-0-	-0-	180,724
Note Payable	310,043	-0-	-0-	-0-	-0-	310,043
Total Noncurrent Liabilities:	395,640	322,122	9,514	-0-	-0-	727,276
Total Liabilities	914,283	476,425	566,511	11,772	2,412,628	4,381,619
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Property Taxes	-0-	-0-	520,744	-0-	-0-	520,744
Deferred Amounts Relating to Pensions	11,971	-0-	80,632	-0-	-0-	92,603
Total Deferred Inflows of Resources	11,971	-0-	601,376	-0-	-0-	613,347
<u>NET POSITION</u>						
Net Investment in Capital Assets	9,909,114	836,077	-0-	-0-	-0-	10,745,191
Unrestricted	432,392	1,163,776	1,614,899	4,176,164	853,328	8,240,559
Total Net Position	\$ 10,341,506	\$ 1,999,853	\$ 1,614,899	\$ 4,176,164	\$ 853,328	\$ 18,985,750

SANDY CITY

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Services Fund

For the Year Ended June 30, 2023

	Fleet	Information Technology	Risk Management	Equipment Management	Payroll Management	Internal Service Funds Total
Operating Revenue:						
Charges for Sales and Services	\$ 6,215,526	\$ 3,360,612	\$ 1,748,867	\$ -0-	\$ 691,697	\$ 12,016,702
Miscellaneous	710,626	-0-	117,921	-0-	85,442	913,989
Total Revenues	6,926,152	3,360,612	1,866,788	-0-	777,139	12,930,691
Operating Expenses:						
Salaries and Benefits	910,109	1,514,389	292,513	-0-	589,952	3,306,963
Materials and Supplies	44,010	19,441	8,888	-0-	-0-	72,339
Contracted Services	96,858	1,039,628	1,912,077	-0-	574,642	3,623,205
Internal Charges	46,157	-0-	-0-	910,061	-0-	956,218
Administrative Charges	316,668	494,038	282,164	-0-	-0-	1,092,870
Cost of Goods Sold	2,176,834	-0-	-0-	-0-	-0-	2,176,834
Noncapital Improvements	12,113	101,909	360	395,995	-0-	510,377
Depreciation	2,089,838	468,792	-0-	-0-	-0-	2,558,630
Total Operating Expenses	5,692,587	3,638,197	2,496,002	1,306,056	1,164,594	14,297,436
Operating Income (Loss)	1,233,565	(277,585)	(629,214)	(1,306,056)	(387,455)	(1,366,745)
Nonoperating Revenues (Expenses):						
General Property Taxes	-0-	-0-	529,639	-0-	-0-	529,639
Interest Income (Expense)	19,056	47,254	77,457	-0-	124,432	268,199
Other Income (Expense)	-0-	-0-	80	-0-	-0-	80
Gain (Loss) on Disposal of Asset	267,936	10,198	-0-	-0-	-0-	278,134
Bond Interest Expense	-0-	(16,166)	-0-	-0-	-0-	(16,166)
Total Nonoperating Revenues (Expenses)	286,992	41,286	607,176	-0-	124,432	1,059,886
Income (Loss) Before Transfers	1,520,557	(236,299)	(22,038)	(1,306,056)	(263,023)	(306,859)
Transfers:						
Transfers In	-0-	40,000	-0-	3,408,825	-0-	3,448,825
Transfers Out	-0-	-0-	-0-	(533,559)	(700,000)	(1,233,559)
Total Transfers	-0-	40,000	-0-	2,875,266	(700,000)	2,215,266
Change in Net Position	1,520,557	(196,299)	(22,038)	1,569,210	(963,023)	1,908,407
Beginning Net Position	8,820,949	2,196,152	1,636,937	2,606,954	1,816,351	17,077,343
Ending Net Position	\$ 10,341,506	\$ 1,999,853	\$ 1,614,899	\$ 4,176,164	\$ 853,328	\$ 18,985,750

SANDY CITY
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Fleet	Information Technology	Risk Management	Equipment Management	Payroll Management	Internal Service Funds Total
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 6,949,157	\$ 3,360,612	\$ 1,863,461	\$ -0-	\$ 777,139	\$ 12,950,369
Payments to Suppliers	(2,444,929)	(1,601,549)	(2,144,186)	(1,317,325)	(595,033)	(8,103,022)
Payments to Employees	(967,754)	(1,484,063)	(321,463)	-0-	(303,023)	(3,076,303)
Net Cash Provided (Used) by Operating Activities	3,536,474	275,000	(602,188)	(1,317,325)	(120,917)	1,771,044
Cash Flows from Noncapital Financing Activities:						
Tax Receipts	-0-	-0-	532,145	-0-	-0-	532,145
Transfers from/to Other Funds	-0-	40,000	-0-	2,875,266	(700,000)	2,215,266
Net Cash Provided (Used) by Noncapital Financing Activities	-0-	40,000	532,145	2,875,266	(700,000)	2,747,411
Cash Flows from Capital and Related Financing Activities:						
Acquisition of Capital Assets	(3,688,373)	(380,380)	-0-	-0-	-0-	(4,068,753)
Interest Paid on Capital Lease	-0-	(16,166)	-0-	-0-	-0-	(16,166)
Proceeds from Sale of Capital Assets	267,936	10,198	-0-	-0-	-0-	278,134
Net Cash Used by Capital and Related Financing Activities	(3,420,437)	(386,348)	-0-	-0-	-0-	(3,806,785)
Cash Flows from Investing Activities:						
Interest Received (Paid)	19,056	47,254	77,457	-0-	124,432	268,199
Net Increase (Decrease) in Cash and Cash Equivalents	135,093	(24,094)	7,414	1,557,941	(696,485)	979,869
Cash and Cash Equivalents:						
Beginning of Year	544,003	1,294,376	2,166,422	2,629,995	3,892,945	10,527,741
End of Year	\$ 679,096	\$ 1,270,282	\$ 2,173,836	\$ 4,187,936	\$ 3,196,460	\$ 11,507,610
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 1,233,565	\$ (277,585)	\$ (629,214)	\$ (1,306,056)	\$ (387,455)	\$ (1,366,745)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	2,089,838	468,792	-0-	-0-	-0-	2,558,630
Other Non-Operating Income	-0-	-0-	80	-0-	-0-	80
Increase (Decrease) Due to Changes in:						
Accounts Receivables	-0-	-0-	(3,407)	-0-	-0-	(3,407)
Inventories	25,260	-0-	-0-	-0-	-0-	25,260
Prepaid Assets	-0-	-0-	-0-	-0-	(26,878)	(26,878)
Accounts Payable	245,454	53,467	59,303	(11,269)	6,487	353,442
Salaries and Benefits Payable	(57,643)	30,326	(28,950)	-0-	286,929	230,662
Net Cash Provided (Used) by Operating Activities	\$ 3,536,474	\$ 275,000	\$ (602,188)	\$ (1,317,325)	\$ (120,917)	\$ 1,771,044

SANDY CITY

Fleet

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual

For the Year Ended June 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales and Services	\$ 10,726,171	\$ 6,215,526	\$ (4,510,645)
Miscellaneous	25,000	710,626	685,626
Total Operating Revenues	10,751,171	6,926,152	(3,825,019)
Operating Expenses:			
Salaries and Benefits	982,658	910,109	72,549
Materials and Supplies	38,156	44,010	(5,854)
Contracted Services	113,000	96,858	16,142
Internal Charges	-0-	46,157	(46,157)
Administrative Charges	316,668	316,668	-0-
Cost of Services	2,140,000	2,176,834	(36,834)
Noncapital Improvements	7,656,254	12,113	7,644,141
Depreciation	2,089,838	2,089,838	-0-
Total Operating Expenses	13,336,574	5,692,587	7,643,987
Operating Income (Loss)	(2,585,403)	1,233,565	3,818,968
Nonoperating Revenues:			
Interest Income (Expense)	4,000	19,056	15,056
Gain (Loss) on Disposal of Asset	100,000	267,936	167,936
Total Nonoperating Revenues (Expenses)	104,000	286,992	182,992
Change in Net Position	(2,481,403)	1,520,557	4,001,960
Beginning Net Position	8,820,949	8,820,949	-0-
Ending Net Position	\$ 6,339,546	\$ 10,341,506	\$ 4,001,960

SANDY CITY

Information Technology

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual

For the Year Ended June 30, 2023

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales and Services	\$ 3,360,551	\$ 3,360,612	\$ 61
Operating Expenses:			
Salaries and Benefits	1,442,667	1,514,389	(71,722)
Materials and Supplies	41,850	19,441	22,409
Contracted Services	1,214,211	1,039,628	174,583
Administrative Charges	494,038	494,038	-0-
Noncapital Improvements	968,846	101,909	866,937
Depreciation	468,792	468,792	-0-
Total Operating Expenses	4,630,404	3,638,197	992,207
Operating Income (Loss)	(1,269,853)	(277,585)	992,268
Nonoperating Revenues:			
Interest Income (Expense)	7,000	47,254	40,254
Gain (Loss) on Disposal of Asset	4,000	10,198	6,198
Capital Lease Interest Expense	-0-	(16,166)	(16,166)
Total Nonoperating Revenues (Expenses)	11,000	41,286	30,286
Transfers:			
Transfers In	40,000	40,000	-0-
Change in Net Position	(1,218,853)	(196,299)	1,022,554
Beginning Net Position	2,196,152	2,196,152	-0-
Ending Net Position	\$ 977,299	\$ 1,999,853	\$ 1,022,554

SANDY CITY**Risk Management****Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual****For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Operating Revenues:				
Charges for Sales and Services	\$ 1,653,643	\$ 1,653,643	\$ 1,748,867	\$ 95,224
Miscellaneous	122,220	122,220	117,921	(4,299)
Total Operating Revenues	1,775,863	1,775,863	1,866,788	90,925
Operating Expenses:				
Salaries and Benefits	308,986	308,986	292,513	16,473
Materials and Supplies	12,736	12,736	8,888	3,848
Contracted Services	1,780,214	1,892,214	1,912,077	(19,863)
Administrative Charges	282,164	282,164	282,164	-0-
Noncapital Improvements	-0-	-0-	360	(360)
Total Operating Expenses	2,384,100	2,496,100	2,496,002	98
Operating Income (Loss)	(608,237)	(720,237)	(629,214)	91,023
Nonoperating Revenues:				
General Property Taxes	518,237	518,237	529,639	11,402
Interest Income (Expense)	13,000	13,000	77,457	64,457
Other Income (Expense)	1,000	1,000	80	(920)
Total Nonoperating Revenues (Expenses)	532,237	532,237	607,176	74,939
Change in Net Position	(76,000)	(188,000)	(22,038)	165,962
Beginning Net Position	1,636,937	1,636,937	1,636,937	-0-
Ending Net Position	\$ 1,560,937	\$ 1,448,937	\$ 1,614,899	\$ 165,962

SANDY CITY

Equipment Management

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual

For the Year Ended June 30, 2023

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales and Services	\$ -0-	\$ -0-	\$ -0-
Operating Expenses:			
Internal Charges	1,133,194	910,061	223,133
Noncapital Improvements	938,769	395,995	542,774
Income (Loss) Before Transfers	(2,071,963)	(1,306,056)	765,907
Transfers:			
Transfers In	-0-	3,408,825	3,408,825
Transfers Out	(533,559)	(533,559)	-0-
Total Nonoperating Revenues (Expenses)	(533,559)	2,875,266	3,408,825
Change in Net Position	(2,605,522)	1,569,210	4,174,732
Beginning Net Position	2,606,954	2,606,954	-0-
Ending Net Position	\$ 1,432	\$ 4,176,164	\$ 4,174,732

SANDY CITY

Payroll Management

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual

For the Year Ended June 30, 2023

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales and Services	\$ 594,000	\$ 691,697	\$ 97,697
Miscellaneous	-0-	85,442	85,442
Total Operating Revenues	594,000	777,139	183,139
Operating Expenses:			
Salaries and Benefits	605,000	589,952	15,048
Contracted Services	594,000	574,642	19,358
Total Operating Expenses	1,199,000	1,164,594	34,406
Operating Income (Loss)	(605,000)	(387,455)	217,545
Nonoperating Revenues:			
Interest Income (Expense)	14,400	124,432	110,032
Transfers:			
Transfers Out	(700,000)	(700,000)	-0-
Change in Net Position	(1,290,600)	(963,023)	327,577
Beginning Net Position	1,816,351	1,816,351	-0-
Ending Net Position	\$ 525,751	\$ 853,328	\$ 327,577

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STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	132
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	138
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, water revenue. Property tax information has also been included.</i>	
Debt Capacity	145
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	150
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	152
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the current year.

Sandy City
Changes in Net Position (Unaudited)
Last Ten Fiscal Years Ended June 30
(Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
<i>Governmental Activities:</i>										
General Government	\$ 9,294,444	\$ 7,180,102	\$ 7,556,775	\$ 9,815,340	\$ 8,325,339	\$ 9,520,808	\$ 12,731,967	\$ 11,607,686	\$ 10,926,854	\$ 15,571,672
Police and Animal Services	13,902,278	13,177,601	13,894,747	15,059,841	15,461,308	17,428,716	16,558,009	11,519,262	16,150,628	22,616,367
Fire	8,797,130	8,984,089	10,054,714	9,732,766	9,535,154	10,871,586	12,313,969	11,786,218	11,840,960	14,992,139
Public Works	7,479,630	5,567,301	8,722,861	16,080,403	12,091,109	11,509,996	10,375,979	10,872,054	9,997,224	10,486,013
Parks and Cemetery	5,441,022	5,551,009	7,318,762	5,724,147	7,659,421	7,256,878	7,750,673	8,399,021	7,036,149	7,934,299
Community Development	2,404,784	2,522,481	2,585,366	2,936,963	2,871,803	2,633,585	3,447,563	3,304,090	3,150,810	3,428,619
Economic Development	2,310,726	2,361,079	8,039,813	7,402,439	2,594,765	9,002,426	3,506,720	2,122,955	2,415,713	2,471,783
Recreation and Cultural Events	2,957,260	2,941,120	3,134,411	3,359,938	1,953,997	2,671,939	2,398,911	1,752,627	2,307,743	3,008,446
Street Lighting	1,163,002	1,036,256	1,107,902	1,150,545	1,187,460	1,421,547	1,241,639	1,119,962	1,029,481	1,110,698
Storm Water Utility	2,830,642	2,583,995	2,486,872	2,798,228	1,760,709	3,227,498	3,114,717	4,156,006	2,737,652	3,898,364
Interest on Long-Term Debt	2,518,294	2,334,518	3,709,448	3,900,474	3,698,455	3,540,667	3,294,713	3,088,497	2,917,369	2,301,782
Total Governmental Activities	59,099,212	54,239,551	68,611,671	77,961,084	67,139,520	79,085,646	76,734,860	69,728,378	70,510,583	87,820,182
<i>Business Type Activities:</i>										
Alta Canyon Sports Center	1,278,288	1,271,696	1,438,751	1,515,561	1,405,357	1,530,410	1,502,158	1,298,269	1,519,182	1,993,627
Water	21,322,806	21,200,369	22,333,857	22,311,980	19,628,434	21,623,537	21,734,720	21,470,870	21,510,705	22,965,644
Waste	4,371,847	4,341,608	4,477,254	4,577,539	4,606,715	5,332,728	5,597,008	5,815,870	5,419,670	6,510,475
Golf Course	1,454,495	1,444,432	1,492,504	1,436,524	1,303,450	1,371,803	1,383,200	1,567,833	1,754,088	1,852,257
Total Business-Type Activities	28,427,436	28,258,105	29,742,366	29,841,604	26,943,956	29,858,478	30,217,086	30,152,842	30,203,645	33,322,003
Total Primary Government Expenses	\$ 87,526,648	\$ 82,497,656	\$ 98,354,037	\$ 107,802,688	\$ 94,083,476	\$ 108,944,124	\$ 106,951,946	\$ 99,881,220	\$ 100,714,228	\$ 121,142,185
Program Revenues										
<i>Governmental Activities:</i>										
Charges for Services:										
General Government	\$ 1,935,859	\$ 929,707	\$ 398,907	\$ 218,963	\$ 341,089	\$ 416,251	\$ 548,494	\$ 228,334	\$ 258,579	\$ 997,731
Police and Animal Services	2,158,720	2,049,174	1,877,263	2,054,021	2,101,635	1,841,852	1,447,955	1,289,729	1,510,103	3,215,520
Fire	2,462,939	2,484,173	2,561,484	2,763,414	2,975,829	2,907,701	2,834,778	3,158,529	3,700,897	3,791,466
Public Works	323,549	349,877	456,869	20,640	50,816	287,074	187,631	211,837	223,390	942,415
Community Development	2,484,593	2,736,069	3,352,475	3,340,260	3,179,496	3,071,381	2,367,234	2,566,955	2,522,918	2,683,281
Economic Development	5,919,493	5,932,425	6,244,623	6,345,935	7,630,510	7,709,758	5,805,989	6,244,527	5,942,542	5,377,685
Recreation and Cultural Events	1,640,457	1,667,709	1,670,944	1,876,064	1,798,417	1,550,993	1,400,752	743,052	1,225,207	1,858,030
Storm Water Utility	4,230,715	4,101,505	4,187,503	4,233,054	4,376,244	4,683,765	4,842,444	4,613,584	4,550,474	4,429,094
Other Activities	1,704,321	2,926,686	2,460,346	3,141,385	2,783,762	2,155,257	2,275,682	2,434,767	1,838,863	2,346,223
Operating Grants and Contributions	3,323,155	7,450,505	12,255,996	4,583,359	4,261,077	4,601,311	8,841,801	10,535,578	12,569,948	8,022,976
Capital Grants and Contributions	9,357,280	5,239,194	18,638,359	21,790,246	11,333,897	6,130,817	5,446,776	10,246,326	829,875	592,320
Total Governmental Activities Program Revenues	35,541,081	35,867,024	54,104,769	50,367,341	40,832,772	35,356,160	35,999,536	42,273,218	35,172,796	34,256,741

Business-Type Activities:

Charges for Services:

Water	20,852,620	19,258,113	21,552,026	23,941,517	23,163,011	22,134,144	23,555,583	24,757,017	19,568,572	23,201,354
Waste	4,924,586	4,555,528	4,825,815	4,507,219	5,144,718	5,761,177	5,797,999	5,800,207	5,924,814	7,094,887
Alta Canyon Sports Center	908,409	913,833	966,147	996,051	1,005,212	975,769	716,039	618,119	854,146	1,706,825
Golf Course	1,436,519	1,556,675	1,551,308	1,437,030	1,480,708	1,474,407	1,370,670	1,980,277	2,346,596	2,260,370
Capital Grants and Contributions	328,561	466,020	567,752	646,880	312,268	1,510,152	1,569,070	667,305	369,280	486,480
Total Business-Type Activities Program Revenues	28,450,695	26,750,169	29,463,048	31,528,697	31,105,917	31,855,649	33,009,361	33,822,925	29,063,408	34,749,916
Total Primary Government Program Revenues	\$ 63,991,776	\$ 62,617,193	\$ 83,567,817	\$ 81,896,038	\$ 71,938,689	\$ 67,211,809	\$ 69,008,897	\$ 76,096,143	\$ 64,236,204	\$ 69,006,657

Net (Expense)/Revenue

Governmental Activities	(23,558,131)	(18,372,527)	(14,506,902)	(27,593,743)	(26,306,748)	(43,729,486)	(40,735,324)	(27,455,160)	(35,337,787)	(53,563,441)
Business-Type Activities	23,259	(1,507,936)	(279,318)	1,687,093	4,161,961	1,997,171	2,792,275	3,670,083	(1,140,237)	1,427,913
Total Primary Government Net Expense	\$ (23,534,872)	\$ (19,880,463)	\$ (14,786,220)	\$ (25,906,650)	\$ (22,144,787)	\$ (41,732,315)	\$ (37,943,049)	\$ (23,785,077)	\$ (36,478,024)	\$ (52,135,528)

General Revenues and Other Changes in Net Position*Governmental Activities:*

Taxes

Property Taxes	\$ 8,074,477	\$ 8,070,449	\$ 8,645,321	\$ 8,835,112	\$ 9,391,703	\$ 8,454,366	\$ 11,493,355	\$ 11,713,701	\$ 11,737,458	\$ 11,935,232
Sales Taxes	18,750,745	19,221,835	19,891,096	20,642,039	21,909,964	22,289,422	25,127,618	29,190,378	32,455,302	32,875,215
Franchise Taxes	9,044,031	8,695,039	9,110,856	9,150,385	7,726,736	7,265,428	7,326,290	7,190,100	7,503,887	8,485,552
Motor Vehicle Taxes	593,183	599,964	651,186	655,767	631,698	598,978	730,086	667,607	647,559	579,755
Transient Room Taxes	2,479,153	2,721,941	2,943,564	3,332,491	3,581,154	3,591,532	2,886,799	2,259,918	4,083,103	4,811,357
Investment Earnings	316,482	297,948	959,323	717,689	713,261	1,516,656	1,020,838	444,332	1,206,795	5,459,236
Miscellaneous	1,910,354	2,134,697	3,888,241	5,814,009	4,571,474	4,213,833	7,017,876	4,285,847	4,752,066	4,659,165
Transfers	(150,000)	(232,000)	(150,000)	(150,000)	1,046,144	(150,000)	(563,000)	(300,000)	(492,949)	(725,000)
Total Government Activities	41,018,425	41,509,873	45,939,587	48,997,492	49,572,134	47,780,215	55,039,862	55,451,883	61,893,221	68,080,512

Business-Type Activities:

Taxes

Property Taxes	367,565	368,004	369,521	370,675	371,794	370,319	376,796	383,959	381,404	381,590
Motor Vehicle Taxes	31,805	31,524	31,422	33,771	31,018	28,113	27,111	22,808	23,353	20,066
Investment Earnings	72,682	55,690	74,038	149,158	319,282	586,662	372,680	142,438	(79,946)	763,082
Miscellaneous	-0-	-0-	-0-	-0-	-0-	-0-	25,610	1,232,396	2,163,333	-0-
Transfers	150,000	232,000	150,000	150,000	(1,046,144)	150,000	563,000	300,000	492,949	725,000
Total Business-Type Activities	622,052	687,218	624,981	703,604	872,094	1,135,094	1,365,197	2,081,601	2,981,093	1,889,738
Total Primary Government	\$ 41,640,477	\$ 42,197,091	\$ 46,564,568	\$ 49,701,096	\$ 50,444,228	\$ 48,915,309	\$ 56,405,059	\$ 57,533,484	\$ 64,874,314	\$ 69,970,250

Changes in Net Position

Governmental Activities	17,460,294	23,137,346	31,432,685	21,403,749	20,310,913	1,507,972	14,304,538	27,996,723	26,555,434	14,517,071
Business-Type Activities	645,311	(820,718)	345,663	2,390,697	3,837,911	3,132,265	4,157,472	5,751,684	1,840,856	3,317,651
Total Primary Government	\$ 18,105,605	\$ 22,316,628	\$ 31,778,348	\$ 23,794,446	\$ 24,148,824	\$ 4,640,237	\$ 18,462,010	\$ 33,748,407	\$ 28,396,290	\$ 17,834,722

Sandy City
Net Position by Component (Unaudited)
Last Ten Fiscal Years Ended June 30
(Accrual Basis of Accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 399,206,538	\$ 413,535,453	\$ 426,894,795	\$ 456,205,373	\$ 485,539,383	\$ 504,212,180	\$ 512,828,692	\$ 519,886,214	\$ 510,828,693	\$ 509,478,572
Restricted	13,831,898	16,248,537	37,513,870	24,987,708	15,165,556	10,833,913	13,880,971	12,800,608	9,548,553	8,378,846
Unrestricted	<u>26,960,976</u>	<u>22,433,573</u>	<u>19,241,583</u>	<u>23,860,896</u>	<u>30,472,446</u>	<u>22,200,775</u>	<u>24,841,743</u>	<u>46,861,307</u>	<u>85,726,317</u>	<u>102,763,216</u>
Total Governmental Activities Net Position	<u>\$ 439,999,412</u>	<u>\$ 452,217,563</u>	<u>\$ 483,650,248</u>	<u>\$ 505,053,977</u>	<u>\$ 531,177,385</u>	<u>\$ 537,246,868</u>	<u>\$ 551,551,406</u>	<u>\$ 579,548,129</u>	<u>\$ 606,103,563</u>	<u>\$ 620,620,634</u>
Business Type Activities										
Net Investment in Capital Assets	\$ 113,202,374	\$ 113,470,754	\$ 113,690,211	\$ 104,222,933	\$ 107,857,842	\$ 112,054,188	\$ 116,335,896	\$ 117,201,463	\$ 118,120,471	\$ 125,723,687
Restricted	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unrestricted	<u>19,068,039</u>	<u>16,740,297</u>	<u>16,866,503</u>	<u>28,724,478</u>	<u>28,927,479</u>	<u>27,863,398</u>	<u>29,126,000</u>	<u>34,012,117</u>	<u>34,933,966</u>	<u>30,648,401</u>
Total Business-Type Activities Net Position	<u>\$ 132,270,413</u>	<u>\$ 130,211,051</u>	<u>\$ 130,556,714</u>	<u>\$ 132,947,411</u>	<u>\$ 136,785,321</u>	<u>\$ 139,917,586</u>	<u>\$ 145,461,896</u>	<u>\$ 151,213,580</u>	<u>\$ 153,054,437</u>	<u>\$ 156,372,088</u>
Primary government										
Net Investment in Capital Assets	\$ 512,408,912	\$ 527,006,207	\$ 540,585,006	\$ 560,428,306	\$ 593,397,225	\$ 616,266,368	\$ 629,164,588	\$ 637,087,677	\$ 628,949,164	\$ 635,202,259
Restricted	13,831,898	16,248,537	37,513,870	24,987,708	15,165,556	10,833,913	13,880,971	12,800,608	9,548,553	8,378,846
Unrestricted	<u>46,029,015</u>	<u>39,173,870</u>	<u>36,108,086</u>	<u>52,585,374</u>	<u>59,399,925</u>	<u>50,064,173</u>	<u>53,967,743</u>	<u>80,873,424</u>	<u>120,660,283</u>	<u>133,411,617</u>
Total Primary Government Net Position	<u>\$ 572,269,825</u>	<u>\$ 582,428,614</u>	<u>\$ 614,206,962</u>	<u>\$ 638,001,388</u>	<u>\$ 667,962,706</u>	<u>\$ 677,164,454</u>	<u>\$ 697,013,302</u>	<u>\$ 730,761,709</u>	<u>\$ 759,158,000</u>	<u>\$ 776,992,722</u>

Sandy City
Governmental Activities Tax Revenues by Source (Unaudited)
Last Ten Fiscal Years Ended June 30
(Accrual Basis of Accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Fuel Tax	Transient Room Tax	Total
2014	\$ 8,074,477	\$ 18,750,745	\$ 9,044,031	\$ 593,183	\$ 2,479,153	\$ 38,941,589
2015	8,070,449	19,221,835	8,695,039	599,964	2,721,941	39,309,228
2016	8,645,321	19,891,096	9,110,856	651,186	2,943,564	41,242,023
2017	8,835,112	20,642,039	9,150,385	655,767	3,332,491	42,615,794
2018	8,554,944	21,909,964	7,726,736	631,698	3,581,154	43,241,255
2019	8,454,366	22,289,422	7,265,428	598,978	3,591,532	42,199,726
2020	11,493,355	25,127,618	7,326,290	730,086	2,886,799	47,564,148
2021	11,713,701	29,190,378	7,190,100	667,607	2,259,918	51,021,704
2022	11,737,458	32,455,302	7,503,887	647,559	4,083,103	56,427,309
2023	11,935,232	32,875,215	8,485,552	579,755	4,811,357	58,687,111

Source: Sandy City Finance Department

Sandy City

Fund Balances of Governmental Funds (Unaudited)

Last Ten Fiscal Years Ended June 30

(Modified Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nondisposable	\$ 26,847	\$ 15,425	\$ 24,974	\$ 24,974	\$ 24,974	\$ 24,974	\$ 24,974	\$ 25,000	\$ 25,000	\$ 34,655
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	87,313
Unassigned	5,862,610	5,911,530	6,125,635	6,250,772	6,713,982	6,343,819	6,931,555	7,887,125	8,328,910	8,832,038
Total General Fund	<u>\$ 5,889,457</u>	<u>\$ 5,926,955</u>	<u>\$ 6,150,609</u>	<u>\$ 6,275,746</u>	<u>\$ 6,738,956</u>	<u>\$ 6,368,793</u>	<u>\$ 6,956,529</u>	<u>\$ 7,912,125</u>	<u>\$ 8,353,910</u>	<u>\$ 8,954,006</u>
All Other Governmental Funds										
Nondisposable	\$ -0-	\$ 20,352	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -0-	\$ -0-	\$ -0-
Restricted for:										
Debt Service	800,000	-0-	800,000	800,000	800,000	800,000	800,000	800,000	-0-	-0-
Capital Projects	12,528,549	15,041,415	58,977,834	22,806,635	13,165,248	8,620,162	10,866,969	9,080,552	7,376,922	6,628,071
Roads	476,502	371,345	947,160	1,381,073	1,200,308	1,413,751	2,214,002	2,920,056	2,171,631	1,750,775
Special Revenues	3,187,890	3,820,622	3,995,006	11,458,950	19,595,145	19,276,892	21,491,381	25,874,615	45,781,328	53,592,256
Committed:										
Debt Service	141,552	242,815	189,605	154,514	129,681	107,242	93,720	70,679	835,290	1,926,558
Capital Projects	11,191,663	13,407,209	12,063,129	9,229,501	6,803,107	5,042,714	6,592,339	18,406,913	25,773,462	26,009,083
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned:	(1,952,164)	(1,109,195)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total All Other Governmental Funds	<u>\$ 26,373,992</u>	<u>\$ 32,594,563</u>	<u>\$ 76,992,734</u>	<u>\$ 45,850,673</u>	<u>\$ 41,713,489</u>	<u>\$ 35,280,761</u>	<u>\$ 42,078,411</u>	<u>\$ 57,152,815</u>	<u>\$ 81,938,633</u>	<u>\$ 89,906,743</u>
Total Governmental Funds	<u>\$ 32,263,449</u>	<u>\$ 38,521,518</u>	<u>\$ 83,143,343</u>	<u>\$ 52,126,419</u>	<u>\$ 48,452,445</u>	<u>\$ 41,649,554</u>	<u>\$ 49,034,940</u>	<u>\$ 65,064,940</u>	<u>\$ 90,292,543</u>	<u>\$ 98,860,749</u>

Sandy City

Changes in Fund Balances of Governmental Funds (Unaudited)

Last Ten Fiscal Years Ended June 30

(Modified Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 44,655,987	\$ 44,969,245	\$ 47,277,145	\$ 48,760,235	\$ 50,954,596	\$ 50,124,376	\$ 53,587,743	\$ 57,434,752	\$ 62,453,513	\$ 64,076,297
Special Assessments	90,299	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Innkeeper Fees	389,713	432,870	418,792	461,811	439,936	488,639	341,920	297,366	510,628	583,567
Licenses and Permits	2,524,358	2,666,587	3,308,440	3,283,590	3,032,875	3,002,184	2,321,492	2,426,845	3,152,235	3,158,790
Intergovernmental	11,341,710	7,703,310	17,786,981	4,614,146	10,901,363	7,026,233	12,283,201	16,894,628	12,958,370	8,146,017
Charges for Sales and Services	8,847,723	9,758,080	9,344,100	9,662,222	13,596,594	13,065,668	12,876,532	12,532,059	13,425,102	14,418,443
Administrative Charges	2,820,241	2,923,855	2,924,933	2,974,404	2,972,165	3,065,305	3,020,203	3,107,512	3,225,649	3,603,823
Fines and Forfeitures	1,877,704	1,795,311	1,625,292	1,696,893	1,777,291	1,436,045	1,145,274	992,344	1,060,110	1,189,014
Cell Tower Lease	591,127	707,170	591,748	544,076	618,840	956,046	1,012,748	973,559	1,093,451	1,011,660
Fees from Developers	2,082,981	2,741,931	2,093,422	2,856,794	1,761,808	1,708,178	1,256,101	1,781,562	851,816	1,157,754
Interest Income	316,482	316,767	959,322	717,691	714,611	1,522,015	960,788	414,159	(627,499)	4,366,276
Miscellaneous	554,877	374,241	10,354,064	10,819,794	4,495,832	1,138,938	1,457,863	577,231	990,120	858,688
Total Revenues	<u>76,093,202</u>	<u>74,389,367</u>	<u>96,684,239</u>	<u>86,391,656</u>	<u>91,265,911</u>	<u>83,533,627</u>	<u>90,263,865</u>	<u>97,432,017</u>	<u>99,093,495</u>	<u>102,570,329</u>
Expenditures										
General Government	10,386,087	10,133,593	10,128,873	10,390,260	10,858,246	10,670,023	11,617,661	11,839,390	12,484,606	13,625,495
Police and Animal Services	14,213,269	14,577,117	14,863,710	15,247,853	15,730,152	16,313,521	17,095,968	17,747,432	19,625,479	22,596,127
Fire	8,596,758	8,605,591	9,646,627	9,202,585	9,715,305	9,972,690	10,751,511	11,105,580	12,347,356	13,609,505
Public Works	6,011,730	5,277,192	4,835,017	5,551,491	5,227,320	5,177,998	5,927,924	4,892,655	5,815,990	5,679,249
Parks and Cemetery	4,217,598	4,582,559	4,695,031	5,066,031	5,044,923	5,660,604	5,542,468	5,259,552	5,480,108	6,065,581
Community Development	2,458,354	2,583,654	2,680,905	2,875,833	3,301,025	3,088,275	3,313,054	3,329,534	3,654,223	3,884,814
Economic Development	1,521,989	1,395,997	1,269,013	1,324,016	1,188,376	1,033,091	1,109,198	992,810	1,064,334	1,133,778
Recreation and Cultural Events	2,735,894	2,724,521	2,921,949	3,127,770	3,192,835	2,506,988	2,334,678	1,747,901	2,098,326	2,749,042
Street Lighting	887,799	846,805	1,110,089	947,262	1,156,171	1,138,899	1,030,474	742,629	710,886	692,515
Storm Water Utility	1,343,110	1,352,336	1,405,338	1,512,336	1,516,881	1,591,960	2,395,965	1,803,787	1,799,659	2,572,336
Capital Outlays	13,533,349	9,729,516	37,641,859	56,505,377	32,472,909	29,029,341	13,885,144	11,732,449	12,960,287	16,188,935
Debt Service:										
Principal	46,054,920	6,129,287	6,664,565	6,827,471	5,967,000	6,257,000	10,737,000	5,347,000	21,471,000	5,591,981
Interest	2,991,144	2,396,838	3,281,469	3,934,500	3,669,265	3,475,998	3,233,657	2,944,225	2,760,494	2,804,722
Other Charges	700,885	18,106	601,530	18,400	18,055	13,598	100,393	13,900	197,505	9,800
Total Expenditures	<u>115,652,886</u>	<u>70,353,112</u>	<u>101,745,975</u>	<u>122,531,185</u>	<u>99,058,463</u>	<u>95,929,986</u>	<u>89,075,095</u>	<u>79,498,844</u>	<u>102,470,253</u>	<u>97,203,880</u>
Excess of Revenues Over (Under) Expenditures	<u>(39,559,684)</u>	<u>4,036,255</u>	<u>(5,061,736)</u>	<u>(36,139,529)</u>	<u>(7,792,552)</u>	<u>(12,396,359)</u>	<u>1,188,770</u>	<u>17,933,173</u>	<u>(3,376,758)</u>	<u>5,366,449</u>
Other Financing Sources (Uses)										
Proceeds from Issuance of Debt	47,936,000	-0-	46,323,165	-0-	-0-	-0-	4,307,937	-0-	32,161,216	5,300,000
Proceeds from Sale of Capital Assets	2,293,139	2,393,686	3,174,141	4,690,815	2,954,472	2,542,757	2,611,248	39,000	21,300	50,617
Transfers In	13,064,455	13,102,485	27,950,756	18,530,965	14,326,297	15,633,781	11,560,501	18,927,892	29,524,541	14,842,121
Transfers Out	<u>(13,214,455)</u>	<u>(13,274,358)</u>	<u>(27,764,501)</u>	<u>(18,099,175)</u>	<u>(13,162,191)</u>	<u>(11,746,312)</u>	<u>(12,280,000)</u>	<u>(20,870,065)</u>	<u>(33,102,696)</u>	<u>(17,782,386)</u>
Total Other Financing Sources (Uses)	<u>50,079,139</u>	<u>2,221,813</u>	<u>49,683,561</u>	<u>5,122,605</u>	<u>4,118,578</u>	<u>6,430,226</u>	<u>6,199,686</u>	<u>(1,903,173)</u>	<u>28,604,361</u>	<u>2,410,352</u>
Net Change in Fund Balances	<u>\$ 10,519,455</u>	<u>\$ 6,258,068</u>	<u>\$ 44,621,825</u>	<u>\$ (31,016,924)</u>	<u>\$ (3,673,974)</u>	<u>\$ (5,966,133)</u>	<u>\$ 7,388,456</u>	<u>\$ 16,030,000</u>	<u>\$ 25,227,603</u>	<u>\$ 7,776,801</u>
Debt Service as a Percentage of										
Noncapital Expenditures	<u>47.8%</u>	<u>14.8%</u>	<u>13.8%</u>	<u>14.9%</u>	<u>13.6%</u>	<u>12.6%</u>	<u>11.1%</u>	<u>11.9%</u>	<u>25.5%</u>	<u>9.6%</u>

Sandy City

General Government Tax Revenues by Source (Unaudited)

Last Ten Fiscal Years Ended June 30

(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Fuel Tax	Total
2014	\$ 7,947,905	\$ 18,750,745	\$ 9,044,031	\$ 593,183	\$ 36,335,864
2015	7,941,661	19,221,835	8,695,039	599,964	36,458,499
2016	8,510,819	19,891,096	9,110,856	651,186	38,163,957
2017	8,740,862	20,642,039	9,150,385	655,767	39,189,053
2018	9,490,933	21,909,964	7,726,736	631,698	39,759,331
2019	8,800,258	22,289,422	7,265,428	598,978	38,954,086
2020	11,800,272	23,060,272	7,326,290	730,086	42,916,920
2021	11,913,597	26,759,689	7,190,100	667,607	46,530,993
2022	11,827,346	29,714,666	7,503,887	647,559	49,693,458
2023	12,129,281	30,106,136	8,485,552	579,755	51,300,724

Source: Sandy City Finance Department

Sandy City

Water Fund Billed Sales and Monthly Rates (Unaudited)

Last Ten Fiscal Years Ended June 30

Fiscal Year	Total Billed Sales	Sandy Rates			Salt Lake County Rates ³		
		Water Base ¹	Water Overage ²	Water Block Tiers 1-4 ⁴	Water Base ¹	Water Overage ²	Water Block Tiers 1-4 ⁴
2014	\$ 19,117,427	20.40	2.42/1.43	N/A	29.54	2.63/1.57	N/A
2015	17,742,869	20.40	2.42/1.43	N/A	29.54	2.63/1.57	N/A
2016	19,225,737	11.74	N/A	\$1.56 / 2.41 / 2.84 / 3.26	17.00	N/A	\$1.71 / 2.62 / 3.09 / 3.54
2017	22,099,394	13.74	N/A	1.56 / 2.41 / 2.84 / 3.26	19.00	N/A	1.71 / 2.62 / 3.09 / 3.54
2018	21,241,097	13.74	N/A	1.56 / 2.41 / 2.84 / 3.26	19.00	N/A	1.71 / 2.62 / 3.09 / 3.54
2019	21,329,422	14.43	N/A	1.64 / 2.53 / 2.98 / 3.42	19.95	N/A	1.80 / 2.75 / 3.24 / 3.72
2020	23,227,781	14.43	N/A	1.64 / 2.53 / 2.98 / 3.42	19.95	N/A	1.80 / 2.75 / 3.24 / 3.72
2021	24,367,111	14.43	N/A	1.64 / 2.53 / 2.98 / 3.42	19.95	N/A	1.80 / 2.75 / 3.24 / 3.72
2022	19,189,764	14.43	N/A	1.64 / 2.53 / 2.98 / 3.42	19.95	N/A	1.80 / 2.75 / 3.24 / 3.72
2023	22,316,925	14.43	N/A	1.64 / 2.31 / 2.98 / 3.82 / 5.08	19.95	N/A	1.80 / 2.54 / 3.28 / 4.20 / 5.59

¹Water base rates are based on a 3/4" meter, which is the standard size meter for most residences in Sandy. In fiscal year 2016, the base rate decreased due to a billing structure change. See notes 2 and 4 below.

²On July 1, 2011, the City's billing structure changed, with overage being charged after usage of 6,000 gallons until July 1, 2015 (see note 4 below). The peak season changed to June through October, and the non-peak season changed to November through May.

³The City provides water services for some unincorporated Salt Lake County areas within the City.

⁴The City has changed from charging an overage rate to a new block rate. A base rate is charged for connection regardless of water usage, and an additional amount is charged per 1,000 gallons used within four different block tiers. Block 1 is 1-6 thousand, Block 2 is 7-40, Block 3 is 41-80, and Block 4 is 81+. On July 1, 2022, the City added block 5. Block 1 is 1-6 thousand, Block 2 is 7-25, Block 3 is 26-50, Block 4 is 51-75, and Block 5 is 75+.

Sandy City
Principal Water Users (Unaudited)
For the Years Ended June 30, 2023 and 2014

Taxpayer	2023			2014		
	Annual Water Bill	Rank	Percentage of Total Water Operating Revenue	Annual Water Bill	Rank	Percentage of Total Water Operating Revenue
Canyons School District	\$ 653,244	1	2.927%	\$ 694,198	2	3.376%
Sandy City	593,232	2	2.658%	735,163	1	3.575%
Corp of PB of JC of LDS	410,116	3	1.838%	300,536	3	1.462%
Sandy Station APTS LLC	171,810	4	0.770%			
Becton Dickinson	93,351	5	0.418%			
Waterford School	82,769	6	0.371%	61,510	7	0.299%
The Quarry Bend HOA	78,981	7	0.354%	75,363	5	0.367%
Villas at Hidden Creek	78,103	8	0.350%	57,196	10	0.278%
Wasatch Property Management	65,609	9	0.294%			
Crescentwood Village MH LLC	63,976	10	0.287%	63,453	6	0.309%
IHC Health Services				76,310	4	0.371%
Parkway Mobile Homes				61,446	8	0.299%
Salt Lake County				58,997	9	0.287%
Totals	<u>\$ 2,291,191</u>		<u>10.267%</u>	<u>\$ 2,184,172</u>		<u>10.623%</u>

Source: Sandy City Finance Department

Sandy City

Assessed Value and Estimated Actual Value of Taxable Property (Unaudited)

Last Ten Fiscal Years Ended June 30

Fiscal Year	Real Property		Personal Property		Mines and Utilities	Total Taxable Assessed Value	Total Direct Tax Rate ¹	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Primary Residential	Other Property	Non Residential	Other Property					
2014	\$ 3,896,023,932	\$ 1,969,406,660	\$ 319,780,029	\$ 5,793,008	\$ 94,460,295	\$ 6,285,463,924	0.001483	\$ 9,483,071,154	66.28
2015	4,159,578,341	2,020,214,638	313,405,528	5,610,228	111,506,198	6,610,314,933	0.001413	9,996,970,395	66.12
2016	4,470,453,861	2,120,093,880	308,249,823	5,434,208	128,890,247	7,033,122,019	0.001426	10,684,170,191	65.83
2017	4,924,474,412	2,382,427,507	322,051,565	5,270,785	129,906,367	7,764,130,636	0.001321	11,758,047,820	66.03
2018	5,384,694,780	2,531,695,973	332,678,572	5,229,340	138,034,126	8,392,332,790	0.001229	12,784,678,806	65.64
2019	6,028,558,325	2,679,708,173	335,575,394	5,224,583	159,786,672	9,208,853,147	0.001144	14,117,320,395	65.23
2020	6,455,741,399	2,909,474,590	392,303,386	5,013,241	164,038,812	9,926,571,429	0.001337	15,232,100,343	65.17
2021	6,866,444,419	3,080,224,696	449,875,894	4,776,241	184,735,045	10,586,056,294	0.001279	16,186,214,615	65.40
2022	7,695,685,263	3,145,333,993	452,446,178	4,665,068	180,631,066	11,478,761,567	0.001174	17,732,790,151	64.73
2023	10,214,049,706	3,417,908,068	451,733,268	4,607,465	176,138,160	14,264,436,667	0.000942	22,495,350,091	63.41

Source: Salt Lake County Auditor and Salt Lake County Treasurer

¹Property in the county is reassessed annually. Tax rates are per \$1 of assessed value.

Sandy City
Property Tax Rates (Unaudited)
Direct and Overlapping Governments
Last Ten Fiscal Years Ended June 30

Fiscal Year	Sandy City			Overlapping ¹ Rates							Total Direct and Overlapping Rates
	General Fund	Risk Management	Total City Millage	Salt Lake County	Canyons School District	Jordan School Districts ⁵	State Basic School Levy ²	Charter School Levy ³	Salt Lake County Library	Special Districts ⁴	
2014	0.001409	0.000074	0.001483	0.003180	0.004881	0.001095	0.001535	0.000000	0.000755	0.002543	0.015472
2015	0.001342	0.000071	0.001413	0.003036	0.004853	0.000951	0.001419	0.000000	0.000715	0.002407	0.014794
2016	0.001354	0.000072	0.001426	0.002819	0.004661	0.000862	0.001736	0.000000	0.000683	0.002315	0.014502
2017	0.001254	0.000067	0.001321	0.002639	0.004188	0.000764	0.001675	0.000000	0.000639	0.002194	0.013420
2018	0.001167	0.000062	0.001229	0.002492	0.004768	0.000678	0.001568	0.000103	0.000612	0.001557	0.013007
2019	0.001086	0.000058	0.001144	0.002259	0.004696	0.000560	0.001666	0.000073	0.000559	0.001470	0.012427
2020	0.001281	0.000056	0.001337	0.002158	0.005271	0.000488	0.001661	0.000087	0.000536	0.001398	0.012936
2021	0.001226	0.000053	0.001279	0.002170	0.005194	0.000403	0.001628	0.000072	0.000515	0.001344	0.012605
2022	0.001124	0.000050	0.001174	0.001985	0.004895	0.000347	0.001661	0.000087	0.000474	0.001264	0.011887
2023	0.000902	0.000040	0.000942	0.001634	0.004336	N/A	0.001652	0.000065	0.000386	0.001102	0.010117

Source: Salt Lake County Auditor and Salt Lake County Property Tax Division

¹Overlapping rates are those of local and county governments that apply to property owners within Sandy City. Not all overlapping rates apply to all Sandy City property owners. The rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district.

²Rate established annually by Utah State Legislature.

³Rate established annually by Utah State Tax Commission and Utah State Board of Education as an adjustment to the board local levy.

⁴Includes South Salt Lake Valley Mosquito District, Metropolitan Water District of Salt Lake and Sandy, Sandy Suburban Improvement District, Central Utah Water District, and Crescent Cemetery Maintenance District. Although other special districts apply to only a portion of the City, these districts apply to the majority of property values within the City.

⁵Jordan school old debt service is dissolved.

Sandy City
Principal Property Taxpayers (Unaudited)
For the Years Ended June 30, 2023 and 2014

Taxpayer	2023			2014		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
MOUNTAIN AMERICA FEDERAL CREDIT UNION	\$ 140,003,000	1	0.981%			
WOODBURY CORPORATION	134,062,900	2	0.940%			
STERLING REALTY ORGANIZATION CO	108,304,600	3	0.759%			
MILLER FAMILY REAL ESTATE LLC	101,818,400	4	0.714%	\$ 111,744,070	2	1.840%
SOUTH TOWN OWNER PR LLC	101,215,240	5	0.710%			
RODERICK ENTERPRISES	100,265,358	6	0.703%			
ONEFOURTEEN, LLC	83,420,620	7	0.585%			
SYNERGY BUSINESS PARK	82,533,100	8	0.579%			
UTAH SOCCER LLC	79,607,500	9	0.558%			
CR COBBLEGATE COMMUNITIES, LLC	77,904,865	10	0.546%			
MACERICH CO.				144,374,300	1	2.380%
RONALD RADDON				62,475,639	3	1.030%
REDEVELOPMENT AGENCY OF SANDY				61,841,400	4	1.020%
SANDY PARK LLC				56,737,500	5	0.940%
THE BOYER COMPANY				50,714,900	6	0.840%
WAL-MART REAL ESTATE BUSINESS				46,293,400	7	0.760%
SOUTH TOWNE CORPORATE CENTER				34,356,300	8	0.570%
RIVER OAKS ON RIVERSIDE LLC				33,847,770	9	0.560%
WORKERS COMPENSATION FUND				31,016,600	10	0.510%
Totals	<u>\$ 1,009,135,583</u>		<u>7.074%</u>	<u>\$ 633,401,879</u>		<u>10.450%</u>

Note: Annual amounts are shown only for the top ten ranked taxpayers. Including the other amounts would skew the overall total and percentage for the top ten taxpayers.

Source: Utah State Tax Commission and Salt Lake County assessment records

Sandy City
Property Tax Levies and Collections (Unaudited)
Last Ten Fiscal Years Ended June 30

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 9,321,343	\$ 9,089,368	97.5	\$ 168,768	\$ 9,258,136	99.3
2015	9,340,375	9,088,945	97.3	174,165	9,263,110	99.2
2016	10,029,232	9,816,468	97.9	165,233	9,981,701	99.5
2017	10,256,417	10,035,014	97.8	151,267	10,186,282	99.3
2018	10,314,177	10,110,721	98.0	132,885	10,243,606	99.3
2019	10,534,928	10,299,251	97.8	146,533	10,445,784	99.2
2020	13,271,826	12,995,296	97.9	173,162	13,168,459	99.2
2021	13,539,566	13,265,116	98.0	150,117	13,415,233	99.1
2022	13,476,066	13,226,980	98.2	108,917	13,335,898	99.0
2023	13,437,099	13,151,682	97.9	N/A	13,151,682	97.9

Source: Sandy City Finance Department

Sandy City

Ratios of Outstanding Debt by Type (Unaudited)

Last Ten Fiscal Years Ended June 30

Governmental Activities				
Fiscal Year	Revenue Bonds	Other Payables	Lease Liabilities	Compensated Absences
2014	\$ 59,931,323	\$ 445,000	-0-	-0-
2015	63,313,036	230,000	-0-	-0-
2016	98,423,471	-0-	-0-	-0-
2017	91,596,000	-0-	-0-	-0-
2018	85,629,000	-0-	-0-	-0-
2019	79,372,000	-0-	-0-	-0-
2020	72,385,000	-0-	-0-	-0-
2021	67,038,000	-0-	-0-	-0-
2022	61,172,000	15,000,000	1,352,671	6,439,646
2023	56,467,000	19,869,517	191,522	7,116,459

Business Activities					
Fiscal Year	Revenue Bonds	Other Payable	Lease Liabilities	Total Primary Government	Per Capita ¹
2014	\$ 7,569,678	\$ 11,966,670	-0-	\$ 79,912,671	892
2015	6,943,965	11,526,750	-0-	82,013,751	867
2016	6,294,529	11,057,220	-0-	115,775,220	1,193
2017	15,625,000	10,562,310	-0-	117,783,310	1,213
2018	14,920,000	10,042,020	-0-	110,591,020	1,130
2019	13,626,000	9,496,350	-0-	102,494,350	1,037
2020	19,304,000	8,921,070	-0-	100,610,070	1,009
2021	9,710,000	8,311,950	-0-	85,059,950	857
2022	8,525,000	7,673,220	330,050	100,492,587	1,006
2023	7,205,000	6,987,960	418,174	98,255,632	1,003

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

¹See the Schedule of Demographic and Economic Statistics for population data.

Sandy City

Ratios of General Bonded Debt Outstanding (Unaudited)

Last Ten Fiscal Years Ended June 30

Note: Sandy City has no general bonded debt outstanding as of last ten fiscal years ended June 30.

Sandy City

Direct and Overlapping Governmental Activities Debt (Unaudited)

For the Year Ended June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable³</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt			
State of Utah	\$ 1,640,940,000	2.73%	\$ 44,797,662
CUWCD ¹	116,365,000	4.15%	4,829,148
Salt Lake County	116,360,000	7.83%	9,110,988
Canyons School District	394,870,000	38.58%	152,340,846
Sandy Suburban Improvement District	2,962,000	100.00%	2,962,000
Total Overlapping Debt	<u>\$ 2,271,497,000</u>		<u>\$ 214,040,644</u>
Total Overlapping Debt Less the State ²			<u>169,242,982</u>
Sandy City Total Direct Debt			<u>98,255,632</u>
Total Direct and Overlapping Debt			<u><u>\$ 267,498,614</u></u>

Source: Lewis Young Robertson and Burningham, Inc

¹Central Utah Water Conservancy District (CUWCD) outstanding general obligation bonds are limited ad valorem tax bonds. These bonds are the only limited ad valorem tax bonds in the state issued under the Water Conservancy Act. By law, CUWCD may levy a tax rate of up to .04 percent to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.

²The state's general obligation debt is not included in overlapping debt because the state levies no property tax for the payment of general obligation bonds.

³Estimated percentage applicable is rounded to the nearest 100th percent.

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

Sandy City
Legal Debt Margin Information (Unaudited)
Last Ten Fiscal Years Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit										
General (4% Fair Cash Value) ¹	\$ 379,322,846	\$ 399,878,816	\$ 427,366,808	\$ 470,321,913	\$ 511,387,152	\$ 564,692,816	\$ 609,284,013	\$ 647,448,584	\$ 709,311,606	\$ 899,814,004
Water and Sewer (4% Fair Cash Value) ¹	379,322,846	399,878,816	427,366,808	470,321,914	511,387,153	564,692,817	609,284,014	647,448,585	709,311,606	899,814,004
Total 8% Debt Limit	758,645,692	799,757,632	854,733,616	940,643,827	1,022,774,305	1,129,385,633	1,218,568,028	1,294,897,169	1,418,623,212	1,799,628,007
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 758,645,692</u>	<u>\$ 799,757,632</u>	<u>\$ 854,733,616</u>	<u>\$ 940,643,827</u>	<u>\$ 1,022,774,305</u>	<u>\$ 1,129,385,633</u>	<u>\$ 1,218,568,028</u>	<u>\$ 1,294,897,169</u>	<u>\$ 1,418,623,212</u>	<u>\$ 1,799,628,007</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Assessed Valuation:	
Primary Residential	\$ 10,157,141,550
All Other	4,107,295,117
Total Assessed Value	<u>\$ 14,264,436,667</u>
Reasonable Fair Cash Value	\$ 22,495,350,091
Debt Limit (8% of Reasonable Fair Cash Value) ¹	1,799,628,007
Debt Applicable to Limit:	
General Obligation Bonds	-0-
Less: Amount Set Aside for Repayment of General Obligation Debt	-0-
Total Net Debt Applicable to Limit	-0-
Legal Debt Margin	<u>\$ 1,799,628,007</u>

Source: Salt Lake County Auditor's Office

¹The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 8% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 4% and any unused portion of the 4% available for general purposes up to the maximum 8% may be utilized for water and/or sewer purposes.

Sandy City
Pledged-Revenue Coverage (Unaudited)
Last Ten Fiscal Years Ended June 30

Fiscal Year	Water Revenue Bonds						Sales Tax Revenue Bonds				
	Gross Operating Revenue	Less: Direct Operating Expenses	Net Available Revenue	Debt Service		Coverage	Sales Tax Revenue Collections	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
2014	\$ 20,663,715	\$ 10,650,644	\$ 10,013,071	\$ 370,000	\$ 172,999	18.44	\$ 18,750,745	\$ 3,544,000	\$ 1,442,163	3.76	
2015	19,148,344	10,215,890	8,932,454	390,000	156,621	16.34	19,221,835	4,015,000	1,228,102	3.67	
2016	20,890,459	11,640,561	9,249,898	405,000	140,683	16.95	19,891,096	4,364,000	1,139,647	3.61	
2017	23,500,938	12,001,955	11,498,983	415,000	128,650	21.15	20,642,039	4,587,000	2,975,264	2.73	
2018	22,896,871	10,449,027	12,447,844	425,000	240,251	18.71	21,909,964	4,587,000	2,854,008	2.94	
2019	21,652,019	11,785,256	9,866,763	1,019,000	326,439	7.33	22,289,422	4,727,000	2,708,012	3.00	
2020	24,038,821	11,885,826	12,152,995	1,042,000	305,959	9.02	25,127,618	3,436,000	2,558,495	4.19	
2021	25,151,479	11,806,144	13,345,335	1,059,000	284,387	9.93	29,190,378	3,537,000	2,284,092	5.01	
2022	20,591,173	12,033,446	8,557,727	860,000	430,553	6.63	32,455,302	2,771,000	2,160,968	6.58	
2023	23,186,642	17,286,072	5,900,570	980,000	307,800	4.58	30,106,136	2,885,000	2,046,723	6.10	

Fiscal Year	Tax Increment Bonds				Motor Fuel Excise Tax Revenue Bonds				Transient Room Tax Revenue Bonds				
	Tax Increment Collections	Debt Service		Coverage	B and C Road Fund Collections	Debt Service		Coverage	Transient Room Tax Revenue		Debt Service		Coverage
		Principal	Interest			Principal	Interest		Collections	Principal	Interest		
2014	\$ 113,989	\$ 390,000	\$ 583,195	0.12	\$ 2,756,822	\$ 850,000	\$ 172,750	2.70	\$ 2,479,153	\$ 985,000	\$ 1,304,147	1.08	
2015	106,957	-0-	-0-	-0-	2,917,055	875,000	138,750	2.88	2,721,941	1,260,000	1,038,623	1.18	
2016	92,549	-0-	-0-	-0-	3,129,681	925,000	95,000	3.07	2,943,564	1,390,000	992,910	1.24	
2017	94,141	-0-	-0-	-0-	3,310,634	975,000	48,750	3.23	3,332,491	1,520,000	942,713	1.35	
2018	89,183	-0-	-0-	-0-	3,335,120	-0-	-0-	-0-	3,581,154	1,660,000	887,858	1.41	
2019	95,186	-0-	-0-	-0-	3,728,958	-0-	-0-	-0-	3,591,532	1,805,000	828,086	1.36	
2020	93,967	-0-	-0-	-0-	3,495,735	-0-	-0-	-0-	2,886,799	1,955,000	763,226	1.06	
2021	103,628	-0-	-0-	-0-	3,770,384	-0-	-0-	-0-	2,259,918	2,120,000	692,933	0.80	
2022	90,091	-0-	-0-	-0-	4,080,380	-0-	-0-	-0-	4,083,103	2,295,000	372,590	1.53	
2023	88,929	-0-	-0-	-0-	4,234,550	-0-	-0-	-0-	5,394,924	2,160,000	511,300	2.02	

Sandy City
Demographic and Economic Statistics (Unaudited)
Last Ten Fiscal Years Ended June 30

Fiscal Year	Population¹	Personal Income²	Per Capita Personal Income²	Adjusted Gross Income³	Per Capita Adjusted Gross Income³	Median Age^{1,4}	Unemployment Rate⁵
2014 ⁹	89,620	N/A	N/A	\$ 3,126,428,378	\$ 34,885	33.8	3.7%
2015	94,612	5,412,267,700	57,205	3,331,330,650	35,210	33.8	3.3%
2016 ⁹	97,082	N/A	N/A	3,356,529,172	34,574	33.8	3.2%
2017	97,082	N/A	N/A	3,606,213,177	37,146	33.8	3.0%
2018 ⁷	97,857	N/A	N/A	3,680,152,101	37,607	33.8	3.1%
2019 ⁷	98,849	N/A	N/A	3,714,361,915	37,576	36.4	2.9%
2020 ⁷	99,700	N/A	N/A	3,870,664,992	38,823	35.9	3.9%
2021 ^{7,8}	99,235	N/A	N/A	N/A	N/A	36.5	3.5%
2022 ^{7,8}	99,848	N/A	N/A	N/A	N/A	36.0	2.1%
2023 ^{7,8}	97,984	N/A	N/A	N/A	N/A	36.3	2.3%

Fiscal Year	High School or Less²	Some College/ Tech School²	Two-Year College Degree²	Bachelors Degree (4 yrs.)²	Grad. School/ Beyond 4 yr.²	Refused to Answer²	School Enrollment⁶
2014 ⁹	N/A	N/A	N/A	N/A	N/A	N/A	18,286
2015	7%	21%	18%	32%	21%	N/A	17,612
2016 ⁹	N/A	N/A	N/A	N/A	N/A	N/A	17,618
2017	5%	17%	14%	38%	27%	2%	17,612
2018 ⁷	N/A	N/A	N/A	N/A	N/A	N/A	17,458
2019 ⁷	N/A	N/A	N/A	N/A	N/A	N/A	18,355
2020 ⁷	N/A	N/A	N/A	N/A	N/A	N/A	17,963
2021 ⁷	N/A	N/A	N/A	N/A	N/A	N/A	18,920
2022 ⁷	N/A	N/A	N/A	N/A	N/A	N/A	18,946
2023 ⁷	N/A	N/A	N/A	N/A	N/A	N/A	19,226

¹Source: Sandy City Planning Division

²Source: Estimated using information received from the Dan Jones Survey/Lighthouse Research Survey.
The city does not conduct this exact survey anymore.

³Source: Utah State Tax Commission (Based on a calendar year)

⁴Source: Census Bureau

⁵Source: The United States Bureau of Labor Statistics

⁶Source: Canyons School District

⁷No Dan Jones Survey was conducted from fiscal year 2018 to fiscal year 2023.

⁸Information from the Utah State Tax Commission was unavailable at the time of this report.

⁹Information from the Dan Jones/Lighthouse surveys were unavailable at the time of this report.

Sandy City
Principal Employers (Unaudited)
For the Years Ended June 30, 2023 and 2014

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
BECTON DICKINSON INFUSN THRPY	1,092	1	3.75%	1,092	2	2.36%
AMERICAN EXPRESS TRAVEL REALTED SERVICES CO INC	791	2	2.72%			
MOUNTAIN AMERICA CREDIT UNION	749	3	2.57%			
NICE INCONTACT	739	4	2.54%			
E*TRADE SECURITIES LLC	552	5	1.90%	423	6	0.91%
WCF MUTUAL INSURANCE COMPANY	441	6	1.51%			
AETNA LIFE INSURANCE COMPANY	376	7	1.29%			
TELARUS LLC	365	8	1.25%			
GALILEO FINANCIAL TECHNOLOGIES LLC	341	9	1.17%			
ALTA VIEW HOSPITAL	332	10	1.14%	332	7	0.72%
GENERAL DYNAMICS INFORMATION				1,656	1	3.40%
XEROX COMMERCIAL SOLUTIONS LLC				607	3	1.31%
SANDY CITY CORPORATION				546	4	1.18%
TELEPERFORMANCE USA				459	5	0.99%
WORKERS COMPENSATION FUND				320	8	0.69%
SCHEELS ALL SPORTS INC				300	9	0.65%
WALMART				246	10	0.53%
Total	<u>5,778</u>		<u>19.85%</u>	<u>5,981</u>		<u>12.74%</u>

Note: Annual amounts are shown only for the top ten principal employers. Including the other amounts would skew the overall total and percentage for the top ten principal employers.

Source: Sandy City Business License Division and The United States Bureau of Labor Statistics

Sandy City

Full-time Equivalent City Government Employees by Function (Unaudited)

Last Ten Fiscal Years Ended June 30

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
General Government										
Mayor	3.6	3.6	3.6	3.6	3.6	2.6	4.6	4.6	4.6	4.6
City Administrator	15.6	16.0	17.5	18.1	18.2	17.2	16.3	14.4	15.4	15.4
City Council	3.5	3.3	3.5	3.5	3.0	3.0	3.0	3.0	4.0	4.0
City Attorney	14.1	14.1	14.6	14.6	14.6	15.3	15.8	15.8	15.8	16.5
Court Services	16.5	16.5	16.5	16.5	16.8	16.3	16.0	16.0	16.0	16.0
Administrative Services	48.1	48.3	48.3	48.3	48.3	54.2	57.9	55.1	56.1	56.6
Non-Departmental	2.3	2.0	2.0	2.0	2.0	2.0	-0-	-0-	-0-	-0-
Police and Animal Services	156.0	156.2	156.2	158.7	160.7	156.0	162.4	162.1	162.6	162.7
Fire	76.7	78.2	78.2	79.0	80.0	80.0	87.0	87.0	87.0	88.0
Public Works	49.5	50.0	51.0	51.4	52.4	52.1	53.1	53.1	53.1	48.4
Parks and Cemetery	46.4	50.5	51.5	54.0	55.3	50.1	50.5	49.8	49.8	49.8
Recreation and Cultural Events	13.0	13.0	14.5	14.5	14.5	14.5	15.6	15.8	15.8	15.8
Street Lighting	3.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Storm Water Utility	20.4	21.1	21.1	21.1	20.1	20.1	20.1	20.1	20.1	20.1
Community Development	24.3	24.8	26.1	26.4	26.4	26.3	26.7	26.7	26.7	27.7
Economic Development	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Business-Type Activities:										
Alta Canyon Sports Center	26.5	26.8	29.9	29.9	29.9	30.9	30.9	30.9	28.9	28.9
Water	40.3	40.3	40.3	40.3	41.8	41.8	42.8	43.8	43.8	43.8
Waste Collection	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	9.7
River Oaks Golf Course	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.5
Total	578.9	586.3	596.2	603.4	608.9	603.8	624.1	619.6	621.1	625.7

Source: Sandy City Payroll Division

Sandy City
Operating Indicators by Function (Unaudited)
Last Ten Fiscal Years Ended June 30

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police ¹										
Physical arrests	2,728	2,411	2,251	2,115	2,210	2,140	1,990	1,937	2,145	2,086
Nonmoving traffic citations	1,898	428	4,053	6,020	3,155	2,211	1,999	2,122	2,137	2,314
Moving traffic citations	9,507	12,979	12,164	11,232	13,559	8,563	6,139	5,109	5,730	7,079
Fire										
Number of fire calls answered	1,565	1,696	1,495	1,834	1,927	1,937	2,010	5,860	2,011	2,181
Number of medical calls answered	4,824	5,196	4,593	5,664	5,686	5,723	5,510	1,895	6,497	6,961
Public Works										
Street resurfacing (miles)										
Overlays	0.75	1.22	1.47	0.49	0.49	1.60	1.20	0.69	0.98	1.51
Slurry	35.50	44.18	35.97	33.91	35.75	44.06	-0-	41.80	37.35	29.12
Potholes repaired	1,542	1,028	1,037	1,189	2,060	1,743	1,126	1,415	1,386	4,163
Sanitation										
Number of garbage cans per month	31,550	31,595	31,686	31,818	31,983	32,196	32,783	33,020	33,163	33,441
Number of recycle cans/month	24,095	24,206	24,288	24,348	24,413	24,467	24,520	25,006	25,292	25,548
Parks, recreation, and cemetery										
Number of program participants	19,043	19,092	18,683	17,554	16,126	15,991	11,229	13,810	16,275	15,163
Cemetery plots sold ²	5	2	2	288	409	126	75	87	72	54
Alta Canyon										
Members	1,395	1,376	1,160	1,481	1,337	926	689	1,867	1,588	3,240
Class participants	34,606	35,818	34,392	24,637	23,974	25,228	19,430	19,975	22,958	22,795
Golf										
Number of 18 hole rounds played	21,275	18,540	18,506	18,142	16,907	27,649	15,682	26,648	24,466	24,959
Number of 9 hole rounds played	21,746	22,228	19,924	18,035	20,579	17,696	21,059	33,986	21,891	25,178
Number of tournaments	70	27	53	43	47	48	30	31	63	63
Sandy Arts Guild										
Number of tickets sold	35,262	29,086	20,752	22,557	11,212	11,649	9,114	5,088	4,127	5,477
Number of performances	29	18	34	28	17	35	16	32	28	27
Water										
New connections	135	110	106	101	266	154	131	93	92	125
Water main breaks	69	62	62	87	77	64	84	65	79	71
Average daily consumption (gallons)	22,038,333	20,550,833	22,015,833	23,248,333	22,570,000	20,505,000	21,964,167	23,091,667	17,966,667	18,586,667

¹Fiscal Year 14 Police changed the way they collect their data. For example, prior nonmoving citations involved driver license expiration, but now it only includes parking violations.

²Fiscal Year 17 A new section of the Sandy City Cemetery has been opened, bringing 3,000 new grave plots and 396 niches.

Source: Various City Departments

Sandy City
Capital Assets Statistics by Function (Unaudited)
Last Ten Fiscal Years Ended June 30

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	4	3	4	4	4	4	3	3	5	2
Vehicles and Motorcycles	155	170	173	174	166	167	184	167	166	180
Fire										
Fire Stations	5	5	5	5	5	5	5	5	5	5
Fire Engines	5	5	7	7	7	7	7	6	6	6
Ladder Truck 100'	1	1	1	1	1	2	2	2	2	2
Telesquirt 50'	1	1	1	1	1	-0-	-0-	-0-	-0-	-0-
Ambulance	4	4	5	5	5	5	5	5	5	5
Training Towers	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (road miles)	306	311	313	317	318	322	319	320	322	322
Traffic Signals	42	43	43	40	42	42	42	44	44	44
Streetlights	7,673	7,776	8,042	8,174	8,187	8,374	8,307	8,372	8,405	8,491
Culture and Recreation										
Parks Acreage	314	314	314	314	314	314	314	314	314	314
Parks	32	32	32	32	32	32	32	32	32	32
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	31	29	29	31	31	31	31	24	24	24
Pickle Ball Courts		4	4	4	4	4	4	5	13	17
18-Hole Golf Course	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	422	424	426	427	428	424	426	426	428	431
Fire Hydrants	4,807	4,378	4,428	4,468	4,517	4,456	4,468	4,497	4,512	4,545
Maximum Daily Capacity (millions of gallons per day)	157.875	157.155	157.875	157.875	154.625	157.875	158.875	154.625	152.660	152.660
Storm Water Drains (miles) ¹	203	205	148	157	159	159	254	255	261	164

Source: Various City Departments

¹Decrease in 2023 due to separation of entity ownership. Only what Sandy City owns and maintains is shown.

INTERNAL CONTROL
and
STATE LEGAL COMPLIANCE
REPORTS

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Compliance Reports
June 30, 2023

City of Sandy, Utah



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

To the Members of City Council
City of Sandy, Utah

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sandy City (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 27, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Sandy City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Salt Lake City, Utah
December 27, 2023



**Independent Auditor's Report on Compliance and Report on Internal Control over Compliance as
Required by the *State Compliance Audit Guide***

To the Members of the City Council
City of Sandy, Utah

Report on Compliance

We have audited Sandy City'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 June 30, 2023.

State compliance requirements were tested for the year ended June 30, 2023, in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Government Fees
- Cash Management
- Impact Fees
- Open and Public Meetings Act

Opinion on Compliance

In our opinion, Sandy City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the State Compliance Audit Guide (Guide). Our responsibilities under those standards and the State Compliance Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Sandy City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Sandy City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Sandy City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Sandy City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Sandy City's compliance with the requirements of the government program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Sandy City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Sandy City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Sandy City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink that reads "Eric Sallie LLP". The signature is written in a cursive, flowing style.

Salt Lake City, Utah
December 27, 2023

Section I – Financial Statement Findings

**2023-001 Audit Adjustments, and Prior Year Restatement
Material Weakness in Internal Control**

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

Condition: During the audit we identified multiple audit adjustments that in the aggregate represent a material adjustment to the financial statements. In addition, restatement to the prior year financial statements was required due to lease receivables not being presented in the fund financial statements, although they were properly included in the government-wide financial statements. Audit adjustments were proposed that impacted receivables, capital assets, debt, and lease receivables and beginning fund balance.

Cause: Schedules supporting financial statement balances contained errors leading to inaccurate financial reporting. These issues were not adequately reconciled or reviewed by an appropriate individual prior to the initial financial close or during the financial statement preparation process. These were typically related to infrequent transactions or the adoption of new accounting standards.

Effect: If the audit adjustments had not been made, the financial statements could have misstatements.

Recommendation: We recommend that management review the process and timing of reconciliation of year end items, as well as continuing to provide training to those performing those reconciliations.

Views of Responsible Officials: The adjustment for lease receivables was caused by specific guidance in GASB 87 and is a one-time item related to adoption of the standard in the prior year. Other adjustments due to infrequent transactions as mentioned in the “Cause” section of the finding, began in prior periods and were audited by previous auditors without associated findings. We agree with the auditor’s recommendation to review the process and timing of year-end reconciliation items and will do so before the fiscal year 2024 audit commences.

Section II – Compliance Findings

None

APPENDIX B

DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING SALT LAKE COUNTY

The tables in this appendix contain information with respect to Salt Lake County, Utah (the “County”), the general area in which the City is located and is provided solely to provide background information regarding the County. For additional information regarding the City, see “APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SANDY CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2023.”

The County is the economic and population center of the State. Based on 2020 Census data, the County has approximately 36% of the total population of the State. The State capital, Salt Lake City, is located in the County.

County and State Population

<u>Year</u>	<u>County</u>	<u>% Change</u>	<u>State</u>	<u>% Change</u>
2022 Estimate	1,186,257	(0.02)%	3,380,800	1.25%
2021 Estimate	1,186,440	0.10	3,339,113	2.06
2020 Census	1,185,238	2.14	3,271,616	2.05
2019 Estimate	1,160,437	1.02	3,205,958	1.66
2018 Estimate	1,148,692	1.05	3,153,550	1.69
2017 Estimate	1,136,719	1.48	3,101,042	1.95
2016 Estimate	1,120,109	1.62	3,041,868	2.01
2015 Estimate	1,102,273	1.13	2,981,835	1.53
2014 Estimate	1,090,005	0.98	2,936,879	1.35
2013 Estimate	1,079,392	1.45	2,897,640	—
2010 Census	1,029,655	—	2,763,885	—

(Source: U.S. Census Bureau, Population Division.)

Note: The 2010 and 2020 Census are as of April 1 of those years; the annual population estimates are as of July 1 of the year given. Estimates are subject to change.

Rate of Unemployment – Annual Average

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2022	2.3%	2.3%	3.6%
2021	2.8	2.7	5.3
2020	5.1	4.7	8.1
2019	2.5	2.6	3.7
2018	2.8	2.9	3.9
2017	3.1	3.3	4.4
2016	3.2	3.4	4.9
2015	3.4	3.6	5.3
2014	3.7	3.8	6.2
2013	4.4	4.6	7.4

(Source: Utah Department of Workforce Services and the U.S. Department of Labor.)

Economic Indicators in the County

LABOR FORCE ⁽¹⁾	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Labor Force (annual average)	678,077	653,817	643,461	637,173	624,844
Employed (annual average)	662,608	635,656	610,521	621,401	607,123
Unemployed (annual average)	15,468	18,161	32,940	15,772	17,721
Average Employment (Non-Farm Jobs)	783,531	750,123	720,686	737,206	718,584
% Change Prior Year	4.50	4.08	-2.24	2.59	4.28
<i>Average Employment by Sector:</i>					
Agriculture, Forestry, Fishing & Hunting	505	433	350	291	250
Mining	3,101	2,711	2,704	2,645	2,853
Utilities	2,621	2,540	2,613	2,738	2,732
Construction	52,254	49,403	46,121	43,017	40,270
Manufacturing	61,233	58,412	56,512	57,837	56,650
Wholesale Trade	36,899	34,826	33,589	32,915	32,061
Retail Trade	75,693	75,837	71,757	74,297	74,271
Transportation and Warehousing	48,540	46,635	45,470	44,359	42,585
Information	24,535	21,586	20,493	20,915	20,379
Finance and Insurance	51,666	51,570	50,506	48,968	48,266
Real Estate and Rental and Leasing	12,320	11,964	11,551	11,603	11,121
Professional, Scientific & Technical Services	73,906	67,717	62,213	60,454	56,726
Management of Companies and Enterprises	16,336	16,041	16,533	16,177	15,878
Administrative, Support, Waste Management, & Remediation	52,504	50,714	50,478	53,196	53,371
Education Services	65,262	62,248	63,779	67,737	66,030
Health Care and Social Assistance	86,331	83,898	81,223	81,694	79,736
Arts, Entertainment, and Recreation	11,306	9,691	8,178	10,932	10,668
Accommodation and Food Services	53,976	48,396	44,582	53,029	51,317
Other Services and Unclassified Establishments	22,902	22,348	21,239	23,138	22,595
Public Administration	31,989	31,155	30,797	31,265	30,824
Total Establishments	62,762	62,346	56,515	53,393	50,998
Total Wages (\$Millions)	54,673.5	49,206.1	44,541.0	41,740.6	38,893.2
INCOME AND WAGES	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Personal Income (\$000) ⁽²⁾	\$78,680,099	\$75,407,450	\$68,000,953	\$62,379,968	\$59,170,626
Per Capita Income ⁽²⁾	66,326	63,558	57,292	52,977	50,762
Median Household Income ⁽¹⁾	n/a	82,206	79,294	79,941	73,619
Average Monthly Nonfarm Wage ⁽¹⁾	\$5,812	\$5,466	\$5,150	\$4,718	\$4,510
SALES & CONSTRUCTION	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Gross Taxable Sales (\$000,000) ⁽³⁾	41,687.3	37,173.7	31,377.7	30,093.2	28,846.0
New Dwelling Units ⁽⁴⁾	8,864	11,037	10,660	9,789	8,150
Total Construction Value (\$000) ⁽⁴⁾	3,992,958.0	4,343,554.3	4,122,671.6	3,838,632.5	3,015,289.7
New Residential Value (\$000) ⁽⁴⁾	1,711,278.5	2,153,788.4	1,964,183.1	1,804,752.7	1,470,556.5
New Nonresidential Value (\$000) ⁽⁴⁾	1,303,331.3	1,056,514.3	974,277.3	1,188,464.2	951,421.3

(Sources: (1) Utah Department of Workforce Services; (2) U.S. Department of Commerce, Bureau of Economic Analysis, last updated November 2023; (3) Utah State Tax Commission; (4) University of Utah Ivory-Boyer Construction Database; Total Construction Value includes additions/alterations/repairs.)

Major Employers in the County

<u>Company</u>	<u>Industry</u>	<u>Employment Range</u>
University Of Utah	Higher Education	20,000+
Intermountain Health Care	Health Care	15,000-19,999
State Of Utah	State Government	15,000-19,999
Wal-Mart Associates	Warehouse Clubs and Supercenters	10,000-14,999
Granite School District	Public Education	10,000-14,999
Zions Bancorporation N A	Financial Services	7,000-9,999
Smith's Food And Drug	Grocery Stores	7,000-9,999
Jordan School District	Public Education	7,000-9,999
United Parcel Service	Postal Service	5,000-6,999
Salt Lake County	Local Government	5,000-6,999
US Postal Service	Postal Service	5,000-6,999
Amazon	Couriers	5,000-6,999
Delta Air Lines	Air Transportation	5,000-6,999
The Canyons School District	Public Education	5,000-6,999
ARUP Laboratories	Medical Laboratories	4,000-4,999
Department Of Veterans Affairs	Health Care	3,000-3,999
Salt Lake City	Local Government	3,000-3,999
BioFire Diagnostics, LLC	Medical Research	3,000-3,999
Salt Lake City School District	Public Education	3,000-3,999
Discover Products Inc.	Financial Services	2,000-2,999
L3 Technologies	Manufacturing	2,000-2,999
Salt Lake Community College	Higher Education	2,000-2,999
SkyWest Airlines	Air Transportation	2,000-2,999
Costco Wholesale	Warehouse Clubs and Supercenters	2,000-2,999
Harmons	Grocery Stores	2,000-2,999
Utah Transit Authority	Public Transportation	2,000-2,999
Kennecott Utah Copper	Mining	2,000-2,999
Wells Fargo Bank	Financial Services	2,000-2,999
Department Of Defense	Federal Government	2,000-2,999
Merit Medical Systems	Health Care	1,000-1,999
Mountain America Credit Union	Financial Services	1,000-1,999
Goldman Sachs Group	Financial Services	1,000-1,999
Fidelity Brokerage Services	Financial Services	1,000-1,999
Northrop Grumman	Manufacturing	1,000-1,999
Select Health	Insurance Carriers	1,000-1,999
Starbucks	Restaurants	1,000-1,999
FedEx	Couriers	1,000-1,999
Cafe Rio	Restaurants	1,000-1,999
Target	Department Stores	1,000-1,999
The Home Depot	Home Centers	1,000-1,999
St Marks Hospital	Health Care	1,000-1,999
Western Governors University	Higher Education	1,000-1,999
McDonalds	Restaurants	1,000-1,999
R1 RCM	Business Management Services	1,000-1,999
Stryker Employment	Manufacturing	1,000-1,999
Becton, Dickinson And Company	Manufacturing	1,000-1,999
Ultradent Products	Manufacturing	1,000-1,999
Ebay Inc.	All Other Miscellaneous Retailers	1,000-1,999
Edwards Lifesciences	Manufacturing	1,000-1,999
Sutter Health	Accounting Services	1,000-1,999

(Source: Utah Department of Workforce Services; last updated October 2023.)

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Bonds, Gilmore & Bell, P.C., Bond Counsel to the City, proposes to issue its approving opinion in substantially the following form:

We have acted as bond counsel for Sandy City, Utah (the “Issuer”), in connection with the issuance by the Issuer of its \$ _____ General Obligation Bonds, Series 2024 (the “Bonds”) pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended; (ii) a resolution of the Issuer adopted on February 13, 2024 (the “Resolution”), which provides for the issuance of the Bonds; (iii) a bond election held within the Issuer on November 21, 2023; and (iv) other applicable provisions of law. The Bonds are being issued for the purpose of (a) financing all or a portion of the costs of constructing and equipping a fire station and all related improvements and (b) paying expenses incurred in connection with the issuance of the Bonds.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

Based on our examination and the foregoing, we are of the opinion as of the date hereof and under existing law, as follows:

1. The Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
2. The Bonds are valid and binding general obligations of the Issuer for the payment of which the full faith and credit of the Issuer are pledged and for the payment of which ad valorem taxes may be levied on all taxable property within the boundaries of the Issuer without limit as to rate or amount.
3. The interest on the Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.
4. The interest on the Bonds is exempt from State of Utah individual income taxes.

We express no opinion herein regarding the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Bonds.

The rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent applicable, and their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by Sandy City, Utah (the “City”), in connection with the issuance of the City’s General Obligation Bonds, Series 2024 in the aggregate principal amount of \$ _____ (the “Bonds”). The Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”); (ii) a resolution of the City adopted on February 13, 2024 (the “Resolution”), which provides for the issuance of the Bonds; (iii) a bond election held within the City on November 21, 2023; and (iv) other provisions of law.

The City hereby acknowledges that it is an “obligated person” within the meaning of the hereinafter defined Rule and the only “obligated person” with respect to the Bonds. In connection with the aforementioned transaction, the City covenants as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the City for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (each as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report of the City” means the Annual Report of the City provided by the City pursuant to, and as described in Sections 3 and 4 of this Disclosure Undertaking.

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean, initially, the City, acting in its capacity as Dissemination Agent hereunder, or any of its successors or assigns.

“Financial Obligation” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

“MSRB” shall mean the Municipal Securities Rulemaking Board, the address of which is 1300 I Street, NW, Suite 1000, Washington D.C. 20005-3314; Telephone (202) 838-1500, and the website address of which is www.msrb.org and www.emma.msrb.org (for municipal disclosures and market data).

“Official Statement” shall mean the Official Statement of the City dated _____, 2024, relating to the Bonds.

“Participating Underwriter” shall mean the original underwriter of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall prepare an Annual Report of the City and shall, or shall cause the Dissemination Agent to, not later than two hundred (200) days after the end of each fiscal year of the City (presently June 30), commencing with the fiscal year ended June 30, 2024, provide or cause to be provided to the MSRB, the Annual Report of the City which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than fifteen (15) business days prior to said date, the City shall provide the Annual Report of the City to the Dissemination Agent. In each case, the Annual Report of the City may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for Listed Event under Section 5(f).

(b) If by fifteen (15) business days prior to the date specified in Section 3(a) for providing the Annual Report of the City to the MSRB, the Dissemination Agent has not received a copy of the Annual Report of the City, the Dissemination Agent shall contact the City to determine if the City is in compliance with Section 3(a).

(c) If the Dissemination Agent is unable to verify that the Annual Report of the City has been provided to the MSRB by the dates required in Sections 3(a) and 3(b), the Dissemination Agent, or if there is no Dissemination Agent, the City shall, in a timely manner, send a notice of a failure to file the Annual Report of the City to the MSRB in an electronic format.

(d) The Dissemination Agent shall:

(i) determine each year prior to the dates for providing the Annual Report of the City, the website address to which the MSRB directs the Annual Report to be submitted; and

(ii) file reports with the City, as appropriate, certifying that its Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided and listing the website address to which it was provided.

Section 4. Content of Annual Reports. The Annual Report of the City shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant or a firm of certified public accountants. If the City's audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report of the City and audited financial statements will be provided when and if available.

(b) An update of the information of the type contained in the Official Statement under the headings "DEBT STRUCTURE OF THE CITY—Outstanding Obligations of the City," "—Overlapping General Obligation Debt," "—General Obligation Legal Debt Limit and Additional Debt Incurring Capacity," and "AD VALOREM TAX SYSTEM—Taxable Value and Estimated Fair Market Value of Property in the City," "—Taxable Value by Type of Taxable Property in the City," "—Historical Property Tax Rates—Direct and Overlapping Governments," "—Property Tax Levies and Collections," and "—Principal Property Taxpayers in the City."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City, as appropriate or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The City, as appropriate, shall clearly identify each such other document so incorporated by the reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner but not more than ten (10) business days after the event:

- (i) Principal and interest payment delinquencies;
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) Substitution of credit or liquidity providers, or their failure to perform;
- (v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vi) Defeasances;
- (vii) Tender offers;
- (viii) Bankruptcy, insolvency, receivership or similar proceedings;
- (ix) Rating changes; or
- (x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner not more than ten (10) business days after the Listed Event, if material:

- (i) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;
- (ii) Appointment of a successor or additional trustee or the change of the name of a trustee;
- (iii) Non-payment related defaults;
- (iv) Modifications to the rights of the owners of the Bonds;
- (v) Bond calls;
- (vi) Release, substitution or sale of property securing repayment of the Bonds; or
- (vii) Incurrence of a Financial Obligation of the City or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event under Section 5(b), whether because of a notice from the Trustee or otherwise, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the City has determined that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to Section 5(f).

(e) If the City determines that a Listed Event under Section 5(b) would not be material under applicable federal securities laws, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to Section 5(f).

(f) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB in a timely manner but in no case not more than ten (10) business days after the Listed Event.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the City.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an "obligated person" (as defined in the Rule) with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the City shall describe such amendment in the next Annual Report of the City, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City, as applicable. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Report of the City for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the City chooses to include any information in any Annual Report of the City or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no

obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report of the City or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Undertaking. The sole remedy under this Disclosure Undertaking in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. Duties Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Undertaking may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____, 2024.

SANDY CITY, UTAH

(SEAL)

By: _____
Mayor

ATTEST:

City Recorder

APPENDIX E

PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or its agent.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has S&P Global's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.