PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 18, 2026

NEW ISSUE—Book-Entry Only

Rating: S&P "AA-" (stable outlook)
(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 Series 2026 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 is also of the opinion that the interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes. Bond Counsel notes that interest on the Series 2026 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. See "TAX MATTERS" in this Official Statement.

$11,575,000*
CITY OF BLUFFDALE, UTAH
WATER REVENUE BONDS, SERIES 2026

Dated: Date of Initial Delivery **Due: October 1, as shown on the inside cover**

The $11,575,000* Water Revenue Bonds, Series 2026 are issued as fully registered bonds, and when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Series 2026 Bonds. Purchases of Series 2026 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. Owners of the Series 2026 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 Series 2026 Bonds. Interest on the Series 2026 Bonds is payable on April 1 and October 1 of each year, commencing April 1, 2027, by U.S. Bank Trust Company, National Association, as Paying Agent, all as more fully described herein. Payment of the principal of and interest on such Series 2026 Bonds will be made directly to DTC or its nominee. 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 "THE SERIES 2026 BONDS—Book-Entry-Only System" herein.

The Series 2026 Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity. See "THE SERIES 2026 BONDS—Redemption Provisions" herein.

The proceeds of the Series 2026 Bonds will be used by the City for the purpose of (a) financing all or a portion of improvements to the City's water system including, but not limited to, a new water tank and related improvements and (b) paying costs of issuance of the Series 2026 Bonds.

The Series 2026 Bonds are special limited obligations of the City, payable solely from certain net revenues of the City as described herein, moneys, securities and certain funds and accounts pledged therefor in the Indenture between the City and U.S. Bank Trust Company, National Association, as Trustee. The Series 2026 Bonds do not constitute a general obligation indebtedness or a pledge of the ad valorem taxing power or the full faith and credit of the City, and are not obligations of the State of Utah or any other agency or other political subdivision or entity of the State of Utah. The City will not mortgage or grant any security interest in the improvements financed with the proceeds of the Series 2026 Bonds or any portion thereof to secure payment of the Series 2026 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Series 2026 Bonds will be awarded pursuant to competitive bidding received by means of the PARITY® electronic bid submission system on Wednesday, August 26, 2026, as set forth in the Official Notice of Bond Sale, dated August 18, 2026.

Stifel, Nicolaus & Company, Incorporated is acting as Municipal Advisor to the City.

The Series 2026 Bonds are offered when, as and if issued by the City and received by the successful bidder (the "Purchaser"), and subject to the approval of their legality by 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 Fredric Donaldson, Esq., City Attorney. It is expected that the Series 2026 Bonds, in book-entry-only form, will be available for delivery to DTC or its agent on or about September 9, 2026.

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. Capitalized terms used on this cover page and not otherwise defined shall have the meanings assigned to such terms in the body of this Official Statement. This Official Statement is dated [__________], 2026, and the information contained herein speaks only as of that date.

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* Preliminary; subject to change.

$11,575,000*
CITY OF BLUFFDALE, UTAH
WATER REVENUE BONDS,
SERIES 2026

MATURITIES, AMOUNTS, INTEREST RATES, AND PRICES OR YIELDS

Due (October 1)	Principal Amount*	Interest Rate	Yield	CUSIP**
2027	$240,000			
2028	250,000			
2029	265,000			
2030	275,000			
2031	290,000			
2032	305,000			
2033	320,000			
2034	340,000			
2035	355,000			
2036	375,000			
2037	395,000			
2038	415,000			
2039	435,000			
2040	455,000			
2041	480,000			
2042	505,000			
2043	530,000			
2044	555,000			
2045	585,000			
2046	615,000			
2047	650,000			
2048	680,000			
2049	715,000			
2050	755,000			
2051	790,000			

[$__________ _____% Term Bond Due October 1, 20___; Price _____%; CUSIP No. _____ ___**]

* Preliminary; subject to change.

** The above-referenced 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 Series 2026 Bonds. None of the City, the Trustee or the Underwriter is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to its correctness on the particular Series 2026 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026 Bond 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.

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 Series 2026 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 Series 2026 Bonds from the Purchaser.

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 "INTRODUCTION," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "ESTIMATED SOURCES AND USES OF FUNDS," "FINANCIAL INFORMATION REGARDING THE CITY," "HISTORICAL AND PRO FORMA DEBT SERVICE COVERAGE," and "RISK FACTORS." 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 yields at which the Series 2026 Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this Official Statement. In connection with this offering, the Purchaser may engage in transactions that stabilize, maintain or otherwise affect market prices of the Series 2026 Bonds. Such transactions, if commenced, may be discontinued at any time.

THE SERIES 2026 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 SERIES 2026 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.

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 Series 2026 Bonds.

$11,575,000*
CITY OF BLUFFDALE, UTAH
WATER REVENUE BONDS,
SERIES 2026

City of Bluffdale, Utah
2222 West 14400 South
Bluffdale, Utah 84065
(801) 254-2200

CITY COUNCIL

Natalie Hall .... Mayor
Wendy Aston .... Council Member
Steve Austin .... Council Member
Alan Lord .... Council Member
Mackey Smith .... Council Member
Greg Wilding .... Council Member

CITY ADMINISTRATION

Bruce Kartchner .... City Manager
Fredric Donaldson .... City Attorney
Stephanie Thayer .... Administrative Services Director
Tami Timothy .... City Recorder
Merrill Terry .... Finance Manager
Shane Paddock .... Public Works Director

TRUSTEE, PAYING AGENT & REGISTRAR

U.S. Bank Trust Company, National Association
170 South Main Street, Suite 600
Salt Lake City, Utah 84101
(801) 534-6083

MUNICIPAL ADVISOR

Stifel, Nicolaus & Company, Incorporated
15 West South Temple, Suite 1090
Salt Lake City, Utah 84101
(385) 799-7231

BOND & DISCLOSURE COUNSEL

Gilmore & Bell, P.C.
15 West South Temple, Suite 1400
Salt Lake City, Utah 84101
(801) 364-5080

* Preliminary; subject to change.

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OFFICIAL STATEMENT

RELATING TO
$11,575,000*
CITY OF BLUFFDALE, UTAH
WATER REVENUE BONDS,
SERIES 2026

INTRODUCTION

This Official Statement, including the cover page, introduction, and appendices, provides information in connection with the issuance and sale by the City of Bluffdale City, Utah (the "City") of its $11,575,000* Water Revenue Bonds, Series 2026 (the "Series 2026 Bonds"), initially issued in book-entry form only. This introduction is not a summary of this Official Statement. It is only a brief description of and guide to and is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2026 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used herein and not otherwise defined are defined in "APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE."

See also the following appendices attached hereto: APPENDIX A—BASIC FINANCIAL STATEMENTS OF CITY OF BLUFFDALE, UTAH FOR FISCAL YEAR ENDED JUNE 30, 2025; APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE; APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY; APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING; APPENDIX E—FORM OF OPINION OF BOND COUNSEL; and APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM.

The City

The City, incorporated in 1978, covers an area of approximately 11 square miles and is located in the southern portion of Salt Lake County. The City had 19,506 residents according to the 2025 estimate by the U.S. Census Bureau.

For additional information regarding the City, see "THE CITY" herein and "APPENDIX A—BASIC FINANCIAL STATEMENTS OF CITY OF BLUFFDALE, UTAH FOR FISCAL YEAR ENDED JUNE 30, 2025" and "APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY."

Authorization and Purpose of the Bonds

The Series 2026 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"), and other applicable provisions of law; (ii) resolutions adopted by the City Council of the City (the "City Council") on May 27, 2026 and July 22, 2026 (together, the "Resolution"); and (iii) a General Indenture of Trust dated as of May 1, 2011, as heretofore supplemented and amended (the "General Indenture"), and as further supplemented by a Fifth Supplemental Indenture of Trust dated as of September 1, 2026 (the "Fifth Supplemental Indenture" and together with the General Indenture, as amended and supplemented, the "Indenture") each by and between the City and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The proceeds from the sale of the Series 2026 Bonds will be used by the City (a) to finance all or a portion of improvements to the City's water system including, but not limited to, a new water tank and related improvements (collectively, the "Series 2026 Project") and (b) to pay costs of issuance of the Series 2026 Bonds. See "SERIES 2026 PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

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* Preliminary; subject to change.

Security and Source of Payment

The Bonds (as hereinafter defined), including the Series 2026 Bonds, are payable from and secured solely by a pledge and assignment of the Net Revenues from the City's water system (the "System"), and moneys on deposit in the funds and accounts (other than the Rebate Fund) held by the Trustee under the Indenture. The Revenues of the System will be applied to pay the Operation and Maintenance Expenses of the System before being applied to pay principal of and interest on the Bonds. The Series 2026 Bonds are limited obligations of the City, payable solely from the Net Revenues of the System, as described herein. The Series 2026 Bonds are not general obligations of the City or the State of Utah (the "State"), or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2026 Bonds shall not directly, indirectly, or contingently obligate the City or the State or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2026 Bonds. The City will not mortgage or grant a security interest in the System or any portion thereof to secure payment of the Series 2026 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

Outstanding Parity Bonds; Additional Bonds

The City has previously issued and has outstanding under the Indenture its Water Revenue Refunding Bonds, Series 2020A (the "Series 2020A Bonds"), outstanding in the aggregate principal amount of $1,388,000 and its Water Revenue Bonds, Series 2020B (the "Series 2020B Bonds," and together with the Series 2020A Bonds, the "Outstanding Parity Bonds"), outstanding in the aggregate principal amount of $6,612,000. The City may issue Additional Bonds payable on a parity with the Series 2026 Bonds and the Outstanding Parity Bonds upon complying with certain requirements set forth in the Indenture. Such Additional Bonds, collectively with the Outstanding Parity Bonds, and the Series 2026 Bonds are sometimes collectively referred to herein as the "Bonds." See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Additional Bonds" herein.

Redemption Provisions

The Series 2026 Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity. See "THE SERIES 2026 BONDS—Redemption Provisions" herein.

Registration, Denominations and Manner of Payment

The Series 2026 Bonds are issuable only as fully registered bonds without coupons 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 for the Series 2026 Bonds. Purchases of Series 2026 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 Series 2026 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 Series 2026 Bonds.

Principal of and interest on the Series 2026 Bonds (interest payable April 1 and October 1 of each year, commencing April 1, 2027) are payable by U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"), to the registered owners of the Series 2026 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 Series 2026 Bonds, as described under "THE SERIES 2026 BONDS—Book-Entry-Only System" herein.

Tax 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 Series 2026 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 imposed on individuals and corporations. Bond Counsel notes that interest on the Series 2026 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 interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or accrual or receipt of interest on the Series 2026 Bonds. See "TAX MATTERS" in this Official Statement.

Public Sale/Electronic Bid

The Series 2026 Bonds will be awarded to the Purchaser pursuant to competitive bidding received by means of the PARITY® electronic bid submission system on Wednesday, August 26, 2026, as set forth in the Official Notice of Bond Sale, dated August 18, 2026.

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

The Series 2026 Bonds are offered when, as and if issued by the City and received by the Purchaser, subject to the approval of their legality by Gilmore & Bell, P.C., Bond Counsel to the City, and certain other conditions. 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 on for the City by Fredric Donaldson, Esq., City Attorney. It is expected that the Series 2026 Bonds will be available for delivery in Salt Lake City, Utah, for deposit with DTC or one of its agents, on or about September 9, 2026.

Basic Documentation

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the City, the Series 2026 Bonds, and the Indenture are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to such document, and references herein to the Series 2026 Bonds are qualified in their entirety by reference to the forms thereof included in the Indenture and the information with respect thereto included in the aforementioned document, copies of which are available for inspection at the principal office of the Trustee on or after the delivery of the Series 2026 Bonds. Descriptions of the Indenture and the Series 2026 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. During the period of the offering of the Series 2026 Bonds, copies of the preliminary forms of any of the aforementioned documents will be available from the "contact persons" as indicated below. Also see "APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE" attached hereto. The "basic documentation" which includes the Resolution, the Indenture and other documentation, authorizing the issuance of the Series 2026 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

The chief contacts for the City concerning the Series 2026 Bonds are:

Stephanie Thayer
Administrative Services Director
City of Bluffdale
2222 West 14400 South
Bluffdale, Utah 84065
Telephone: (801) 849-9406
E-mail: sthayer@bluffdale.gov

The chief contact person for the Municipal Advisor concerning the Series 2026 Bonds is:

Matt Dugdale
Stifel, Nicolaus & Company, Incorporated
15 West South Temple, Suite 1090
Salt Lake City, Utah 84101
Telephone: (385) 799-7231
E-mail: dugdalem@stifel.com

THE SERIES 2026 BONDS

General

The Series 2026 Bonds are dated the date of their initial delivery and except as otherwise provided in the Indenture, shall bear interest from said date. Interest on the Series 2026 Bonds will be payable semiannually on April 1 and October 1 of each year, commencing April 1, 2027. The Series 2026 Bonds are issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof.

The Series 2026 Bonds shall bear interest at the rates and shall mature in each of the years as described on the inside cover page hereof. Interest on the Series 2026 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Interest on the Series 2026 Bonds will be payable by check or draft mailed by the Trustee to the registered owner thereof (initially DTC) as of the Regular Record Date. Principal of and premium, if any, on the Series 2026 Bonds will be payable at the principal corporate trust office of U.S. Bank Trust Company, National Association, Salt Lake City, Utah, as Trustee and Paying Agent, or its successor upon presentation of the Series 2026 Bonds by the registered owners or their duly authorized agents on or after the date of maturity or redemption.

The Series 2026 Bonds are limited obligations of the City, payable solely from the Net Revenues of the System, as described herein. The Series 2026 Bonds do not constitute a general obligation indebtedness or a pledge of the ad valorem taxing power or the full faith and credit of the City, and are not obligations of the State or any other agency or other political subdivision or entity of the State. The City will not mortgage or grant any security interest in the System or any portion thereof to secure payment of the Series 2026 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

Redemption Provisions

Optional Redemption. The Series 2026 Bonds maturing on or prior to October 1, 2036, are not subject to redemption prior to maturity. The Series 2026 Bonds maturing on or after October 1, 2037, are subject to redemption prior to maturity at the option of the City in whole or in part on any Business Day on and after October 1, 2036, at the redemption price of 100% of the principal amount of the Series 2026 Bonds to be redeemed plus accrued interest to the date of redemption (but without premium).

[Mandatory Sinking Fund Redemption. The Series 2026 Bonds maturing on October 1, 20___, are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund Redemption Date (October 1)	Mandatory Sinking Fund Redemption Amount

* Final Maturity Date

Upon redemption of any Series 2026 Bonds maturing on October 1, 20___ other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Series 2026 Bonds maturing on October 1, 20___, in such order of mandatory sinking fund date as shall be directed by the City.]

Notice of Redemption. In the event any of the Series 2026 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2026 Bonds to be redeemed will be given by the Trustee, by mailing a copy of the redemption notice by registered or certified mail not less than 30 nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Series 2026 Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Series 2026 Bond with respect to which no such failure has occurred. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. After the notice shall have been given, the City shall deposit with, or otherwise make available to, the Trustee the funds required for the redemption of the Series 2026 Bonds to be redeemed, including accrued interest to the redemption date, at least five days before the date fixed for such redemption. All Series 2026 Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit with the Trustee at that time.

If at the time of mailing of any notice of redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Series 2026 Bonds called for redemption, such notice shall state that such redemption is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business five days prior to the redemption date and that such notice shall be of no effect unless such moneys are so deposited.

Selection for Redemption. If fewer than all the Series 2026 Bonds are to be redeemed, the particular Series 2026 Bonds or portions of Series 2026 Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate. In case any Series 2026 Bond shall be redeemed in part only, upon the presentation of such Series 2026 Bond for such partial redemption the City shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the City, a Bond or Bonds of the same series, interest rate, and maturity, in aggregate principal amount equal to the unredeemed portion of such Series 2026 Bond. The portion of any Series 2026 Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or an integral multiple thereof and in selecting portions of such Series 2026 Bonds for redemption, each such Series 2026 Bond shall be treated as representing that number of Series 2026 Bonds of $5,000 denomination which is obtained by dividing the principal amount of such Series 2026 Bonds by $5,000.

Book-Entry-Only System

The Series 2026 Bonds originally will be issued solely in book-entry form to DTC or its nominee, Cede & Co., to be held in DTC's book-entry system. So long as such Series 2026 Bonds are held in the book-entry-only system, DTC or its nominee will be the registered owner or Holder of such Series 2026 Bonds for all purposes of the Indenture, the Series 2026 Bonds and this Official Statement. Purchases of beneficial ownership interests in the Series

2026 Bonds may be made in denominations described above. For a description of the book-entry-only system for the Series 2026 Bonds, see "APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM."

Registration, Transfer and Exchange

In the event that the book-entry-only system has been terminated, the Series 2026 Bonds, upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Bondowner or his duly authorized attorney, may be exchanged for an equal aggregate principal amount of Series 2026 Bonds of the same series, designation, interest rate, and maturity and of any other authorized denominations.

For every such exchange or transfer of the Series 2026 Bonds, the Trustee may make a charge sufficient to reimburse it for any tax or governmental charge required to be paid with respect to such exchange or transfer of the Series 2026 Bonds, but may impose no other charge therefor.

The City and the Trustee shall not be required to issue, transfer, or exchange any Series 2026 Bond after the Regular Record Date with respect to any redemption of such Series 2026 Bond or during a period from and including any Regular Record Date with respect to any interest payment date to and including such interest payment date. The Regular Record Date, for each Interest Payment Date, is the fifteenth day immediately preceding each interest payment date and if such date is not a Business Day, the next preceding day which is a Business Day.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are special limited obligations payable from and secured solely by a pledge and assignment of the Net Revenues from the System and moneys on deposit in the funds and accounts (other than the Rebate Fund) held by the Trustee under the Indenture.

"Revenues" means all gross income and revenues of any kind, from any source whatsoever, derived from the operation of the System, including, without limitation, all fees, rates, connection charges, impact fees that are imposed with respect to the Project and other charges, the gross revenues of all improvements, additions, and extensions of the System hereafter constructed or acquired, and all interest earned by and profits derived from the sale of investments made with the income and Revenues. Net Revenues are the Revenues after provision has been made for the payment therefrom of Operation and Maintenance Expenses.

The Bonds are not general obligations of the City, the State or any agency, instrumentality, or political subdivision thereof. The issuance of the Bonds shall not directly, indirectly, or contingently obligate the City, the State, or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Bonds.

No Debt Service Reserve Requirement

The Indenture establishes a Debt Service Reserve Fund with respect to Bonds issued under the Indenture. There is no Debt Service Reserve Requirement for the Series 2026 Bonds and no subaccount in the Debt Service Reserve Fund will be funded for the Series 2026 Bonds.

Application of Revenues

All Revenues shall be accounted for by the City separate and apart from all other moneys of the City and shall be set aside in the Revenue Fund.

The City shall cause to be paid from the Revenue Fund the following amounts for the following purposes and in the following order:

(i) First, from the amounts in the Revenue Fund (except impact fees which may not be used to pay Operation and Maintenance Expenses) there shall first be paid all Operation and Maintenance Expenses of the System. For this purpose the City has established the Expense Account to which shall be allocated monthly, on or before the fifth day of each month, such portion of the Revenue Fund as is estimated to be required for Operation and Maintenance Expenses of the System for the following month. There shall be allocated to the Expense Account from time to time during the month such additional amounts as may be required to make payments of Operation and Maintenance Expenses for which the amounts theretofore allocated to the Expense Account are insufficient. At the end of each Sinking Fund Year and Bond Fund Year all amounts in the Expense Account in excess of that required to pay Operation and Maintenance Expenses then due shall be transferred ratably to the Bond Fund.

(ii) Second, all amounts in the Revenue Fund not allocated to the Expense Account shall be allocated ratably based upon the relative amounts to be deposited to the Bond Fund as follows:

(A) [Reserved]

(B) Of the amounts allocated to the Bond Fund, the City shall, monthly on the 5th day of each month beginning in the month designated in a Supplemental Indenture, transfer and deposit into the Bond Fund from the Net Revenues of the System on deposit in the Revenue Fund an amount equal to:

(1) one-sixth (or such other fraction as designated in a Supplemental Indenture) the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are moneys representing capitalized interest on deposit with the Trustee to pay interest on the Bonds next coming due, the City need not allocate to the Bond Fund Net Revenues to pay interest on the Bonds); plus

(2) one-twelfth of the principal and premium, if any, falling due on the next succeeding principal payment date established for the Bonds; plus

(3) one-twelfth of the Sinking Fund Installments, if any, falling due on the next succeeding Sinking Fund Installment payment date;

the sum of which shall be sufficient, when added to the existing balance in the Bond Fund, to pay the principal of, premium, if any, and interest on the Bonds promptly on each such Interest Payment Date as the same become due and payable.

(iii) Of the amounts allocated to the Bond Fund after there shall have been allocated the amounts required to be allocated under (ii) above, there shall be allocated ratably (based upon the relative amounts to be deposited) monthly on or before the fifth day of each month, with respect to Bonds issued pursuant to the Indenture, the City shall make the following transfers to the Trustee:

(1) To the extent the Debt Service Reserve Requirement, if any, is not funded with a Reserve Instrument or Instruments, (a) to the accounts in the Debt Service Reserve Fund any amounts required by the Indenture and by any Supplemental Indenture to accumulate therein the applicable Debt Service Reserve Requirement with respect to each Series of Bonds at the times and in the amounts provided in the Indenture and in any Supplemental Indenture and (b) if funds shall have been withdrawn from an account in the Debt Service Reserve Fund or any account in the Debt Service Reserve Fund is at any time funded in an amount less than the applicable Debt Service Reserve Requirement, the City shall deposit Net Revenues in such account(s) in the Debt Service Reserve Fund sufficient in amount to restore such account(s) within one year with twelve substantially equal payments during such period (unless otherwise provided for by the Supplemental Indenture governing the applicable Debt Service Reserve Requirement); or a ratable portion (based

on the amount to be transferred pursuant to the Indenture) of remaining Net Revenues if less than the amount necessary; and

(2) Equally and ratably to the accounts of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect and are expected to continue in effect after the end of such month, such amount of the remaining Net Revenues, or a ratable portion (based on the amount to be transferred pursuant to the Indenture) of the amount so remaining if less than the amount necessary, that is required to be paid, on or before the next such monthly transfer or deposit of Net Revenues into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, in order to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit within one year from any draw date under the Reserve Instrument.

(iv) All remaining funds, if any, in the Bond Fund after all of the payments required to be made into the Bond Account, any account in the Debt Service Reserve Fund, any account in the Reserve Instrument Fund, may be used by the City (a) to prepay or redeem Bonds in whole or in part, (b) to make extensions, improvements, additions, repairs, and replacements to the System, or (c) to be applied to any other lawful purpose as determined by the City.

If at any time, the Net Revenues derived by the City from the operation of the System shall be insufficient to make any payment to any of the above funds or accounts on the date or dates specified, the City shall make good the amount of such deficiency by making additional payments out of the first available Net Revenues thereafter derived by the City from the operation of the System.

Rate Covenant

The City covenants in the Indenture that while any of the principal and interest payments on the Bonds are outstanding or unpaid or any Repayment Obligations are outstanding, the rates, including connection fees, for all services supplied by the System to the City and to its inhabitants and to all customers within or without the boundaries of the City, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide Net Revenues for each Bond Fund Year of not less than 125% of the Aggregate Annual Debt Service Requirement and the debt service payments on the Bonds for such year, plus an amount sufficient to fund the Debt Service Reserve Fund in the time, rate and manner specified in the Indenture; provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. There shall be no free water service, and such rates shall be charged against all users of the System, including the City. The City agrees that should its annual financial statement made in accordance with the provisions of the Indenture disclose that during the period covered by such financial statement the Net Revenues were not at least equal to the above requirement, the City shall request that a Qualified Engineer make recommendations as to the revision of the rates, charges, and fees and that the City on the basis of such recommendations will revise the schedule of rates, charges, and fees insofar as is practicable and further revise Operation and Maintenance Costs so as to produce the necessary Net Revenues as required by the Indenture.

Additional Bonds

No additional indebtedness, bonds or notes of the City secured by a pledge of the Revenues senior to the pledge of the Net Revenues for the payment of the Bonds shall be created or incurred without the prior written consent of the owners of 100% of the Outstanding Bonds. In addition, no Additional Bonds or other indebtedness, bonds or notes of the City payable on a parity with the Bonds and out of Net Revenues shall be created or incurred, unless the following requirements have been met:

(a) No Event of Default shall have occurred and be continuing under the Indenture on the date of authentication of any Additional Bonds. This provision shall not preclude the issuance of Additional Bonds if (i) the issuance of such Additional Bonds otherwise complies with the provisions of the Indenture and (ii) such Event of Default will cease to continue upon the issuance of Additional Bonds and the application of the proceeds thereof; and

(b) A certificate shall be delivered to the Trustee by the City to the effect that the Net Revenues for any Year in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to 125% of the sum of the Aggregate Annual Debt Service Requirement on all Bonds outstanding for said Year; provided, however, that such Revenue coverage test set forth above in this subsection (b) shall not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued under the Indenture, (ii) the Average Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith, and (iii) the maximum Aggregate Annual Debt Service Requirement for such Additional Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith; and

(c) In the case of Additional Bonds issued to finance a Project, the City shall have delivered to the Trustee a certificate from an authorized representative of the City or a Qualified Engineer:

(i) setting forth the Estimated Net Revenues as described below (assuming, if applicable, the completion of the Project, or any portion thereof, financed with proceeds of the Additional Bonds) either:

(A) for each of the two Bond Fund Years succeeding the latest estimated date of completion of the Project, or any portion thereof, if proceeds of the Additional Bonds are used to fund interest during the construction period, or

(B) if (A) is not the case, for the then current Bond Fund Year and each succeeding Bond Fund Year to and including the second Bond Fund Year succeeding the latest estimated date of completion of the Project, or any portion thereof; and

(ii) verifying that the Estimated Net Revenues as shown in (i) above for each of such Bond Fund Years are not less than 125% of the Aggregate Annual Debt Service Requirement for each of such Bond Fund Years with respect to all of the Bonds and Additional Bonds which would then be Outstanding (after taking into account any principal reductions resulting from regularly scheduled principal or sinking fund redemption payments) and the Additional Bonds so proposed to be issued.

For purposes of issuing Additional Bonds, "Estimated Net Revenues" shall be determined by the City as follows:

(A) The total Net Revenues of the System for any Year in the 24 months immediately preceding the authentication and delivery of the Additional Bonds shall first be determined. For purposes of these calculations, Revenues may be adjusted to give full effect to rate increases implemented prior to the issuance of the Additional Bonds.

(B) Next, the additional Net Revenues, if any, resulting from the Project, or any portion thereof, financed with the proceeds of the Additional Bonds will be estimated by a Qualified Engineer for the applicable Bond Fund Years as determined in (c)(i)(A) or (B) above.

(C) The Estimated Net Revenues will be the sum of the Net Revenues as calculated in (A) above, plus 90% of the estimated additional Net Revenues as calculated in (B) above.

(d) All payments required by the Indenture to be made into the Bond Fund must have been made in full, and there must be on deposit in each account of the Debt Service Reserve Fund (taking into account any Reserve Instrument coverage) the full amount required to be accumulated therein at the time of issuance of the Additional Bonds; and

(e) The proceeds of the Additional Bonds must be used (i) to refund Bonds issued under the Indenture, or other obligations of the City (including the funding of necessary reserves and the payment of costs of issuance) and/or (ii) to finance or refinance a Project (including the funding of necessary reserves and the payment of costs of issuance).

SERIES 2026 PROJECT

A portion of the proceeds from the Series 2026 Bonds will be used to finance all or a portion of improvements to the City's water system including the construction of a three-million-gallon drinking water storage tank, booster pump station, mixing station, and associated piping, electrical, control, and monitoring systems. The Series 2026 Project also includes connections to the existing water system and related site improvements, including grading, drainage, fencing, landscaping, and ancillary items.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the Series 2026 Bonds are as follows:

Sources of Funds

Par Amount of Series 2026 Bonds	$
[Net] Original Issue Premium	
Total	$

Uses of Funds

Deposit to Series 2026 Acquisition/Construction Account	$
Purchaser's discount	
Costs of Issuance[(1)]	
Total	$

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(1) Includes municipal advisor fees, legal, rating agency, Trustee fees, and other costs and expenses related to the issuance of the Series 2026 Bonds.

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DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the Series 2026 Bonds and the Outstanding Parity Bonds. Figures are rounded to the nearest dollar.

Payment Date	Series 2026 Bonds Principal*	Series 2026 Bonds Interest	Outstanding Parity Bonds[1]	Fiscal Year Total
04/01/2027	-		$661,110	
10/01/2027	$240,000		-	
04/01/2028	-		662,334	
10/01/2028	250,000		-	
04/01/2029	-		664,268	
10/01/2029	265,000		-	
04/01/2030	-		668,876	
10/01/2030	275,000		-	
04/01/2031	-		672,140	
10/01/2031	290,000		-	
04/01/2032	-		677,045	
10/01/2032	305,000		-	
04/01/2033	-		464,575	
10/01/2033	320,000		-	
04/01/2034	-		465,678	
10/01/2034	340,000		-	
04/01/2035	-		469,274	
10/01/2035	355,000		-	
04/01/2036	-		473,322	
10/01/2036	375,000		-	
04/01/2037	-		476,794	
10/01/2037	395,000		-	
04/01/2038	-		477,688	
10/01/2038	415,000		-	
04/01/2039	-		480,976	
10/01/2039	435,000		-	
04/01/2040	-		481,631	
10/01/2040	455,000		-	
04/01/2041	-		481,651	
10/01/2041	480,000		-	
04/01/2042	-		-	
10/01/2042	505,000		-	
04/01/2043	-		-	
10/01/2043	530,000		-	
04/01/2044	-		-	
10/01/2044	555,000		-	
04/01/2045	-		-	
10/01/2045	585,000		-	
04/01/2046	-		-	
10/01/2046	615,000		-	
04/01/2047	-		-	
10/01/2047	650,000		-	
04/01/2048	-		-	
10/01/2048	680,000		-	
04/01/2049	-		-	
10/01/2049	715,000		-	
04/01/2050	-		-	
10/01/2050	755,000		-	
04/01/2051	-		-	
10/01/2051	790,000		-	
TOTAL	$11,575,000*		$8,277,360	

(1) Includes principal and interest.
* Preliminary; subject to change.
(Source: The Municipal Advisor.)

THE SYSTEM

Under the Indenture, the System is defined as, collectively, the City's culinary water, secondary/irrigation water and enterprise facilities, together with any additions, repairs, renewals, replacements, expansions, extensions, and improvements to said System, or any part thereof, hereafter acquired or constructed, and together with all lands, easements, interests in land, licenses, and rights of way of the City and all other works, property, structures, equipment of the City, and contract rights and other tangible and intangible assets of the City now or hereafter owned or used in connection with, or related to said System.

The System is comprised of a culinary water system and a secondary water system. The oldest portions of the System are approximately 80 years old. The System serves approximately 20,000 residents through approximately 5,543 culinary water connections and 638 secondary water connections.

General–Culinary Water System

The portion of the System which provides culinary water service to the residents of the City (the "Culinary Facilities") contains approximately 107.84 miles of culinary water lines. The City purchases 100% of its culinary water from the Jordan Valley Water Conservancy District (the "Conservancy District"). The City receives its culinary water from the Conservancy District through 11 delivery points and pumps the water to the various pressure zones serving the City. The Culinary Facilities are included within 3 pressure zones. The Culinary Facilities include 2 booster pump stations to increase water pressure. The Culinary System also includes 3 storage tanks that have an aggregate storage capacity of 9.0 million gallons. A portion of the proceeds from the Series 2026 Bonds will be used to construct an additional 3-million-gallon culinary water storage tank and pumping station.

While the City depends on the Conservancy District for all of its culinary water, the Conservancy District has always met the water demands of the City and has never failed to deliver water when requested by the City.

The Water Purchase Agreement for Culinary Water

The City receives 100% of its culinary water from the Conservancy District pursuant to a Water Purchase Agreement, as amended (the "Water Purchase Agreement"), between the City and the Conservancy District. Pursuant to the Water Purchase Agreement the Conservancy District agrees to sell and deliver and the City agrees to annually buy the amounts of water set forth below:

Calendar Year	Minimum Amount (Acre Feet)
2026	3,600
2025	3,600
2024	3,600
2023	3,600
2022	3,450
2021	3,300
2020	2,500
2019	2,400
2018	2,300
2017	2,500

The Conservancy District must deliver the minimum amounts set forth above and the City has the right to purchase more water than the volume amounts set forth above. However, the City cannot increase its annual demand above the allocated amount by more than 20% of the City's allocation annually, without first receiving the Conservancy District's express consent.

The City pays a rate of $612.95 per acre-foot ("Ac-ft") for non-pumped water. Such per acre-foot rate is subject to annual or periodic review and readjustment. All amounts are billed monthly and are due within 30 days.

The Water Purchase Agreement is perpetual in nature although the parties thereto have the right to mutually modify or cancel the Water Purchase Agreement at any time.

The following table sets forth the amount of culinary water purchased from the Conservancy District and the rates and charges paid to the Conservancy District for the years shown:

Calendar Year	Water Purchase (Ac-ft)	Cost of Purchased Water
2026	3,774 [(1)]	$966,046 [(2)]
2025	3,904	2,347,853
2024	3,484	2,046,146
2023	3,369	2,069,778
2022	3,379	1,932,714
2021	3,428	1,252,698
2020	3,732	1,221,364
2019	2,908	1,474,318
2018	2,894	1,510,956
2017	2,374	1,958,976
2016	2,495	1,842,623

(1) Projected.
(2) Cost to date as of July 2026.

The Conservancy District is the largest municipal water district in the State of Utah and operates primarily as a wholesale provider of water to 19 customer agencies that include various cities, water companies and improvement districts that serve approximately 1,100,000 persons. Approximately 92.7% of the water delivered by the Conservancy District in 2025 was sold to its wholesale customers. The Conservancy District also supplies water on a retail basis to over, 45,000 persons through approximately 8,578 service connections, primarily in unincorporated areas of Salt Lake County.

The Conservancy District and its wholesale customers provide water utility service to the majority of the residents of Salt Lake County, the most populous county in the State of Utah. The Conservancy District operates its water utility system with a high degree of coordination with the water utilities operated by its wholesale customers, as well as those of Salt Lake City and the Metropolitan Water District of Salt Lake City (the “Metropolitan District”), which provides wholesale water supplies to Salt Lake City and Sandy City. The Conservancy District also plays an important role in water resource planning, development and management within the Salt Lake County area.

The Conservancy District derives its water supply from (i) various property rights in ground and surface water sources, (ii) contractual rights to the water made available by the Central Utah Project and certain other water storage projects, primarily from the Jordanelle and Deer Creek Reservoirs, and (iii) purchases from time to time of water supplies made available by various entities such as the Metropolitan District. The Conservancy District’s property rights and contractual rights provide specified annual quantities of water, subject to sufficient water being available.

General–Secondary Water System

The portion of the System which provides secondary water service to the residents of the City (the “Secondary Facilities”) contains approximately 43.4 miles of secondary water lines. Secondary water is distributed through the System in one of two ways: (i) a pump station which supplies secondary water to 400 homes (one home is equal to an equivalent residential unit (“ERU”)) or (ii) a gravity feed system which supplies secondary water to the remainder of 240 homes throughout the City. Secondary water connections are currently available to approximately 20% of the residents of the City.

Sources and Supplies of Secondary Water

The City receives a portion of its secondary water through the following five canals (the "Canals") that extend throughout the boundaries of the City: (i) East Jordan Canal, (ii) South Jordan Canal, (iii) Utah Lake Distributing, (iv) Utah and Salt Lake Canal, and (v) Welby Jacob Canal. The City has shares of other canals, but currently does not have any facilities to use this water in its irrigation system. The City also receives effluent water from the Utah Data Center that is reused for irrigation water during the irrigation season. The City received approximately 62.6 Ac-ft of effluent water from this source in 2025. The City owns the following amount of shares in each Canal:

Canals	Shares	Amount (Ac-ft)
East Jordan	98	474.32
South Jordan	82.5	407.55
Utah Lake Distributing	214	1,093.54
Utah and Salt Lake	103	472.77
Welby Jacob	2,373	2,373.00

The City is supplied with approximately 4,821.18 Ac-ft of secondary water from its ownership of these water shares of which 2,780.55 Ac-ft is accessible to the Secondary Facilities. The amount of ownership of water for the Secondary Facilities exceeds the System demand for such water. The City could treat this secondary water and use it for culinary purposes.

The City also leases water rights from Geneva Rock Products in the amount of 2,684.0 Ac-ft and owns additional rights to certain groundwater which is used as an additional source for the Secondary Facilities. This groundwater is pumped at the System's Independence Well facility and supplies secondary water to the east side of the City.

Amount of Water Right	Use
250.0 Ac-ft	Future Secondary Source
49.0 Ac-ft	Existing Secondary Source
8.265 Ac-ft	Past Irrigation Source
94.95 Ac-ft	Future Drinking Source
126.8 Ac-ft	Existing Secondary Source
1,192.0 Ac-ft	Existing Secondary Source
2,684.0 Ac-ft (lease)	Existing Secondary Source

The City believes that it has sufficient supplies of secondary water from its existing sources and through its contractual arrangements to provide water to its residents through the build-out of the City. The City requires all new developments to dedicate new canal shares or pay a cash in lieu of dedication option in the amount of $2,800 to secure secondary water sources for new developments.

Water Rights, Licenses, Permits, Approvals and Environmental Considerations

The City has obtained all necessary state and local licenses, permits and approvals to operate the Culinary and Secondary Facilities of the System.

Environmental Matters

The System is currently in compliance with the provisions of all environmental laws and regulations applicable to its operations, including, but not limited to, the Safe Drinking Water Act of 1986 and the Utah Safe Drinking Water Act and laws and regulations applicable to disposal of solid and hazardous waste. The System also is in compliance with all environmental, health and safety laws and regulations applicable to the use and disposal of chemicals used by the System to make water drinkable.

Water Connections

The following table shows the amount of connections to the System for the years shown:

Calendar Year	Total Secondary Connections	Total Culinary Connections Residential	Total Culinary Connections Commercial
2026	554	5267	275
2025	520	5156	265
2024	571	4977	242
2023	534	5182	240
2022	479	5103	177
2021	477	4853	167
2020	399	4451	156
2019	265	3695	114
2018	134	3738	113

Major Water Users

The major users of the System for the calendar year ended December 31, 2025 are set forth in the following table.

2025 Annual Usage

Entity	Gallons in Thousands	Percent of Total Usage
Vintage of the Bluffs	16,401	1.7%
Jordan School District	13,219	1.4
Bluffdale City – Vintage Park	9,816	1.1
Ironhorse Townhomes-Landscape	7,388	0.8
Beacon Hill Apartments-Landscape	6,953	0.8
Rockwell Village #209Master	6,377	0.7
Bluffdale City N1 Landscape	6,300	0.7
LDS Church	6,182	0.7
Summit Academy Elem. Bluffdale	5,666	0.6
Total	78,302	8.5

Note: The Utah Data Center is also a major user of the System; however, exact usage amounts are not available for disclosure.

System Rates

Culinary Water. The City has full and independent power, as granted by State law, to establish revenue levels and rate design for water service provided by the City. The City is not subject to rate regulation by any state or federal regulatory body, and is empowered to set rates effective at any time. The City bases its water rates on the nature and rate of water use by the customer. Effective July 1, 2026, Culinary Facilities customers are billed a monthly base rate of $30.00 for commercial customers and $12.00 for residential customers plus a monthly usage rate as shown below. The City has established higher usage rates which may be imposed in times of severe or extreme drought.

Culinary Water Rates

Residential Base Fee	$12.00/month
Commercial Base Fee	$30.00/month
Tier 1 - 12,000 gallons	$3.15 per 1,000 gallons
Tier 2 - 12,001 - 50,000 gallons	$3.75 per 1,000 gallons
Tier 3 - 50,001 - 100,000 gallons	$4.80 per 1,000 gallons
Tier 4 - 100,001 + gallons	$5.65 per 1,000 gallons

Severe Drought Rates

Tier 1 - 12,000 gallons	$3.15 per 1,000 gallons
Tier 2 - 12,001 - 50,000 gallons	$5.10 per 1,000 gallons
Tier 3 - 50,001 - 100,000 gallons	$6.50 per 1,000 gallons
Tier 4 - 100,001 + gallons	$7.65 per 1,000 gallons

Extreme and Critical Drought Rates

Tier 1 - 12,000 gallons	$3.15per 1,000 gallons
Tier 2 12,001 - 50,000 gallons	$6.45per 1,000 gallons
Tier 3 50,001 - 100,000 gallons	$8.25per 1,000 gallons
Tier 4 100,001 + gallons	$9.65per 1,000 gallons

Secondary Water. All connections to the Secondary Facilities are charged a monthly usage rate of $1.00 per 1,000 gallons used. There is no base fee for secondary water.

Fire Hydrant: A hydrant meter will be supplied by the City upon receipt of a $1,750 meter deposit. The water user will be charged at the rate of $5.65 per 1,000 gallons of metered water taken through a fire hydrant. No fire department will be charged for water taken in furtherance of efforts to protect persons or property or to otherwise carry out normal operations of the fire department.

Impact Fees. For culinary water service, the City also charges (i) a utility set-up fee of $40 for initial connection to the System and (ii) an impact fee for customers connecting to the System. The following table shows the impact fees charged by the City for culinary water service.

Culinary Facilities–Impact Fees

Single Family	$4,184
Multi-Family - per Unit	$3,138
3/4” Meter	$4,184
1” Meter	$10,460
1.5” Meter	$20,920
2” Meter	$33,472
3” Meter	$62,760
4” Meter	$104,600

The City recently revised the Culinary Facilities Impact Fees and the new fees as shown below will go into effect August 25, 2026:

Single Family	$11,500
Multi-Family per Unit	$8,625
3/4” Meter	$11,500
1” Meter	$28,751
1.5” Meter	$57,502
2” Meter	$92,003
3” Meter	$172,506
4” Meter	$287,510

System Connection Fees. The City also charges a connection fee to install connection to the Culinary and/or Secondary Facilities as shown below.

Type	Connection Fee
1" Culinary Water Connection Fee (meter only)	$650
2" Culinary Water Connection Fee (meter only)	$1,075
Larger Meters	Cost + $120
1" Secondary Water Connection Fee (meter only)	$650
1" Secondary Water Connection Fee (meter, meter can, ring & and lid, setter)	$1,500
1" Secondary Water Connection Fee (full service)	$4,000

Connection and Enforcement of Rates and Charges

The City offers culinary and secondary water service to all properties, but the cost to install the infrastructure to get to each property is paid by the developer of those properties. There are several private water systems within the City and there are several privately run irrigation systems in the City. The City requires the construction of appropriate water facilities by all developers operating in the City. The City requires that all buildings have an adequate supply of culinary water, from either the City or a private system, for consumption and firefighting capabilities before a certificate of occupancy is issued.

All of the City's culinary and secondary water customers are metered. Meters are read and billed monthly by the City. The City has adopted a disconnection policy for nonpayment of bills for water services. Bills for both culinary and secondary water service are delinquent when unpaid after approximately 60 days, at which time the greater of a 1.5% late charge or $10.00 is assessed. If payment is not made by the 25th day, service may be discontinued and a fee of $100 must be paid before service is resumed.

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HISTORICAL AND PRO FORMA DEBT SERVICE COVERAGE

The following table sets forth certain historical and projected financial information with regard to the System for the fiscal years shown:

	Historical					*Projected*				
	2021	**2022**	**2023**	**2024**	**2025**	**2026[1]**	**2027**	**2028**	**2029**	**2030**
Operating Revenues										
Water sales	$7,312,673	$6,662,916	$7,545,484	$7,573,735	$8,063,109	$8,273,507	$8,687,182	$9,121,541	$9,577,619	$10,056,499
Connection & service fees	465,865	236,866	167,202	241,311	252,327	190,351	200,000	200,000	200,000	200,000
Total Operating Revenues	**7,778,538**	**6,899,782**	**7,712,686**	**7,815,046**	**8,315,436**	**8,463,858**	**8,887,182**	**9,321,541**	**9,777,619**	**10,256,499**
Operating Expenses (excluding depreciation)										
Purchased water	1,958,109	1,799,848	1,956,975	2,128,177	2,196,608	2,324,176	2,440,385	2,562,404	2,690,524	2,825,050
Wages & fringe benefits	1,417,809	1,551,189	1,657,039	2,333,634	2,434,001	2,421,965	2,494,624	2,569,463	2,646,547	2,725,943
Maintenance & engineering	572,866	663,976	731,429	727,972	488,656	744,637	766,976	789,985	813,685	838,096
Office supplies & insurance	39,150	39,801	43,434	56,537	52,658	69,404	71,486	73,631	75,840	78,115
Other	503,933	206,502	128,914	165,831	702,952	838,163	600,000	600,000	600,000	600,000
Total Operating Expenses	**4,491,867**	**4,261,316**	**4,517,791**	**5,412,151**	**5,874,875**	**6,398,345**	**6,373,471**	**6,595,483**	**6,826,595**	**7,067,204**
Total Operating Income	**3,286,671**	**2,638,466**	**3,194,895**	**2,402,895**	**2,440,561**	**2,065,513**	**2,513,711**	**2,726,059**	**2,951,023**	**3,189,296**
Non-Operating Revenues										
Interest income	29,463	41,179	319,660	432,749	329,890	360,764	300,000	300,000	300,000	300,000
Impact fees	2,800,154	1,010,107	463,054	650,154	341,556	251,240	500,000	500,000	500,000	500,000
State grant	–	–	–	–	848,439	–	–	–	–	–
Total Non-Operating Revenues	**2,829,617**	**1,051,286**	**782,714**	**1,082,903**	**1,519,885**	**612,004**	**800,000**	**800,000**	**800,000**	**800,000**
Funds Available for Debt Service	**6,116,288**	**3,689,752**	**3,977,609**	**3,485,798**	**3,960,446**	**2,677,517**	**3,313,711**	**3,526,059**	**3,751,023**	**3,989,296**
Funds Available for Debt Service (w/o Impact Fees)	3,316,134	2,679,645	3,514,555	2,835,644	3,618,890	2,426,277	2,813,711	3,026,059	3,251,023	3,489,296
Bond Debt Service										
Series 2020A	20,354	212,159	211,911	212,599	211,232	210,819	211,341	210,799	210,202	211,531
Series 2020B	50,709	435,570	437,432	441,089	442,536	445,769	449,769	451,535	454,066	457,345
Series 2026*	–	–	–	–	–	–	350,000	820,000	820,000	820,000
Total Debt Service*	**71,063**	**647,728**	**649,343**	**653,688**	**653,768**	**656,587**	**1,011,110**	**1,482,334**	**1,484,268**	**1,488,876**
Debt Service Coverage*	**86.07x**	**5.70x**	**6.13x**	**5.33x**	**6.06x**	**4.08x**	**3.28x**	**2.38x**	**2.53x**	**2.68x**
*Debt Service Coverage (without Impact Fees)**	46.66x	4.14x	5.41x	4.34x	5.54x	3.70x	2.78x	2.04x	2.19x	2.34x

* Preliminary; subject to change.

(1) Preliminary, unaudited.

Note: Projected operating revenues assume a 5% growth and operating expenses assume a 5% and 3% growth in purchased water and wages and fringe benefits, respectively. Interest income and impact fees normalized at the amounts shown.

(Source: The City and the Municipal Advisor.)

THE CITY

General Information

The City, incorporated in 1978, covers an area of approximately 11 square miles and is located in the southern portion of Salt Lake County, Utah (the "County"). The City had 19,506 residents according to the 2025 estimate by the U.S. Census Bureau. The City is a suburb of metropolitan Salt Lake City within the County and is located directly south of Salt Lake City along Interstate Highway I-15. The City is approximately 20 miles south from metropolitan Salt Lake City and can best be characterized as residential in nature since many City residents commute to work in Salt Lake City and other nearby business and industrial areas.

For additional information regarding the City, see "APPENDIX A—BASIC FINANCIAL STATEMENTS OF CITY OF BLUFFDALE, UTAH FOR FISCAL YEAR ENDED JUNE 30, 2025" and "APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY."

Form of Government

The City is organized under general law and governed by a council/manager form of government, with five council members who are elected at large for a four-year term and a mayor who is also elected at large for a four-year term. The mayor chairs the City Council and votes to break a tie and has some statutory, legislative, judicial and ex officio powers. The city manager is the chief executive officer and runs the day to day operations of the City. City manager powers are described and governed by an ordinance or resolution passed by the City Council. The City Council is charged with the responsibility of performing the legislative functions of the City.

The principal powers and duties of State 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.

The current members of the City Council, the mayor, and certain other officers of the City and their respective terms in office (if applicable) are as follows:

Office	Person	Years of Service	Expiration of Term
Mayor	Natalie Hall[(1)]	5	January, 2030
Council Member	Wendy Aston	9	January, 2030
Council Member	Steve Austin	3	January, 2028
Council Member	Mackey Smith	1	January, 2030
Council Member	Alan Lord	3	January, 2028
Council Member	Greg Wilding	3	January, 2028
City Manager	Bruce Kartchner	21	Appointed
Administrative Services Director	Stephanie Thayer	12	Appointed
City Attorney	Fredric Donaldson	3	Appointed
City Recorder	Tami Timothy	5	Appointed

(1) Mayor Hall worked for the City for seven years prior to being elected Mayor.

Employee Workforce and Retirement System

The City employs approximately 69 full-time employees and 110 part-time employees for a total of 179 employees. The City is a member of the Utah Retirement Systems ("URS"), which provides and administers deferred and defined compensation plans. For information regarding the City's participation in URS, see "APPENDIX A—BASIC FINANCIAL STATEMENTS OF CITY OF BLUFFDALE, UTAH FOR FISCAL YEAR ENDED JUNE 30, 2025—Notes to the Financial Statements—Note 11. Pension Plans."

The City does not offer any other post-employment benefits.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries insurance through the Utah Local Governments Trust for all of these risks of loss. Settlement amounts did not exceed insurance coverage in the past fiscal year or the three prior fiscal years.

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 "MM Act") governs the investment of all public funds held by public treasurers in the State. It establishes criteria for investment of public funds with an emphasis on maintaining safety, liquidity, and yield, matching strategy to fund objectives, and matching the term of investments to the availability of funds. The MM 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 MM Act also provides for pre-qualification of broker dealers requiring that broker dealers must agree in writing to comply with the MM Act and certify that they have read and understand the MM Act. The MM Act establishes the Money Management Council (the "MM Council") to exercise oversight of public deposits and investments. The law requires all securities to be delivered via payment to the 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 MM Act also defines the State's prudent investor rules. The MM 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 MM Act for all City operating funds. A significant portion of the City's funds are invested in the Utah Public Treasurers' Investment Fund ("PTIF"), as discussed herein.

The Utah Public Treasurers' Investment Fund. The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. The PTIF invests to ensure safety of principal, liquidity and a competitive rate of return. All moneys transferred to the PTIF are promptly invested in securities authorized by the MM Act. Safekeeping and audit controls for all investments owned by the PTIF must comply with the MM Act.

All investments in the PTIF must comply with the MM Act and rules of the MM Council. The PTIF invests only in securities authorized by the MM Act including time certificates of deposit, top-rated commercial paper and corporate notes, 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 PTIF is limited to three years, except that 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 PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Securities in the PTIF 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" ("A1," "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 or S&P. These securities represent limited risks to governmental institutions investing with the PTIF. Variable rate securities in the PTIF 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 PTIF is reviewed monthly by the MM Council and is audited by the State Auditor. The PTIF itself is not rated.

See "APPENDIX A—BASIC FINANCIAL STATEMENTS OF CITY OF BLUFFDALE, UTAH FOR FISCAL YEAR ENDED JUNE 30, 2025—Notes to Financial Statements—Note 4. – Cash, Cash Equivalents and Investments."

Additional Information

For additional information with respect to the City and its finances see "FINANCIAL INFORMATION REGARDING THE CITY," "APPENDIX A—BASIC FINANCIAL STATEMENTS OF CITY OF BLUFFDALE, UTAH FOR FISCAL YEAR ENDED JUNE 30, 2025" and "APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY."

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DEBT STRUCTURE OF THE CITY

The following tables set forth the outstanding obligations of the City as of August 1, 2026.

OUTSTANDING WATER REVENUE BONDS

Series	Purpose	Original Amount	Final Maturity Date	Principal Amount Outstanding
2020A	Refunding	$2,107,000	October 1, 2031	$1,388,000
2020B	Improvements	8,000,000	October 1, 2040	6,612,000
2026[1]	Improvements	11,575,000*	October 1, 2051	11,575,000*
Total				$19,575,000*

(1) For purposes of this Official Statement, the Series 2026 Bonds will be considered issued and outstanding.
* Preliminary; subject to change.

OUTSTANDING LEASE REVENUE BONDS

Series	Purpose	Original Amount	Final Maturity Date	Principal Amount Outstanding
2016	City Hall	$6,705,000	March 1, 2045	$5,255,000
2024	Public Works Building	16,000,000	March 1, 2045	15,525,000
Total				$20,780,000

Other Financial Considerations

The City also has outstanding its Sales Tax Revenue Bond Anticipation Notes, Series 2026 (the "Notes"), in the amount of $30,000,000. The Notes bear an interest rate of 3.89% per annum, mature on February 1, 2030. While the interest on the Notes is payable from 100% of the Local Sales and Use Tax Revenues received by the City pursuant to Title 59, Chapter 12, Part 2, of the Utah Code, (the "Sales Tax Revenues") and principal on the Notes is payable solely from the proceeds of certain anticipated bonds to be issued in the future (such anticipated bonds being payable solely from the Sales Tax Revenues) it is expected that the principal of the Notes will be fully repaid from monies pledged to the City by the State of Utah which have not yet been received.

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.

Future Debt Plans

The City does not have any current plans to issue Additional Bonds on a parity with the Series 2026 Bonds within the next three years, but reserves the right to do so as its capital needs require. The City currently has no plans to issue other bonds for capital projects but reserves the right to do so as capital needs require and in conformity with existing debt service coverage requirements.

FINANCIAL INFORMATION REGARDING THE CITY

Five-Year Financial Summaries

The following tables set forth a summary of certain financial information regarding the City and have been extracted from the City's financial statements for the fiscal years shown. The following tables themselves have not been audited.

CITY OF BLUFFDALE
Statement of Net Position–Governmental Activities
(This summary has not been audited.)

	Fiscal year ended June 30				
	2025	2024	2023	2022	2021
Assets					
Cash & cash equivalents	$63,240,732	$59,749,207	$62,754,476	$50,694,863	$32,072,342
Restricted cash & cash equivalents	15,306,870	15,857,360	16,476,241	19,616,976	14,993,289
Receivables:					
Property & other taxes	3,549,373	3,065,387	3,386,899	2,754,329	2,405,270
Accounts	336,905	280,645	267,278	239,408	308,043
Intergovernmental receivable	10,581,532	9,257,482	10,248,903	11,800,462	10,318,306
Net pension asset	528,848	479,976	137,966	776,418	–
Capital assets:					
Land	24,432,083	18,951,228	18,827,421	18,450,612	17,707,997
Water rights	40,600	40,600	40,600	40,600	40,600
Construction in progress	22,645,828	12,249,460	–	–	–
Buildings	15,202,376	15,148,732	15,148,732	15,075,345	15,021,501
Machinery and equipment	9,760,080	8,791,774	8,409,682	7,919,669	6,819,190
Infrastructure	132,524,760	115,593,879	98,630,205	83,498,659	77,173,408
Accumulated depreciation	(46,962,665)	(41,827,471)	(37,164,433)	(32,841,475)	(28,774,585)
Total assets	251,187,322	217,638,259	197,163,970	178,025,866	148,085,361
Deferred Outflows of Resources					
Related to pensions	1,028,652	854,292	602,986	408,533	280,591
Liabilities					
Accounts payable	6,370,848	2,414,641	2,867,880	640,357	764,802
Accrued interest payable	69,229	71,563	74,730	77,797	80,530
Accrued liabilities	139,438	97,625	102,920	49,153	39,306
Construction & improvement bonds	3,000,558	3,159,040	3,586,372	4,164,792	–
Noncurrent liabilities:					
Due within one year	1,058,928	468,574	450,044	438,779	417,112
Due in more than one year	22,865,125	5,739,963	6,098,299	6,110,574	6,416,561
Net pension liability	660,013	419,978	–	–	69,936
Total liabilities	34,164,139	12,371,384	13,180,245	11,481,452	7,788,247
Deferred Inflows of Resources					
Property tax related	12,541,469	10,947,282	12,100,713	13,352,750	11,645,674
Pension related	139,181	202,030	116,158	1,083,899	488,178
Total deferred inflows:	12,680,650	11,149,312	12,216,871	14,436,649	12,133,852
Net Position					
Net investment capital assets	134,303,577	123,196,668	103,278,151	85,772,664	81,278,159
Restricted for:					
Debt service	535,706	527,977	1,094,511	120,612	515,741
Capital projects	11,770,606	12,170,343	12,173,705	14,942,860	14,477,548
Unrestricted	58,761,293	59,076,867	55,823,473	51,680,162	32,172,405
Total net position	$205,371,182	$194,971,855	$172,369,840	$152,516,298	$128,443,853

(Source: Information extracted from the City's 2021-2025 audited basic financial statements. This summary itself is unaudited.)

CITY OF BLUFFDALE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
(This summary has not been audited.)

	Fiscal year ended June 30				
	2025	2024	2023	2022	2021
Revenues:					
Taxes	$9,953,754	$10,029,136	$9,656,061	$8,179,741	$7,322,990
Licenses & permits	877,530	1,101,612	1,052,430	1,297,496	1,870,304
Charges for services	2,602,171	2,514,348	1,845,170	1,904,021	1,523,405
Intergovernmental	1,108,193	946,861	1,909,852	1,790,127	1,161,892
Garbage	–	–	1,198,483	1,065,510	939,331
Fines & forfeitures	307,663	313,204	319,895	335,281	335,837
Cemetery	–	–	–	8,100	6,400
Interest	403,311	599,617	390,468	35,709	32,357
Miscellaneous	385,353	270,508	449,190	402,716	258,421
Total revenues	15,637,975	15,775,286	16,821,549	15,018,701	13,450,937
Expenditures:					
General government	5,352,456	5,028,723	3,771,081	3,427,628	3,069,320
Public safety	–	–	5,137,106	5,267,461	4,667,382
Streets and public works	3,733,997	2,154,043	2,436,370	1,888,697	1,812,699
Parks and recreation	2,087,023	1,791,417	1,495,875	1,293,875	962,021
Garbage	–	–	905,212	810,397	721,123
Capital outlay	–	–	5,055	3,556	–
Total expenditures	11,173,476	8,974,183	13,750,699	12,691,614	11,232,545
Excess of revenues over expenditures	4,464,499	6,801,103	3,070,850	2,327,087	2,218,392
Other Financing Sources (Uses)					
Transfers in	741,249	776,690	836,678	910,877	–
Transfers out	(6,947,186)	(6,532,851)	(2,572,989)	(1,850,000)	(1,356,782)
Proceeds from sale of assets	32,692	24,327	10,355	18,295	10,735
Total other financing	(6,173,245)	(5,731,834)	(1,725,956)	(920,828)	(1,346,047)
Net change in fund balance	(1,708,746)	1,069,269	1,344,894	1,406,259	872,345
Fund balance, beginning of year	7,550,160	6,480,891	5,135,997	3,729,738	2,857,393
Fund balance, end of year	$5,841,414	$7,550,160	$6,480,891	$5,135,997	$3,729,738

(Source: Information extracted from the City's 2021-2025 audited basic financial statements. This summary itself is unaudited.)

RISK FACTORS

The purchase of the Series 2026 Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Series 2026 Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain of these risks are described below; however, it is not intended to be a complete representation of all the possible risks involved.

Limited Obligations

The Series 2026 Bonds are special limited obligations of the City, payable solely from the Net Revenues, moneys, securities and funds pledged therefor in the Indenture. The Series 2026 Bonds do not constitute a general obligation indebtedness or a pledge of the ad valorem taxing power or the full faith and credit of the City, and are not obligations of the State or any other agency or other political subdivision or entity of the State. The City will not mortgage or grant any security interest in the improvements financed with the proceeds of the Series 2026 Bonds or any portion thereof to secure payment of the Series 2026 Bonds.

Limited Remedies

Remedies available to the owners of the Series 2026 Bonds and the enforcement of such remedies may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Series 2026 Bonds or to preserve the tax-exempt status of the Bonds.

The remedies available to the owners of the Series 2026 Bonds upon a default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional law, statutory law, and judicial decisions. Consequently, any enforcement proceedings may entail risks of delay, and/or limitation or modification of their rights as otherwise provided under the Indenture and the Series 2026 Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Series 2026 Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners of the Series 2026 Bonds.

Operation of the System

In order for the City to make timely payment of the principal and interest requirements of the Series 2026 Bonds and to meet its other obligations under the Indenture, it will be necessary for the City to manage, operate and maintain the System in an efficient and economical manner that is consistent with prudent utility practice. The operation of the System is subject to the requirements of various governmental rules and regulations and the System must be operated in compliance with these requirements. In the event that the System is not operated or is not capable of operation as required by the provisions of such governmental rules and regulations, the City may be subject to certain penalties.

To the extent the System develops operational problems, rates for the System may need to be increased to produce sufficient Revenue unless other sources of funds are obtained. In the event that Revenues need to be increased for the continued operation of the System (and to pay debt service on the Series 2026 Bonds), it may be necessary to increase rates for the System. Although the City has the ability to establish rates without prior approval from another governmental entity, the City may decide not to make any rate increases due to political feasibility or other concerns.

The City believes that the System is operated and will continue to be operated in a manner that will allow it to pay Operation and Maintenance Expenses for the System, as well as debt service on the Series 2026 Bonds and the Outstanding Parity Bonds.

Destruction of the System

The Indenture requires that the City, in its operation of the System, maintain insurance in such amounts and to such extent as is normally carried by other entities operating public utilities of the same size and type. In the event of any loss or damage, the Indenture requires that the proceeds of any insurance shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder is to be paid into the Bond Fund. However, there can be no assurance that the proceeds of such insurance will be sufficient to restore or replace the lost or damaged property. In addition, proceeds of insurance may not be adequate to restore the System to its previous output and capacity.

Damage to or destruction of the System may prevent the City from providing service to some or all of its customers regardless of insurance coverage. In such event, the Net Revenues may decrease.

Drought and Water Supply

Utah is experiencing prolonged drought conditions, including a severe snow drought in the last winter season (2025-2026), affecting water availability in some parts of the State. There can be no assurance that drought conditions will not persist or reappear in the future. The persistence or reappearance of drought conditions could materially adversely affect the operation of the System.

In the event the City is unable to obtain sufficient water to treat and deliver to meet its needs or other emergency conditions occur, there is no assurance that the City will be able to maintain a source of water to supply its customers.

While the City depends on the Conservancy District for all of its culinary water, the Conservancy District has always met the water demands of the City and has never failed to deliver water when requested by the City. The System also has secondary water supplies which exceed customer demand and which could be treated for culinary use. However, treating such secondary sources could increase operation and maintenance costs and thereby decrease Net Revenues.

Climate Change

Climate change caused by human activities may have adverse effects on the System. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as drought, wildfires, floods and heat waves. The future fiscal impact of climate change on the System is difficult to predict, but it could be significant and it could have a material adverse effect on the City's finances by requiring greater expenditures to counteract the effects of climate change or by changing the business and activities of City customers. The City considers the potential effects of climate change in its planning.

No Reserve Fund Requirement for the Series 2026 Bonds

Pursuant to the Indenture, each Series of Bonds may be secured by a separate subaccount in the Debt Service Reserve Fund. Upon the issuance of the Series 2026 Bonds there will be no funding of a subaccount of the Debt Service Reserve Fund with respect to the Series 2026 Bonds.

Cybersecurity

The risk of cyberattacks against commercial enterprises, including those operated for a governmental purpose, has become more prevalent in recent years. At least one of the rating agencies factors the risk of such an attack into its ratings analysis, recognizing that a cyberattack could affect liquidity, public policy and constituent confidence, and ultimately credit quality. A cyberattack could cause the informational systems of the City, including those used in the operation of the System, to be compromised and could limit operational capacity, for short or extended lengths of time and could bring about the release of sensitive and private information. Additionally, other potential negative consequences include data loss or compromise, diversion of resources to prevent future incidences and reputational damage. To date, the City has not been the subject of a materially successful cyberattack. The City believes it has made all reasonable efforts to put measures in place to prevent any such attack and that the information systems of the City are secure. However, there can be no assurance that a cyberattack will not occur in a manner resulting in damage to the City's information systems or other challenges. The City has insurance coverage for cyber-liability.

LEGAL MATTERS

General

The authorization and issuance of the Series 2026 Bonds is subject to the approval of legality by 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 Fredric Donaldson, Esq., City Attorney. The approving opinion of Bond Counsel will be delivered with the Series 2026 Bonds. A copy of the form of the opinion of Bond Counsel is set forth in APPENDIX E of this Official Statement.

Absence of Litigation

A non-litigation opinion issued by the City Attorney, dated the date of closing, will be provided stating, among other things, that to the best of his knowledge, after due inquiry, no action, suit, proceeding, inquiry, or any other litigation or investigation at law or in equity, before or by any court, public board or body, has been served on the City or is threatened, challenging the creation, organization, or existence of the City or the titles of its officers to their respective offices or seeking to restrain or enjoin the issuance, sale, or delivery of the Series 2026 Bonds or for the purpose of restraining or enjoining the levy and collection of taxes or assessments by the City, or directly or indirectly contesting or affecting the proceedings or the authority by which the Series 2026 Bonds are issued or the validity of the Series 2026 Bonds or the issuance thereof.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the Series 2026 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 Series 2026 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 Series 2026 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 Series 2026 Bonds.

Opinion of Series 2026 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 Series 2026 Bonds:

Federal Tax Exemption. The interest on the Series 2026 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 Series 2026 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bond Counsel's opinions are provided as of the date of the original issue of the Series 2026 Bonds, subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Series 2026 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 such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2026 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds.

State of Utah Tax Exemption. The interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes.

No Other Opinion. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2026 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 Series 2026 Bond over its issue price. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 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 Series 2026 Bond during any accrual period generally equals (1) the issue price of that Series 2026 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2026 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 Series 2026 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 Series 2026 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 Series 2026 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 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 Series 2026 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2026 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 Series 2026 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 Series 2026 Bonds. Upon the sale, exchange, or retirement (including redemption) of a Series 2026 Bond, an owner of the Series 2026 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 Series 2026 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2026 Bond. To the extent a Series 2026 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 Series 2026 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 Series 2026 Bonds, and to the proceeds paid on the sale of the Series 2026 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 Series 2026 Bonds should be aware that ownership of the Series 2026 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 Series 2026 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2026 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 Series 2026 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that interest on the Series 2026 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 RATING

S&P Global Ratings ("S&P") has assigned a rating of "AA-" (stable outlook) to the Series 2026 Bonds.

Any explanation of the significance of ratings should be obtained from the rating agency furnishing the same. There is no assurance that the ratings given to the outstanding obligations will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward change or withdrawal of such ratings may have an adverse effect on the market price of the Series 2026 Bonds.

MUNICIPAL ADVISOR

The City has entered into an agreement with Stifel, Nicolaus & Company, Incorporated, Salt Lake City, Utah (the "Municipal Advisor"), whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to timing of sale, market conditions, costs of issuance and other factors relating to the sale of the Series 2026 Bonds. The Municipal Advisor has read and participated in the drafting 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 Series 2026 Bonds.

CONTINUING DISCLOSURE UNDERTAKING

The City has undertaken for the benefit of the beneficial owners of the Series 2026 Bonds to provide certain annual financial information and operating data and notice of certain events as enumerated and in the manner set forth in the Continuing Disclosure Undertaking that will be executed and delivered by the City, a form of which is set forth as APPENDIX D, to the Municipal Securities Rulemaking Board's "EMMA" system, all in order to enable the participating underwriter to make the determinations required by Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). See "APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING" attached hereto and incorporated herein by reference.

The City has not failed in the previous five years to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule.

A failure by the City to comply with the undertaking will not constitute a default under the Indenture and beneficial owners of the Series 2026 Bonds are limited to the remedies described in the Continuing Disclosure Undertaking. 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 Series 2026 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2026 Bonds and their market price. See "APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING" for the information to be provided, the events which will be noticed on an occurrence basis and the other terms of the Continuing Disclosure Undertaking, including termination, amendment and remedies.

MISCELLANEOUS

Independent Auditors

The basic financial statements of the City as of June 30, 2025, and for the year then ended, contained in APPENDIX A to this Official Statement, have been audited by HBME, LLC ("HBME"), Bountiful, Utah, independent auditors, as stated in their report included in APPENDIX A hereto. HBME has not been asked to consent to the use of its name and audited financial statements in this Official Statement or to perform any procedures in connection with the issuance of the Series 2026 Bonds.

Additional Information

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

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, is intended as such and not as representations of fact.

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

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

The delivery of the Official Statement has been duly authorized by the City.

CITY OF BLUFFDALE, UTAH

APPENDIX A

BASIC FINANCIAL STATEMENTS OF CITY OF BLUFFDALE, UTAH
FOR FISCAL YEAR ENDED JUNE 30, 2025

CITY OF BLUFFDALE, UTAH

Basic Financial Statements

As of and for the Year Ended
June 30, 2025

HBME

COMMITTED. EXPERIENCED. TRUSTED.

CITY OF BLUFFDALE, UTAH

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CITY OF BLUFFDALE, UTAH

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PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA
JANICE ANDERSON, EA
TROY F. NILSON, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Bluffdale, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bluffdale, Utah (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The City's 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.

559 WEST 500 SOUTH BOUNTIFUL, UT 84010 // O: 801.296.0200 // HBME.COM

HBME, LLC IS A CERTIFIED PUBLIC ACCOUNTING FIRM

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 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, 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 on pages 4 through 12 and the pension information on pages 51 through 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 accompanying budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HBME, LLC

December 3, 2025
Bountiful, Utah

BLUFFDALE

EST. 1848

City of Bluffdale, Utah
Management's Discussion and Analysis
For the Year Ended June 30, 2025

As management of the City of Bluffdale (the 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, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $246,464,527. The City's assets are mainly comprised of capital assets and funds legally restricted in their use (*restricted net position*).
- The government's total net position increased by $17,217,743 during 2025. The increase in net position can be attributed to major infrastructure additions and expending less than the budgeted amount in the general fund and increases in various fee revenues.
- The unassigned fund balance for the general fund was $2,947,580 or approximately 26 percent of total general fund expenditures. The fund balance for the general fund decreased by $1,708,746 from the previous year. This decrease was due to a large transfer to the Capital Projects Fund.
- The City's total outstanding long-term liabilities experienced an increase of $17,285,343. This increase was attributed to a new bond secured to finance the new public works facility.

Overview of the Financial Statements

This discussion and analysis are intended to serve 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 themselves.

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

The *statement of net position* presents information on all of the City's assets and liabilities and deferred outflows and inflows of resources, with the difference between the two 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 City'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).

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued) 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 cover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets and public works, parks and recreation, and garbage. Water is the only business-type activities of the City.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the Redevelopment Agency of Bluffdale City (RDA), a legally separate entity for which the City is financially accountable. Financial information for this *component unit* is blended with the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 13-14 of this report.

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the 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 government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains five individual governmental funds. The five major governmental funds include the General Fund, the Redevelopment Agency Special Revenue Fund, the Local Building Authority Special Revenue Fund, the Public Safety Fund, and the Capital Projects Fund. 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 each of these funds. The basic governmental fund financial statements can be found on pages 15-18 of this report. The City adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for all governmental funds to demonstrate compliance with each respective budget.

Overview of the Financial Statements (Continued)

Proprietary funds. The City maintains one proprietary fund, the water fund, that is an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The water fund is a major fund. The basic proprietary fund financial statements can be found on pages 23-26 of this report.

Notes to the financial statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-50 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Also included are budget to actual comparisons for the special revenue funds and the capital projects fund.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2025, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $246,464,527. The largest portion (67.76 percent) of the City's net position is composed of capital assets. Capital assets are used to provide services to citizens, and they are not available for future spending. Although the investment in capital assets is reported net of any related outstanding 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. Unrestricted net position (26.53 percent of total assets) is the portion of total assets which can be used for future expenditures with no restrictions. As in contrast with restricted net position (5.71 percent), which is the portion restricted for a specific purpose, in this case for debt service and capital projects.

City of Bluffdale's Net Postion

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 93,544,260	$ 88,690,057	$ 9,233,212	$ 4,058,710	$ 102,777,472	$ 92,748,767
Capital assets	157,643,062	128,948,202	40,706,972	39,793,441	198,350,034	168,741,643
Total assets	251,187,322	217,638,259	49,940,184	43,852,151	301,127,506	261,490,410
Deferred outflows of resources						
Deferred related to pensions	1,028,652	854,292	257,164	213,574	1,285,816	1,067,866
Other liabilities	9,580,073	5,742,869	657,128	753,993	10,237,201	6,496,862
Long-term liabilities outstanding	24,584,066	6,628,515	8,412,083	9,082,291	32,996,149	15,710,806
Total liabilities	34,164,139	12,371,384	9,069,211	9,836,284	43,233,350	22,207,668
Deferred inflows of resources						
Deferred property tax revenue	12,541,469	10,947,282	-	-	12,541,469	10,947,282
Deferred related to pensions	139,181	202,030	34,795	50,507	173,976	252,537
Total deferred inflows of resources	12,680,650	11,149,312	34,795	50,507	12,715,445	11,199,819
Net position:						
Invested in capital assets, net of related debt	134,303,577	128,550,227	32,706,972	31,129,441	167,010,549	159,679,668
Restricted	12,306,312	12,698,320	1,770,044	1,465,773	14,076,356	14,164,093
Unrestricted	58,761,296	53,723,308	6,616,326	1,583,720	65,377,622	55,307,028
Total net assets	$ 205,371,185	$ 194,971,855	$ 41,093,342	$ 34,178,934	$ 246,464,527	$ 229,150,789

CITY OF BLUFFDALE, UTAH
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2025

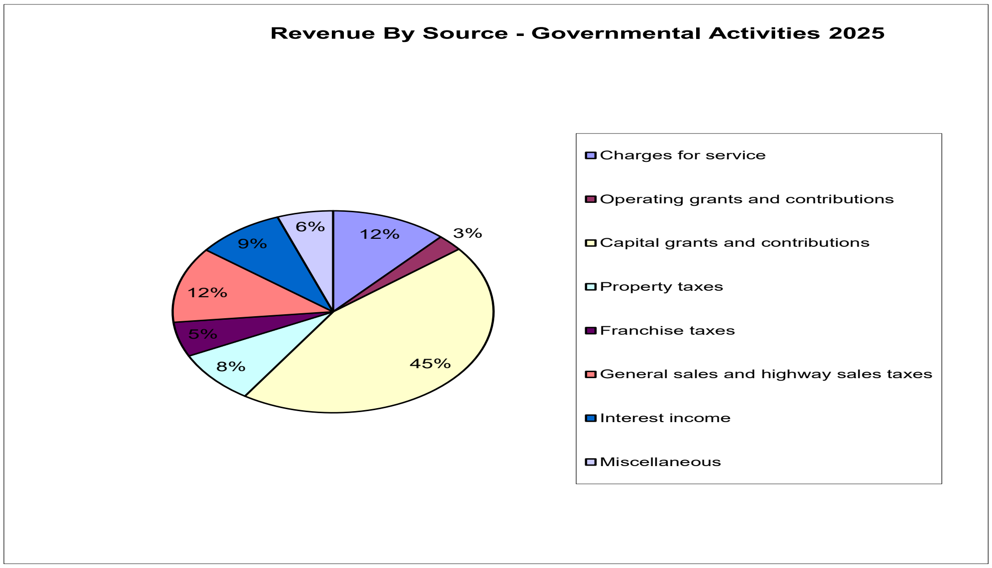
Government-wide Financial Analysis (Continued)

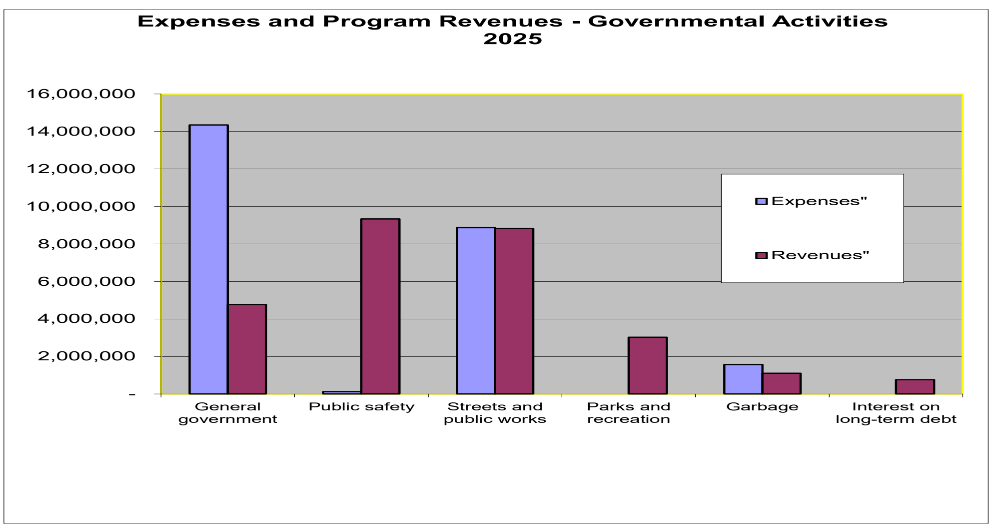
Governmental activities. Governmental activities increased the City's net position by $10,399,330 accounting for 60 percent of the total growth in net position. This increase was the result of investment in infrastructure for the City.

City of Bluffdale's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues						
Charges for services	$ 4,921,170	$ 4,547,994	$ 8,315,436	$ 7,815,046	$ 13,236,606	$ 12,363,040
Operating grants and contributions	1,111,693	1,025,586	2,239,474	872,774	3,351,167	1,898,360
Capital grants and contributions	18,877,151	13,400,676	-	-	18,877,151	13,400,676
General revenues:						
Property taxes	3,583,354	4,128,652	-	-	3,583,354	4,128,652
Sales tax and highway tax	5,103,596	4,766,441	-	-	5,103,596	4,766,441
Franchise taxes	2,333,677	2,120,711	-	-	2,333,677	2,120,711
Interest income	3,740,028	4,073,106	329,890	432,749	4,069,918	4,505,855
Gain on sale of assets	1,167,288	232,989	-	-	1,167,288	232,989
Transfers, net	-	7,000,000	3,817,854	-	3,817,854	7,000,000
Other	1,197,128	756,869	-	-	1,197,128	756,869
Total revenues	42,035,085	42,053,024	14,702,654	9,120,569	56,737,739	51,173,593
Expenses:						
General government	4,765,024	4,509,593	-	-	4,765,024	4,509,593
Public safety	9,337,584	8,206,955	-	-	9,337,584	8,206,955
Streets and public works	8,824,586	2,945,902	-	-	8,824,586	2,945,902
Parks and recreation	3,026,702	2,554,498	-	-	3,026,702	2,554,498
Garbage	1,103,789	1,021,774	-	-	1,103,789	1,021,774
Interest on long-term debt	760,216	212,287	-	-	760,216	212,287
Transfers, net	3,817,854	-	-	7,000,000	3,817,854	7,000,000
Water	-	-	7,884,241	7,381,858	7,884,241	7,381,858
Total expenses	31,635,755	19,451,009	7,884,241	14,381,858	39,519,996	33,832,867
Increase in net assets	10,399,330	22,602,015	6,818,413	(5,261,289)	17,217,743	17,340,726
Net assets, beginning (restated)	194,971,855	172,369,840	34,274,929	39,536,218	229,246,784	211,906,058
Net assets, ending	$ 205,371,185	$ 194,971,855	$ 41,093,342	$ 34,274,929	$ 246,464,527	$ 229,246,784

Government-wide Financial Analysis (Continued)





Government-wide Financial Analysis (Continued)

Business-type activities. Business-type activities increased the City's net position by $6,818,413 accounting for 40 percent of the total growth in the government's net position. The key elements of this increase are a contribution towards City infrastructure for the new public works facility. The water fund is the only business-type activity of the City. Charges for services were the only main source of revenue in the water fund.

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 the 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $70,963,099, a decrease of $628,394 in comparison with the prior year. Of the ending fund balance, 7 percent ($5,372,486) constitutes unassigned fund balance, which is available for spending at the government's discretion. The restricted portion of fund balance is restricted to indicate that it is not available for new spending because it has already been committed 1) to pay for the retirement of debt service ($535,706), 2) construction of capital assets funded by impact fees ($8,876,772), and 3) to pay for Class "C" road projects ($2,893,834). The assigned fund balance to the Special Revenue funds is $48,539,050 and to the Capital Projects fund is $4,745,251.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was $2,947,580 while total fund balance was $5,841,414. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26 percent of total general fund expenditures.

The City's total general fund balance experienced a $1,708,746 decrease during the current fiscal year. The majority of the decrease is due to a transfer to the Capital Projects Fund for future construction.

The capital projects fund has a total fund balance of $13,622,023. Amounts restricted are $8,876,772 restricted for construction of capital assets funded by impact fees and $4,745,251 is assigned for various capital projects at the City's discretion. The fund balance decreased $7,599,528 from the previous year.

Financial Analysis of the Government's Funds (Continued)

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

Net position of the water fund at the end of the year was $41,093,342. Net position increased $6,818,413 from the preceding year. The majority of the increase was due to capital contributions for City infrastructure.

General Fund Budgetary Highlights

The original budget and the final amended budget overall totals were about the same with an increase in the final budget by a small amount. Also, minor adjustments that were made from department budgets during the course of the year to more accurately reflect the budgetary needs of those departments.

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, 2025 amount to $198,350,034 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, distribution and collection systems, and construction in process. The City's capital assets increased $29,608,391 from the preceding year. The majority of the increase was from construction in progress of the new public works facility that will be completed in fiscal year 2026.

City of Bluffdale's Capital Assets, Net

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 24,432,083	$ 18,951,228	$ 1,985,450	$ 2,767,596	$ 26,417,533	$ 21,718,824
Water rights	40,600	40,600	2,067,755	2,067,755	2,108,355	2,108,355
Construction in progress	22,645,828	12,249,460	-	-	22,645,828	12,249,460
Buildings	10,158,616	10,578,243	-	-	10,158,616	10,578,243
Infrastructure	96,857,564	83,967,375	-	-	96,857,564	83,967,375
Water distribution system	-	-	36,141,868	34,507,577	36,141,868	34,507,577
Machinery and equipment	3,508,371	3,161,296	511,899	450,513	4,020,270	3,611,809
Total	$ 157,643,062	$ 128,948,202	$ 40,706,972	$ 39,793,441	$ 198,350,034	$ 168,741,643

Capital Assets and Debt Administration (Continued)

Long-term debt. At the end of the current fiscal year, the City had $32,171,133 in outstanding long-term debt. The City's total debt increased $17,081,294 during fiscal year 2025. The increase was due to a new bond issue to pay for the new public works facility.

City of Bluffdale's Long-term Debt

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
SID revenue bonds	$ -	$ -	$ -	$ -	$ -	$ -
Sales tax revenue bonds	-	-	-	-	-	-
Lease revenue	21,440,000	5,615,000	-	-	21,440,000	5,615,000
Premium	1,899,485	136,534	-	-	1,899,485	136,534
Water revenue	-	-	8,000,000	8,664,000	8,000,000	8,664,000
Vacation payable	584,568	457,003	247,080	217,302	831,648	674,305
Total	$ 23,924,053	$ 6,208,537	$ 8,247,080	$ 8,881,302	$ 32,171,133	$ 15,089,839

Economic Factors and the Next Year's Budgets and Rates

As part of the budget process each year, the City performs an evaluation to project future revenues for the coming fiscal year. A major aspect of this evaluation is projecting property tax and sales tax revenues. While there was a slight increase in sales tax revenue from fiscal year 2024 to 2025, the rate of increase in property taxes is slowing down. In order to pay for needed increases in public safety costs, the City instituted a new Public Safety Fee for fiscal year 2025.

Residential building permits continue to decline as most major developments are almost complete. As the residential developments have slowed down, commercial developments have experienced a slight increase. The City continues its approach of budgeting conservatively to avoid revenue shortfalls. Because of the economic uncertainty from inflation and other factors, the City will continue to monitor revenues, especially sales tax revenues and development related fees, and make adjustments as needed.

Requests for Information

The financial report is designed to provide a general overview of the City for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Manager, Bruce Kartchner, 2222 West 14400 South, Bluffdale, Utah 84065, or email, bkartchner@bluffdale.gov.

CITY OF BLUFFDALE, UTAH
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Actitities	Total
ASSETS			
Cash and cash equivalents	$ 63,240,732	$ 6,476,368	$ 69,717,100
Restricted cash and cash equivalents	15,306,870	1,770,044	17,076,914
Receivables:			
Property and other taxes	3,549,373	-	3,549,373
Accounts	336,905	986,800	1,323,705
Intergovernmental receivable	10,581,532	-	10,581,532
Net pension asset	528,848	-	528,848
Capital assets:			
Land	24,432,083	1,985,450	26,417,533
Water rights	40,600	2,067,755	2,108,355
Construction in progress	22,645,828	-	22,645,828
Buildings	15,202,376	-	15,202,376
Autos and trucks	-	1,114,748	1,114,748
Machinery and equipment	9,760,080	536,974	10,297,054
Distribution and collection systems	-	55,938,430	55,938,430
Infrastructure	132,524,760	-	132,524,760
Accumulated depreciation	(46,962,665)	(20,936,385)	(67,899,050)
Total assets	**251,187,322**	**49,940,184**	**301,127,506**
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	**1,028,652**	**257,164**	**1,285,816**
LIABILITIES			
Accounts payable	6,370,848	575,667	6,946,515
Accrued interest payable	69,229	-	69,229
Accrued liabilites	139,438	81,461	220,899
Construction and improvement bonds	3,000,558	-	3,000,558
Non-current liabilities:			
Due within one year:			
Accrued compensated absences	388,928	150,577	539,505
Current portion of bonds	670,000	547,000	1,217,000
Due in more than one year:			
Accrued compensated absences	195,640	96,503	292,143
Bonds	22,669,485	7,453,000	30,122,485
Net pension liability	660,013	165,003	825,016
Total liabilities	**34,164,139**	**9,069,211**	**43,233,350**
DEFERRED INFLOWS OF RESOURCES			
Property tax related	12,541,469	-	12,541,469
Pension related	139,181	34,795	173,976
Total deferred inflows of resources	**12,680,650**	**34,795**	**12,715,445**
NET POSITION			
Net investment in capital assets	134,303,577	32,706,972	167,010,549
Restricted for:			
Debt service	535,706	502,252	1,037,958
Capital projects	11,770,606	1,267,792	13,038,398
Unrestricted	58,761,296	6,616,326	65,377,622
Total net position	**$ 205,371,185**	**$ 41,093,342**	**$ 246,464,527**

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	$ 5,868,813	$ 4,921,170	$ -	$ 10,992,113	$ 10,044,470	$ -	$ 10,044,470
Public safety	9,337,584	-	124,235	-	(9,213,349)	-	(9,213,349)
Streets and public works	8,824,586	-	987,458	7,885,038	47,910	-	47,910
Parks and recreation	3,026,702	-	-	-	(3,026,702)	-	(3,026,702)
Interest and fiscal charges	760,216	-	-	-	(760,216)	-	(760,216)
Total governmental activities	27,817,901	4,921,170	1,111,693	18,877,151	(2,907,887)	-	(2,907,887)
BUSINESS-TYPE ACTIVITIES							
Water	7,884,241	8,315,436	-	2,239,474	-	$ 2,670,669	2,670,669
Total primary government	$ 35,702,142	$ 13,236,606	$ 1,111,693	$ 21,116,625	(2,907,887)	2,670,669	(237,218)
GENERAL REVENUES AND TRANSFERS							
General Revenues:							
Property taxes					3,583,354	-	3,583,354
Franchise taxes					2,333,677	-	2,333,677
General sales and highway sales taxes					5,103,596	-	5,103,596
Interest income					3,740,028	329,890	4,069,918
Gain on sale of capital assets					1,167,288	-	1,167,288
Miscellaneous					1,197,128	-	1,197,128
Transfers, net					(3,817,854)	3,817,854	-
Total general revenues and transfers					13,307,217	4,147,744	17,454,961
Change in net position					10,399,330	6,818,413	17,217,743
Net position - beginning					194,971,855	34,274,929	229,246,784
Net position - ending					$ 205,371,185	$ 41,093,342	$ 246,464,527

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Balance Sheet – Governmental Funds
June 30, 2025

	General	Special Revenue Funds: Redevelopment Agency	Special Revenue Funds: Local Building Authority	Special Revenue Funds: Public Safety Special Levy	Capital Projects	Totals Governmental Funds
ASSETS						
Cash and cash equivalents	$ 2,133,031	$ 49,472,514	$ 2,674,130	$ 355,410	$ 8,605,647	$ 63,240,732
Restricted cash and investments	5,894,392	-	535,706	-	8,876,772	15,306,870
Sales, property and franchise taxes receivable	3,549,373	-	-	-	-	3,549,373
Accounts receivable	226,492	-	-	110,413	-	336,905
Intergovernmental receivables	285,821	10,295,711	-	-	-	10,581,532
Due from other funds	31,000	-	-	-	-	31,000
Total assets	$ 12,120,109	$ 59,768,225	$ 3,209,836	$ 465,823	$ 17,482,419	$ 93,046,412
LIABILITIES						
Accounts payable	$ 935,218	$ 902,464	$ 613,381	$ 59,389	$ 3,860,396	$ 6,370,848
Accrued liabilities	97,161	-	-	42,277	-	139,438
Construction and improvement bonds	3,000,558	-	-	-	-	3,000,558
Due to other funds	-	31,000	-	-	-	31,000
Total liabilities	4,032,937	933,464	613,381	101,666	3,860,396	9,541,844
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	2,245,758	10,295,711	-	-	-	12,541,469
FUND BALANCES						
Restricted for:						
Retirement of debt	-	-	535,706	-	-	535,706
Impact fees	-	-	-	-	8,876,772	8,876,772
Class C road projects	2,893,834	-	-	-	-	2,893,834
Assigned to:						
Redevelopment projects	-	48,539,050	-	-	-	48,539,050
Capital projects	-	-	2,060,749	-	4,745,251	6,806,000
Public safety	-	-	-	364,157	-	364,157
Unassigned	2,947,580	-	-	-	-	2,947,580
Total fund balances (deficits)	5,841,414	48,539,050	2,596,455	364,157	13,622,023	70,963,099
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 12,120,109	$ 59,768,225	$ 3,209,836	$ 465,823	$ 17,482,419	$ 93,046,412

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances - Total Governmental Funds		$ 70,963,099
Capital assets and water stock of $170,775,673, net of accumulated depreciation of $41,827,471, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		157,643,062
Net pension assets are not available to pay for current period expenditures and, therefore, are not reported in the funds. Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the URS pension benefits are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Net pension asset	528,848	
Net pension liability	(660,013)	
Deferred outflows - pension related	1,028,652	
Deferred inflows - pension related	(139,181)	
Total		758,306
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.		
Lease revenue bonds	(21,440,000)	
Premiums	(1,899,485)	
Compensated absences	(584,568)	
Accrued interest payable on long-term debt	(69,229)	
Total		(23,993,282)
Net Position - Governmental Activities		$ 205,371,185

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2025

		Special Revenue Funds				Totals
	General	Redevelopment Agency	Local Building Authority	Public Safety Special Levy	Capital Projects Fund	Governmental Funds
REVENUES						
Taxes	$ 9,953,754	$ 1,066,873	$ -	$ -	$ -	$ 11,020,627
Special assessments	-	-	-	-	1,763,275	1,763,275
Licenses and permits	877,530	-	-	-	-	877,530
Charges for services	2,602,171	-	-	1,133,806	-	3,735,977
Intergovernmental	1,108,193	9,228,838	-	3,500	6,825,663	17,166,194
Fines and forfeitures	307,663	-	-	-	-	307,663
Interest	403,311	2,120,931	382,100	59,367	774,319	3,740,028
Miscellaneous	385,353	-	411,700	70,500	329,575	1,197,128
Total revenues	15,637,975	12,416,642	793,800	1,267,173	9,692,832	39,808,422
EXPENDITURES						
Current:						
General government	5,352,456	-	13,789	-	-	5,366,245
Public safety	-	-	-	6,194,480	-	6,194,480
Streets and public works	3,733,997	2,894,016	-	-	-	6,628,013
Parks and recreation	2,087,023	-	-	-	1,025	2,088,048
Debt service:						
Principal retirement	-	-	175,000	-	-	175,000
Interest and fiscal charges	-	-	619,132	-	-	619,132
Capital outlay	-	3,381,152	9,545,636	-	20,625,931	33,552,719
Bond issuance costs	-	-	243,159	-	-	243,159
Total expenditures	11,173,476	6,275,168	10,596,716	6,194,480	20,626,956	54,866,796
Excess (deficiency) of revenues over expenditures	4,464,499	6,141,474	(9,802,916)	(4,927,307)	(10,934,124)	(15,058,374)
OTHER FINANCING SOURCES (USES)						
Transfers in	741,249	-	-	5,347,186	2,200,000	8,288,435
Transfers out	(6,947,186)	(741,249)	(5,200,000)	-	-	(12,888,435)
Proceeds from bond issuance	-	-	17,862,692	-	-	17,862,692
Proceeds from sale of assets	32,692	-	-	-	1,134,596	1,167,288
Total other financing sources (uses)	(6,173,245)	(741,249)	12,662,692	5,347,186	3,334,596	14,429,980
Net change in fund balances	(1,708,746)	5,400,225	2,859,776	419,879	(7,599,528)	(628,394)
Fund balances, beginning of year	7,550,160	43,138,825	(263,321)	(55,722)	21,221,551	71,591,493
Fund balances (deficits), end of year	$ 5,841,414	$ 48,539,050	$ 2,596,455	$ 364,157	$ 13,622,023	$ 70,963,099

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (628,394)
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 capital outlays and capital contributions exceeded depreciation in the current period.		
Capital outlays and contributions	33,830,054	
Depreciation expense	(5,135,194)	
Total		28,694,860
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This amount is the net effect of these differences in the treatment of long-term debt.		(17,687,692)
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	2,334	
Amortization of bond premiums	99,741	
Compensated absences	(127,565)	
Change in pension liabilities and related deferred outflows and inflows of resources	46,046	
Total		20,556
Change in net position - governmental activities		$ 10,399,330

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
REVENUES				
Taxes	$ 9,745,255	$ 9,843,655	$ 9,953,754	$ 110,099
Licenses and permits	670,000	795,000	877,530	82,530
Charges for service	2,590,950	2,635,950	2,602,171	(33,779)
Intergovernmental	655,000	714,500	1,108,193	393,693
Fines and forfeitures	350,000	350,000	307,663	(42,337)
Interest	570,637	570,637	403,311	(167,326)
Miscellaneous	378,300	376,500	385,353	8,853
Total revenues	14,960,142	15,286,242	15,637,975	351,733
EXPENDITURES				
Current:				
General government				
City council	149,500	159,500	142,992	16,508
Mayor	45,000	45,000	37,159	7,841
Administration	1,556,000	1,670,800	1,503,585	167,215
Facilities	693,700	723,700	661,770	61,930
Planning and zoning	387,000	387,000	379,531	7,469
Risk management	164,500	179,500	163,790	15,710
Court	334,800	334,800	310,617	24,183
Building inspection	492,980	559,180	466,943	92,237
Code enforcement	322,550	335,950	320,180	15,770
Legal	380,500	392,000	262,100	129,900
Garbage	1,267,000	1,267,000	1,103,789	163,211
Streets and public works	4,294,950	4,430,950	3,733,997	696,953
Parks and recreation	2,117,365	2,206,765	2,087,023	119,742
Total expenditures	12,205,845	12,692,145	11,173,476	1,518,669
OTHER FINANCING SOURCES (USES)				
Transfers in	7,989,175	13,312,775	741,249	(12,571,526)
Transfers out	(5,376,736)	(7,968,436)	(6,947,186)	1,021,250
Proceeds from sale of assets	10,000	30,000	32,692	2,692
Total other financing sources (uses)	2,622,439	5,374,339	(6,173,245)	(11,547,584)
Net change in fund balance	5,376,736	7,968,436	(1,708,746)	(12,714,520)
Fund balance, beginning of year	7,550,160	7,550,160	7,550,160	-
Fund balance, end of year	$ 12,926,896	$ 15,518,596	$ 5,841,414	$ (9,677,182)

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – Redevelopment Agency – Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 600,000	$ 600,000	$ 1,066,873	$ 466,873
Intergovernmental	8,625,000	8,625,000	9,228,838	603,838
Interest	6,000	6,000	2,120,931	2,114,931
Miscellaneous	1,365,000	1,365,000	-	(1,365,000)
Total revenue	10,596,000	10,596,000	12,416,642	1,820,642
EXPENDITURES				
Public works	3,528,750	5,614,750	2,894,016	2,720,734
Capital outlay	11,400,000	12,530,000	3,381,152	9,148,848
Total expenditures	14,928,750	18,144,750	6,275,168	11,869,582
Excess (deficiency) of revenues over (under) expenditures	(4,332,750)	(7,548,750)	6,141,474	13,690,224
OTHER FINANCING SOURCES (USES)				
Transfer out	(741,250)	(881,650)	(741,249)	140,401
Net change in fund balance	(5,074,000)	(8,430,400)	5,400,225	13,830,625
Fund balance, beginning of year	43,138,825	43,138,825	43,138,825	-
Fund balance, end of year	$ 38,064,825	$ 34,708,425	$ 48,539,050	$ 13,830,625

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Local Building Authority – Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Lease revenue	$ 411,700	$ 411,700	$ 411,700	$ -
Interest	30,000	30,000	382,100	352,100
Total revenues	441,700	441,700	793,800	352,100
EXPENDITURES				
General government	22,000	22,000	13,789	8,211
Capital outlay	17,030,000	14,056,525	9,545,636	4,510,889
Debt service	389,700	794,200	794,132	68
Bond issuance costs	-	215,000	243,159	(28,159)
Total expenditures	17,441,700	15,087,725	10,596,716	4,491,009
Excess (deficiency) of revenues over (under) expenditures	(17,000,000)	(14,646,025)	(9,802,916)	4,843,109
OTHER FINANCING SOURCES (USES)				
Transfer in	1,000,000	3,846,025	-	(3,846,025)
Transfer out	-	(5,200,000)	(5,200,000)	-
Proceeds from bond issuance	16,000,000	16,000,000	17,862,692	1,862,692
Total other financing sources	17,000,000	14,646,025	12,662,692	(1,983,333)
Net change in fund balance	-	-	2,859,776	2,859,776
Fund balance at beginning of year	(263,321)	(263,321)	(263,321)	-
Fund balance (deficit) at end of year	$ (263,321)	$ (263,321)	$ 2,596,455	$ 2,859,776

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – Public Safety Special Levy – Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance With Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
REVENUES				
Charges for services	$ 1,036,488	$ 1,036,488	$ 1,133,806	$ 97,318
Intergovernmental	22,500	42,500	3,500	(39,000)
Interest	6,000	6,000	59,367	53,367
Miscellaneous	-	-	70,500	70,500
Total revenues	1,064,988	1,084,988	1,267,173	182,185
EXPENDITURES				
Public safety	6,412,174	6,546,574	6,194,480	352,094
Total expenditures	6,412,174	6,546,574	6,194,480	352,094
Excess (deficiency) of revenues over expenditures	(5,347,186)	(5,461,586)	(4,927,307)	534,279
OTHER FINANCING SOURCES				
Transfers in	5,347,186	5,347,186	5,347,186	-
Total other financing sources	5,347,186	5,347,186	5,347,186	-
Net change in fund balance	-	(114,400)	419,879	534,279
Fund balance (deficit) at beginning of year	(55,722)	(55,722)	(55,722)	-
Fund balance (deficit) at end of year	$ (55,722)	$ (170,122)	$ 364,157	$ 534,279

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Net Position – Proprietary Fund
June 30, 2025

	Water Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 6,476,368
Restricted cash and cash equivalents	1,770,044
Accounts receivable, net of allowance for uncollectibles of $9,000	986,800
Total current assets	9,233,212
Capital assets:	
Land	1,985,450
Water rights	2,067,755
Water distribution system	55,938,430
Autos and trucks	1,114,748
Machinery and equipment	536,974
Accumulated depreciation	(20,936,385)
Net capital assets	40,706,972
Total assets	49,940,184
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	257,164
Total deferred outflows of resources	257,164
LIABILITIES	
Current liabilities:	
Accounts payable	575,667
Accrued liabilities	81,461
Accrued compensated absences	150,577
Current portion of revenue bonds payable	547,000
Total current liabilities	1,354,705
Noncurrent liabilities:	
Accrued compensated absences	96,503
Revenue bonds payable	7,453,000
Net pension liability	165,003
Total noncurrent liabilities	7,714,506
Total liabilities	9,069,211
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	34,795
Total deferred inflows of resources	34,795
NET POSITION	
Net investment in capital assets	32,706,972
Restricted:	
Debt service	502,252
Capital projects	1,267,792
Unrestricted	6,616,326
Total net position	$ 41,093,342

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund
For the Year Ended June 30, 2025

	Water Fund
OPERATING REVENUES	
Water sales	$ 8,063,109
Connection and service fees	252,327
Total operating revenues	8,315,436
OPERATING EXPENSES	
Water purchases	2,196,608
Wages and fringe benefits	2,434,001
Maintenance and engineering	488,656
Office supplies, postage and insurance	52,658
Depreciation and amortization	1,893,001
Other	702,952
Total operating expenses	7,767,876
Operating income	547,560
NON-OPERATING REVENUES (EXPENSES)	
State grant	848,439
Interest income	329,890
Interest expense	(116,365)
Impact fees	341,556
Loss on disposal	(782,146)
Total non-operating revenues	621,374
Income before contributions and transfers	1,168,934
Transfers in	4,600,000
Capital contributions	1,049,479
Change in net position	6,818,413
Total net position, beginning of year	34,274,929
Total net position, end of year	$ 41,093,342

The accompanying notes are an integral part of this financial statement.

CITY OF BLUFFDALE, UTAH
Statement of Cash Flows – Proprietary Fund
For the Year Ended June 30, 2025

	Water Fund
Cash flows from operating activities:	
Cash received from customers (including cash deposits)	$ 8,159,594
Cash paid to suppliers	(3,557,464)
Cash paid to employees	(2,381,582)
Net cash from operating activities	2,220,548
Cash flows from non-capital financing activities:	
Impact fees	341,556
Grants	848,439
Transfer from other fund	4,600,000
Net cash from non-capital financing activities	5,789,995
Cash flow from capital and related financing activities:	
Payments on long-term debt	(664,000)
Interest paid on long-term debt	(118,574)
Interest income received	329,890
Purchase of capital assets	(2,539,199)
Net cash from capital and related financing activities	(2,991,883)
Net change in cash and cash equivalents	5,018,660
Cash and cash equivalents at beginning of year	3,227,752
Cash and cash equivalents at end of year	$ 8,246,412
As presented on the balance sheet:	
Cash and cash equivalents	$ 6,476,368
Restricted cash and cash equivalents	1,770,044
Total	$ 8,246,412

(Continued)

CITY OF BLUFFDALE, UTAH
Statement of Cash Flows – Proprietary Fund (Continued)
For the Year Ended June 30, 2025

	Water Fund
Reconciliation of operating income to net cash from operating activities:	
Operating income	$ 547,560
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization expense	1,893,001
Changes in assets and liabilities:	
Change in accounts receivable	(155,842)
Change in deferred ouflows	(43,590)
Change in accounts payable	(116,590)
Change in accrued liabilities	51,712
Change in deferred inflows	(15,712)
Change in net pension liability	60,009
Total adjustments	1,672,988
Net cash from operating activities	$ 2,220,548
Capital and related financing activities not affecting cash:	
Developer contributions of capital assets	$ 1,049,479
Transfer of asset to governmental fund	(782,146)
	$ 267,333

The accompanying notes are an integral part of this financial statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The basic financial statements of City of Bluffdale, Utah (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

The City was incorporated in 1978. The City operates under a Council-Mayor form of government. As required by U.S. GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). The component units discussed below are included as part of the City's reporting entity as blended component units.

The Redevelopment Agency of Bluffdale City (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board of trustees composed of the City Mayor and members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund as a blended component unit. Separate financial statements are not issued for the RDA.

The Bluffdale City Local Building Authority (LBA) was established to finance and construct municipal buildings that are then leased to the City. The governing board of the LBA is comprised of the Mayor and members of City Council. Although it is a legally separate entity from the City, the LBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the LBA. The LBA is included in these financial statements as the Local Building Authority Special Revenue Fund as a blended component unit. Separate financial statements are not issued for the LBA.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. The latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets is capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an *other financing source*. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than expenditures in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Governmental funds do not report donated capital assets received unless the sale of those assets is imminent. The assets are reported in the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Sales taxes, use taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

- The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of the major capital facilities of the City (other than those financed by proprietary funds).

- The *Redevelopment Agency Special Revenue Fund* is used to account for financial resources to be used for the re-vitalization of blighted areas within the City. This fund is a blended component unit.

- The *Local Building Authority Special Revenue Fund* is used to account for financial resources to be used for the design and construction of capital assets for the benefit of the City. This fund is a blended component unit.

- The *Public Safety Special Levy Special Revenue Fund* is used to account for financial resources to be used for public safety within the City.

The City reports the following major proprietary fund:

- The *Water Fund* accounts for the activities of the City's water production, treatment and distribution operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for the providing of administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Cash, Deposits and Investments Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund and other investments allowed by the State of Utah's Money Management Act. Investments are reported at fair value. The State Treasurer's Investment Fund operates in accordance with state laws and regulations. The reported value of the Fund is the same as the fair value of the Fund shares.

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Receivables and Payables Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as *due to or due from other funds*. In the Water fund, the City records utility revenues billed to customers when meters are read on a monthly basis. Unbilled service accounts receivable at June 30, 2025 are not material and are not recorded.

Inventories and Prepaid Items Inventories of materials and supplies in the proprietary funds, consisting principally of materials used in the repair of the transmission, distribution, collection and treatment systems, are valued at cost and accounted for on a first-in, first-out basis (FIFO). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Capital Assets Capital assets, which include property, plant, 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 $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 to 50 years
Infrastructure	20 to 50 years
Machinery and equipment	5 to 7 years
Furniture and fixtures	5 to 10 years
Water distribution system	20 to 50 years

Compensated Absences For governmental funds, amounts of vested or accumulated vacation leave and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Sick pay amounts are charged to expenditures when incurred. Employees may accumulate sick leave without limitation. Accumulated vacation leave is paid to employees upon termination or retirement. Compensated absences and pensions of governmental activities are generally liquidated by the general fund.

Deferred Outflows of Resources In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one items that qualifies for reporting in this category. It is the deferred amounts related to pension. The deferred amount related to pension relates to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension related changes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Deferred Inflows of Resources In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the City reports deferred amounts related to pension.

Long-Term Obligations In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the applicable debt. Bond issuance costs are reported as an expense of the current period. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as *other financing sources* while discounts on debt issuances are reported as *other financing uses*. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Governmental fund balance is reported in five separate categories: Nonspendable, restricted, committed, assigned, and unassigned. When both restricted and unrestricted fund balance is available for use, it is the City's policy to use restricted fund balance first. When expenditures qualify for more than one unrestricted fund balance classification, it is the City's policy to use resources in the following order: Committed, assigned, and then unassigned.

Restricted Assets Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service as well as unexpended portions of bonds issued for capital construction purposes.

Pensions

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of certain financial statement balances. Actual results could vary from the estimates used.

GASB Pronouncements

Effective July 1, 2024, the financial statements include the adoption of GASB No. 101, *Compensated Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences. The Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

- For the fiscal year beginning July 1, the City Manager submits a proposed budget to the City Council by the first City Council meeting in May. The budget includes proposed expenditures and the means of financing them.

- By passage of a resolution, the budget is legally enacted on or before June 15, after a public hearing has been held.

- Once adopted, the budget can be amended by subsequent City Council action. The budget officer is authorized to transfer budgeted amounts between departments within any fund; however, the City Council must approve any revisions that alter the total expenditures of any fund. Increased appropriations require a public hearing to amend the budget.

- Interim adjustments of estimated revenues and appropriations, during the year ended June 30, 2025, have been included in the final budget approved by the City Council, as presented in the basic financial statements.

- As determined by state law, the level by which expenditures may not legally exceed appropriations is the total departmental budgets within a given fund.

- Unencumbered appropriations lapse at the end of each fiscal year.

Annual budgets for the General Fund, all Special Revenue Funds and the Capital Projects Fund were legally adopted by the City and are prepared on the modified-accrual method of accounting.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus such budgets for governmental funds.

The City Council made several supplemental budgetary appropriations throughout the year, including increases and decreases in the general fund. The expenditure appropriations for the fund increased $2,547,875. The biggest increases were in transfers for $2,225,000. The other changes were generally spread among the functions and were for general operations items.

Tax Revenues

Property taxes are collected by the Salt Lake County Treasurer and remitted to the City in two to three installments in November, December, and January of each fiscal year and a final settlement by March 31st. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. An accrual of delinquent current and prior year's property taxes beyond that which was received within 60 days after fiscal year end has not been made, as the amounts are not deemed to be material. An accrual for current year property taxes estimated to be collected the following November and December is made each year. The City's RDA receives property tax revenues, which are levied and remitted by other governments. As the RDA is not the taxing entity who legally levied this tax, these funds are recorded as intergovernmental revenues. During 2025, $10,295,711 was remitted to the RDA.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30th and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, semi-annual, or annual basis. An accrual has not been made for fees due and payable to the City at June 30th as the amounts are not deemed to be material.

3. DEPOSITS AND INVESTMENTS

Utah State law establishes the rules and regulations for deposits and investments and is known as the Utah Money Management Act. The Act established the Money Management Council that promulgates additional rules and determines which financial institutions may qualify to hold deposits and investments for state and local entities. The City has complied with the Utah Money Management Act and rules of the Money Management Council with regard to deposits and investments.

As of June 30, 2025, the City's demand deposits amounted to $1,584,989. Cash equivalents restricted for debt service invested in money market accounts amounted to $1,037,958.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2025, the City had investments in the Utah Public Treasurer's Investment Fund of $84,170,474. The fund is not rated and the weighted average maturity was less than 90 days.

Custodial Credit Risk – Deposits This is the risk that in the event of a bank failure, the City's deposits may not be returned. As of June 30, 2025, $299,458 of the City's $1,660,684 bank balance was insured by FDIC limits and, therefore, is not exposed to custodial credit risk. The Utah Money Management Act does not require deposits to be insured or collateralized and the City has no formal policy regarding deposit credit risk. The Act requires that the City keep deposits in a qualified depository, which the City has done.

Custodial Credit Risk – Investments This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City has no formal policy regarding custodial credit risk for investments. Money invested in the Utah Public Treasurer's Investment Fund is pooled with many other state and local entities and is managed by the Utah State Treasurer. The Fund is not categorized as to custodial credit risk.

Interest Rate Credit Risk This 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 from changes in interest rates is to follow the Utah Money Management Act and only invest in instruments that mature in one year or less. Investments within the Public Treasurer's Investment Fund have a weighted average maturity of less than ninety days.

Credit Risk This is the risk that an issuer will not fulfill its obligations. The City policy is consistent with and complies with the Utah State Money Management Act. Investment is limited to U.S. Treasuries, U.S. Government Agency instruments, Utah Public Treasurer's Investment Fund, and other instruments that are rated A or higher by Standard & Poor's or Moody's. The City only invested in the Utah Public Treasurer's Investment Fund and U.S. Treasury securities during the year.

Concentration of Credit Risk City policy requires diversification and limits the amount that may be invested in the same company. First, the City may not invest more than 20% of its idle funds outside of the Utah Public Treasurer's Investment Fund. Second, not more than 10% of the total portfolio may be invested in a single company's credit instruments. The Utah Public Treasurer's Investment Fund is highly diversified and must comply with various rules of the Utah State Money Management Act and Money Management Council.

The deposits and investments described above are included on the government-wide statement of net position as follows:

Cash and cash equivalents	$ 69,717,100
Restricted cash	17,076,914
	$ 86,794,014

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2025 was as follows:

	7/1/2024	Increases	Decreases	6/30/2025
Governmental activities				
Capital assets:				
Land	$ 18,951,228	$ 5,480,855	$ -	$ 24,432,083
Water rights	40,600	-	-	40,600
Construction in progress	12,249,460	10,396,368	-	22,645,828
Buildings	15,148,732	53,644	-	15,202,376
Infrastructure	115,593,879	16,930,881	-	132,524,760
Machinery and equipment	8,791,774	968,306	-	9,760,080
Total capital assets	170,775,673	33,830,054	-	204,605,727
Accumulated depreciation:				
Buildings	(4,570,489)	(473,271)	-	(5,043,760)
Infrastructure	(31,626,504)	(4,040,692)	-	(35,667,196)
Machinery and equipment	(5,630,478)	(621,231)	-	(6,251,709)
Total accumulated depreciation	(41,827,471)	(5,135,194)	-	(46,962,665)
Net governmental capital assets	$128,948,202	$28,694,860	$ -	$157,643,062

Capital asset activity for business-type activities for the year ended June 30, 2025 was as follows:

	7/1/2024	Increases	Decreases	6/30/2025
Business-type activities				
Capital assets:				
Land	$ 2,767,596	$ -	$ (782,146)	$ 1,985,450
Water rights	2,067,755	-	-	2,067,755
Water distribution system	52,502,710	3,435,720	-	55,938,430
Autos and trucks	961,790	152,958	-	1,114,748
Machinery and equipment	536,974	-	-	536,974
Total capital assets	58,836,825	3,588,678	(782,146)	61,643,357
Accumulated depreciation:				
Water distribution system	(17,995,133)	(1,801,429)	-	(19,796,562)
Auto and trucks	(843,681)	(48,146)	-	(891,827)
Machinery and equipment	(204,570)	(43,426)	-	(247,996)
Total accumulated depreciation	(19,043,384)	(1,893,001)	-	(20,936,385)
Net business-type capital assets	$ 39,793,441	$ 1,695,677	$ (782,146)	$ 40,706,972

4. CAPITAL ASSETS (CONTINUED)

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:		
General government	$	395,724
Public safety		641,596
Highways and public improvements		3,154,616
Parks and recreation		943,258
Total depreciation expense - governmental activities	$	5,135,194
Business-type activities:		
Water	$	1,893,001
Total depreciation expense - business-type activities	$	1,893,001

5. REVENUE BONDS

The City has issued bonds where the revenues and assets of the issuing fund are pledged as security for the bonds.

Revenue bonds outstanding at June 30, 2025, by issue, are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final Due Date	Outstanding as of 6/30/25
LBA Lease Revenue Series 2016	6,705,000	$145,000 to $380,000	3.0% to 4.00%	3/1/2045	5,440,000
LBA Lease Revenue Series 2024	16,000,000	$485,000 to $1,220,000	5.00%	3/1/2045	16,000,000
Water Revenue Refunding Series 2020A	2,107,000	$175,000 to $211,000	1.84%	4/1/2032	1,388,000
Water Revenue Series 2020B	8,000,000	$340,000 to $477,000	0.60% to 1.95%	4/1/2041	6,612,000
	$ 33,834,000				$ 29,440,000

5. REVENUE BONDS (CONTINUED)

Revenue bond debt service requirements to maturity are as follows:

	Principal	Interest	Total
2026	$ 1,217,000	$ 1,117,276	$ 2,334,276
2027	1,258,000	1,079,148	2,337,148
2028	1,301,000	1,039,272	2,340,272
2029	1,340,000	997,456	2,337,456
2030	1,392,000	953,864	2,345,864
2031 - 2035	7,070,000	4,055,101	11,125,101
2036 - 2040	8,070,000	2,751,607	10,821,607
2041 - 2045	7,792,000	1,067,964	8,859,964
	$ 29,440,000	$ 13,061,688	$ 42,501,688

6. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for governmental and business-type activities for the year ended June 30, 2025 were as follows:

	7/1/2024	Additions	Reductions	6/30/2025	Due in One Year
Governmental activities					
Bonds payable:					
LBA Lease Revenue	5,615,000	16,000,000	(175,000)	21,440,000	670,000
LBA Lease Premium	136,534	1,862,692	(99,741)	1,899,485	-
Total bonds payable	5,751,534	17,862,692	(274,741)	23,339,485	670,000
Compensated absences	457,003	127,565	-	584,568	388,928
Net pension liability	419,978	240,035	-	660,013	-
Governmental activities long-term liabilities	$ 6,628,515	$18,230,292	$ (274,741)	$ 24,584,066	$ 1,058,928

	7/1/2024	Additions	Reductions	6/30/2025	Due in One Year
Business-type activities					
Bonds payable:					
Water revenue	$ 8,664,000	$ -	$ (664,000)	$ 8,000,000	$ 547,000
Total bonds payable	8,664,000	-	(664,000)	8,000,000	547,000
Compensated absences	217,302	29,778	-	247,080	150,577
Net pension liability	104,994	60,009	-	165,003	-
Business-type activities long-term liabilities	$ 8,986,296	$ 89,787	$ (664,000)	$ 8,412,083	$ 697,577

7. INTERFUND TRANFERS

During the course of normal operations, transfers are made between funds. The following table summarizes the transfers made during the year:

	Transfers out				
Transfers in	General	Redevelopment agency	Capital projects	Water	Total
General fund	$ -	$ 741,249	$ -	$ -	$ 741,249
Public safety	5,347,186	-	-	-	5,347,186
Local building authority	-	-	600,000	4,600,000	5,200,000
Capital projects	1,600,000	-	-	-	1,600,000
Totals	$ 6,947,186	$ 741,249	$ 600,000	$ 4,600,000	$ 12,888,435

8. OTHER INFORMATION

Risk Management The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries insurance through the Utah Local Government Insurance Trust for all of these risks of loss. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. Expenses and claims not covered by insurance are recognized when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. City Management estimates that the amount of other actual or potential claims against the City as of June 30, 2025 will not materially affect the financial condition of the City.

Redevelopment Agency In connection with the activities of the Redevelopment Agency (RDA), incremental tax revenues totaling $10,295,711 were generated. The RDA was not required to pay any portion of this revenue to other taxing agencies. There is no outstanding debt of the RDA at June 30, 2025.

During the year ended June 30, 2025, funds expended by the RDA were limited to public works and capital outlay in the amount of $6,275,168.

9. PENSION PLANS

General Information about the Pension Plan

Plan description Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

Defined Benefit Plans

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

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning work on or after July 1, 2011, who has 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 Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

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

9. PENSION PLANS (CONTINUED)

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 Percent per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.00% per year all years	Up to 4%
Firefighters System	Highest 3 years	20 years age 60* 10 years age 62* 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year to June 30, 2020; 2% per year July 1, 2020 to present	Up to 2.5%

*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.

9. PENSION PLANS (CONTINUED)

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS 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, 2025 are as follows:

	Employee	**Employer**	**Employer 401(k)**
Noncontributory System			
15-Local Government Div - Tier 1	N/A	16.97%	N/A
111-Local Governmental Div - Tier 2	0.70%	15.19%	N/A
211-Local Governmental Div - Tier 2 401(k)	N/A	5.19%	10%
Firefighters Retirement System			
32 Other Division B	16.71%	4.34%	N/A
132 Tier 2 DB Hybrid Firefighters	4.73%	14.08%	N/A
232 Tier 2 401(k) Option Firefighters	0%	0.08%	14%

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

Contribution Summary

For fiscal year ended June 30, 2025, the employer and employee contributions to the Systems were as follows:

System	**Employer Contributions**	**Employee Contributions**
Noncontributory System	$ 240,695	-
Firefighters System	19,816	75,880
Tier 2 Public Employees System	354,613	16,331
Tier 2 Public Safety and Firefighter	13,449	4,518
Tier 2 DC Only System	35,664	-
Total Contributions	$ 664,237	$ 96,729

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

9. PENSION PLANS (CONTINUED)

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

At June 30, 2025, the City reported a net pension asset of $825,016 and a net pension liability of $528,848.

	(Measurement Date): December 31, 2024			Proportionate	
	Net Pension Asset	**Net Pension Liability**	**Proportionate Share**	**Share December 31, 2023**	**Change (Decrease)**
Noncontributory System	$ -	$ 607,086	0.1914423%	0.1718199%	0.0196224%
Firefighters System	528,848	-	0.3107700%	0.2825866%	0.0281834%
Tier 2 Public Employees System	-	217,283	0.0728552%	0.0649537%	0.0079015%
Tier 2 Public Safety and Firefighter	648	-	0.0014324%	0.0000000%	0.0014324%
	$ 528,848	$ 824,369			

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024 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, 2025, the City recognized pension expense of $617,824.

At June 30, 2025, 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	$ 527,394	$ 1,531
Changes in assumptions	123,358	32
Net difference between projected and actual earnings on pension plan investments	255,820	-
Changes in proportion and differences between contributions and proportionate share of contributions	31,743	172,413
Contributions subsequent to the measurement date	347,501	-
Total	$ 1,285,816	$ 173,976

$347,500 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

9. PENSION PLANS (CONTINUED)

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions (Continued)

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

Year Ended December 31,		Net Deferred Outflows (Inflows) of Resources
2025	$	288,421
2026		450,254
2027		(82,144)
2028		1,962
2029		48,057
Thereafter		57,789

Noncontributory System Pension Expense, Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, the City recognized pension expense of $551,176.

At June 30, 2025, 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	$	361,736	$	-
Changes in assumptions		50,217		-
Net difference between projected and actual earnings on pension plan investments		182,864		-
Changes in proportion and differences between contributions and proportionate share of contributions		-		12,154
Contributions subsequent to the measurement date		121,631		-
Total	$	716,448	$	12,154

$121,631 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

9. PENSION PLANS (CONTINUED)

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources (Continued)

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 339,397
2026	331,017
2027	(74,200)
2028	(13,550)
2029	-
Thereafter	-

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

For the year ended June 30, 2025, the City recognized pension expense of ($171,059).

At June 30, 2025, 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	$ 71,333	$ -
Changes in assumptions	208	-
Net difference between projected and actual earnings on pension plan investments	59,026	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	153,621
Contributions subsequent to the measurement date	13,465	-
Total	$ 144,032	$ 153,621

$13,465 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

9. PENSION PLANS (CONTINUED)

Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources (Continued)

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

Year Ended December 31,		Net Deferred Outflows (Inflows) of Resources
2025	$	(75,556)
2026		80,991
2027		(24,064)
2028		(4,425)
2029		-
Thereafter		-

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

For the year ended June 30, 2025, the City recognized pension expense of $237,031.

At June 30, 2025, 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	$	93,933	$	1,497
Changes in assumptions		72,570		22
Net difference between projected and actual earnings on pension plan investments		13,888		-
Changes in proportion and differences between contributions and proportionate share of contributions		31,024		2,943
Contributions subsequent to the measurement date		199,888		-
Total	$	411,303	$	4,462

$199,888 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

9. PENSION PLANS (CONTINUED)

Tier 2 Public Employees System Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

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

Year Ended December 31,		Net Deferred Outflows (Inflows) of Resources
2025	$	24,767
2026		38,392
2027		16,338
2028		20,139
2029		48,178
Thereafter		59,137

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

For the year ended June 30, 2025, the City recognized pension expense of $676.

At June 30, 2025, we 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	$	392	$	34
Changes in assumptions		363		10
Net difference between projected and actual earnings on pension plan investments		42		-
Changes in proportion and differences between contributions and proportionate share of contributions		719		3,695
Contributions subsequent to the measurement date		12,517		-
Total	$	14,033	$	3,739

$12,517 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

9. PENSION PLANS (CONTINUED)

Tier 2 Public Safety and Firefighter Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

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

Year Ended December 31,		Net Deferred Outflows (Inflows) of Resources
2025	$	(187)
2026		(146)
2027		(218)
2028		(202)
2029		(121)
Thereafter		(1,348)

Actuarial assumptions

The total pension liability in the December 31, 2024 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, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale 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, 2024 valuation were based on an actuarial experience study for the period ending December 31, 2023.

9. PENSION PLANS (CONTINUED)

Actuarial assumptions (Continued)

The long-term expected rate of return of 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. 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 or 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%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
Inflation			2.50%
Expected arithmetic nominal return			8.30%

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.

9. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Sensitivity to the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	$ 2,567,475	$ 607,086	$ (1,037,046)
Firefighter System	25,508	(528,848)	(985,414)
Tier 2 Public Employees System	648,970	217,283	(118,528)
Tier 2 Public Safety and Firefighter	2,209	648	(600)
Total	$ 3,244,162	$ 296,169	$ (2,141,588)

***Pension Plan Fiduciary Net Position Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings 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.

Bluffdale City participates in the 401(k), 457(b), and Roth IRA Defined Contribution Savings Plans with Utah Retirement Systems.

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

	2025	2024	2023
401(k) Plan			
Employer Contributions	$ 468,388	$ 405,442	$ 347,802
Employee Contributions	210,663	198,793	159,270
457 Plan			
Employer Contributions	107,971	102,753	91,464
Employee Contributions	104,029	117,684	117,545
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	27,484	23,761	17,211

CITY OF BLUFFDALE, UTAH
Schedule of the Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Special assessments	$ 2,139,000	$ 2,139,000	$ 1,763,275	$ (375,725)
Intergovernmental	33,828,000	33,895,000	6,825,663	(27,069,337)
Interest	465,000	465,000	774,319	309,319
Miscellaneous	-	-	329,575	329,575
Total revenues	36,432,000	36,499,000	9,692,832	(26,806,168)
EXPENDITURES				
Parks and recreation	602,000	602,000	1,025	600,975
Debt service:				
Principal retirement	140,000	140,000	-	140,000
Interest and fiscal charges	10,000	10,000	-	10,000
Capital outlay	50,762,119	54,677,119	20,625,931	34,051,188
Total expenditures	51,514,119	55,429,119	20,626,956	34,802,163
Excess (deficiency) of revenues over expenditures	(15,082,119)	(18,930,119)	(10,934,124)	7,995,995
OTHER FINANCING SOURCES				
Transfers in	15,528,619	15,930,119	2,200,000	(13,730,119)
Transfers out	(446,500)	-	-	-
Proceeds from sale of assets	-	3,000,000	1,134,596	(1,865,404)
Total other financing sources	15,082,119	18,930,119	3,334,596	(15,595,523)
Net change in fund balance	-	-	(7,599,528)	(7,599,528)
Fund balance at beginning of year	21,221,551	21,221,551	21,221,551	-
Fund balance at end of year	$ 21,221,551	$ 21,221,551	$ 13,622,023	$ (7,599,528)

CITY OF BLUFFDALE, UTAH
Schedule of the Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	As of fiscal year ended June 30	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System	2016	180,430	180,430	-	976,879	0.00%
	2017	185,047	185,047	-	1,017,081	18.19%
	2018	175,641	175,641	-	1,025,525	17.13%
	2019	181,294	181,294	-	1,099,528	16.49%
	2020	179,971	179,971	-	1,129,739	15.93%
	2021	172,156	172,156	-	1,114,502	15.45%
	2022	211,432	211,432	-	1,353,285	15.62%
	2023	223,504	223,504	-	1,500,234	14.90%
	2024	223,569	223,569	-	1,527,632	14.64%
	2025	240,695	240,695	-	1,706,058	14.11%
Firefighters System	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	-	-	-	-	0.00%
	2020	-	-	-	-	0.00%
	2021	-	-	-	-	0.00%
	2022	3,712	3,712	-	37,732	0.00%
	2023	15,731	15,731	-	218,317	7.21%
	2024	15,326	15,326	-	241,728	6.34%
	2025	19,816	19,816	-	456,581	4.34%
Tier 2 Public Employees System*	2016	78,378	78,378	-	516,631	15.17%
	2017	99,675	99,675	-	668,508	14.91%
	2018	128,603	128,603	-	851,109	15.11%
	2019	176,419	176,419	-	1,134,777	15.55%
	2020	178,594	178,594	-	1,140,447	15.66%
	2021	185,414	185,414	-	1,173,512	15.80%
	2022	200,328	200,328	-	1,246,594	16.07%
	2023	233,713	233,713	-	1,459,793	16.01%
	2024	316,026	316,026	-	1,973,928	16.01%
	2025	354,613	354,613	-	2,334,516	15.19%
Tier 2 Public Safety and Firefighter System*	2016	-	-	-	-	0.00%
	2017	3,289	3,289	-	30,596	0.00%
	2018	8,958	8,958	-	82,793	10.82%
	2019	10,059	10,059	-	88,693	11.34%
	2020	7,893	7,893	-	69,356	11.38%
	2021	-	-	-	-	0.00%
	2022	-	-	-	-	0.00%
	2023	-	-	-	-	0.00%
	2024	-	-	-	-	0.00%
	2025	13,449	13,449	-	94,503	14.23%
Tier 2 Public Employees DC Only System*	2016	6,022	6,022	-	87,407	6.89%
	2017	6,022	6,022	-	116,923	5.15%
	2018	9,801	9,801	-	146,496	6.69%
	2019	14,563	14,563	-	217,686	6.69%
	2020	20,443	20,443	-	305,576	6.69%
	2021	29,410	29,410	-	439,603	6.69%
	2022	38,331	38,331	-	572,953	6.69%
	2023	34,967	34,967	-	564,903	6.19%
	2024	38,425	38,425	-	600,104	6.40%
	2025	35,664	35,664	-	624,160	5.71%

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

CITY OF BLUFFDALE, UTAH
Schedule of Pension Contributions
Last Ten Fiscal Years

	As of fiscal year ended June 30	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System	2016	180,430	180,430	-	976,879	0.00%
	2017	185,047	185,047	-	1,017,081	18.19%
	2018	175,641	175,641	-	1,025,525	17.13%
	2019	181,294	181,294	-	1,099,528	16.49%
	2020	179,971	179,971	-	1,129,739	15.93%
	2021	172,156	172,156	-	1,114,502	15.45%
	2022	211,432	211,432	-	1,353,285	15.62%
	2023	223,504	223,504	-	1,500,234	14.90%
	2024	223,569	223,569	-	1,527,632	14.64%
	2025	240,695	240,695	-	1,706,058	14.11%
Firefighters System	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	-	-	-	-	0.00%
	2020	-	-	-	-	0.00%
	2021	-	-	-	-	0.00%
	2022	3,712	3,712	-	37,732	0.00%
	2023	15,731	15,731	-	218,317	7.21%
	2024	15,326	15,326	-	241,728	6.34%
	2025	19,816	19,816	-	456,581	4.34%
Tier 2 Public Employees System*	2016	78,378	78,378	-	516,631	15.17%
	2017	99,675	99,675	-	668,508	14.91%
	2018	128,603	128,603	-	851,109	15.11%
	2019	176,419	176,419	-	1,134,777	15.55%
	2020	178,594	178,594	-	1,140,447	15.66%
	2021	185,414	185,414	-	1,173,512	15.80%
	2022	200,328	200,328	-	1,246,594	16.07%
	2023	233,713	233,713	-	1,459,793	16.01%
	2024	316,026	316,026	-	1,973,928	16.01%
	2025	354,613	354,613	-	2,334,516	15.19%
Tier 2 Public Safety and Firefighter System*	2016	-	-	-	-	0.00%
	2017	3,289	3,289	-	30,596	0.00%
	2018	8,958	8,958	-	82,793	10.82%
	2019	10,059	10,059	-	88,693	11.34%
	2020	7,893	7,893	-	69,356	11.38%
	2021	-	-	-	-	0.00%
	2022	-	-	-	-	0.00%
	2023	-	-	-	-	0.00%
	2024	-	-	-	-	0.00%
	2025	13,449	13,449	-	94,503	14.23%
Tier 2 Public Employees DC Only System*	2016	6,022	6,022	-	87,407	6.89%
	2017	6,022	6,022	-	116,923	5.15%
	2018	9,801	9,801	-	146,496	6.69%
	2019	14,563	14,563	-	217,686	6.69%
	2020	20,443	20,443	-	305,576	6.69%
	2021	29,410	29,410	-	439,603	6.69%
	2022	38,331	38,331	-	572,953	6.69%
	2023	34,967	34,967	-	564,903	6.19%
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	2025	35,664	35,664	-	624,160	5.71%

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

CITY OF BLUFFDALE, UTAH
Notes to the Required Supplementary Information
June 30, 2025

1. CHANGE IN ASSUMPTIONS

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
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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*

Mayor and City Council
City of Bluffdale, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bluffdale, Utah (the City), as of and for the year ended June 30, 2025, 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 3, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

HBME, LLC

December 3, 2025
Bountiful, Utah

HBME

COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

MICHAEL L. SMITH, CPA
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLAINCE AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

Major and City Council
City of Bluffdale, Utah

Report On Compliance

We have audited the City of Bluffdale, Utah's (the City) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide,* issued by the Office of the State Auditor, for the year ended June 30, 2025.

State compliance requirements were tested for the year ended June 30, 2025 in the following areas:

Budgetary Compliance	Fund Balance
Justice Court	Restricted Taxes and Related Revenues
Fraud Risk Assessment	Government Fees
Enterprise Fund Services	Open and Public Meetings Act

Opinion on Compliance

In our opinion, the City of Bluffdale, Utah complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2025.

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 the 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 the City's compliance with the compliance requirements referred to above.

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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 the 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 the 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 the 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 the 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 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 the 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

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

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 *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

HBME, LLC

December 3, 2025
Bountiful, Utah

APPENDIX B

EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE

The following extracts briefly outline certain provisions contained in the Indenture and are not to be considered as a full statement thereof. Reference is made to the Indenture for full details of all the terms thereof, of the Series 2026 Bonds, the security provisions appertaining thereof, and the application of the Net Revenues and the definition of any terms used but not defined in this Official Statement.

Definitions

"Accreted Amount" means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds, as established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds.

"Act" means the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, each to the extent applicable.

"Additional Bonds" means all Bonds, including any short-term bond anticipation notes, issued under the Indenture other than the Initial Bonds.

"Administrative Costs" means all Security Instrument Costs, Reserve Instrument Costs, and Rebatable Arbitrage.

"Aggregate Annual Debt Service Requirement" means the total Debt Service (including any Repayment Obligations) for any one Bond Fund Year (or other specific period) on all Series of Bonds Outstanding or any specified portion thereof.

"Authorized Amount" means, with respect to a Commercial Paper Program, the maximum Principal amount of commercial paper which is then authorized by the Issuer to be outstanding at any one time pursuant to such Commercial Paper Program.

"Authorized Representatives" means the Mayor, City Recorder or any other officer of the Issuer so designated in writing by the Issuer to the Trustee.

"Average Aggregate Annual Debt Service Requirement" means the total of all Aggregate Annual Debt Service Requirements divided by the total Bond Fund Years of the Bonds Outstanding or any specified portion thereof.

"Bond Fund" means the Bluffdale City, Utah Water Revenue Bond Fund to be held by the Trustee created and administered pursuant the Indenture.

"Bond Fund Year" means the 12-month period beginning July 1 of each year and ending on the next succeeding June 30, except that the first Bond Fund Year shall begin on the date of delivery of the Initial Bonds and shall end on the next succeeding June 30.

"Bondholder," "Bondowner," "Registered Owner," or "Owner" means the registered owner of any Bonds in the Indenture authorized according to the registration books of the Issuer maintained by the Trustee as Registrar.

"Bonds" means any bonds, notes, commercial paper, or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to the Indenture, including the Initial Bonds and any Additional Bonds.

"Build America Bonds" means the interest subsidy bonds issuable by the Issuer under Sections 54AA and 6431 of the Code and a "qualified bond" under Section 54AA(g)(2) of the Code or such other tax credit bonds of substantially similar nature which may be hereafter authorized.

"Business Day" means any day (a) (i) on which banking business is transacted, but not including any day on which banks are authorized to be closed in New York City or in the city in which the Trustee has its Principal Corporate Trust Office or, with respect to a related Series of Bonds, in the city in which any Security Instrument Issuer has its principal office for purposes of such Security Instrument and (ii) on which the New York Stock Exchange is open; or (b) as otherwise provided in a Supplemental Indenture.

"Capital Appreciation Bonds" means Bonds the interest on which (a) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (b) is payable upon maturity or prior redemption of such Bonds.

"City" means the Bluffdale City, Utah.

"City Recorder" means the City Recorder of the Issuer or any successor to the duties of such office.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commercial Paper Program" means commercial paper obligations with maturities of not more than 270 days from the dates of issuance thereof which are issued and reissued by the Issuer from time to time pursuant to the Indenture and are outstanding up to an Authorized Amount.

"Construction Fund" means the Bluffdale City, Utah Water Revenue Construction Fund to be held by the Trustee created and administered pursuant to the Indenture.

"Cost" or "Costs" or "Cost of Completion," or any phrase of similar import, in connection with a Project or with the refunding of any Bonds, means all costs and expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition, and construction of a Project, or the refunding of any Bonds, including, without limiting the generality of the foregoing:

(a) amounts payable to contractors and costs incident to the award of contracts;

(b) cost of labor, facilities, and services furnished by the Issuer and its employees or others, materials and supplies purchased by the Issuer or others, and permits and licenses obtained by the Issuer or others;

(c) engineering, architectural, legal, planning, underwriting, accounting, and other professional and advisory fees;

(d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;

(e) interest expenses, including interest on the Series of Bonds relating to a Project;

(f) printing, engraving, and other expenses of financing, fees of financial rating services, and costs of issuing the Series of Bonds (including costs of interest rate caps and costs related to Interest Rate Swaps (or the elimination thereof));

(g) costs, fees, and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;

(h) costs of furniture, fixtures, and equipment purchased by the Issuer and necessary to construct a Project;

(i) amounts required to repay temporary or bond anticipation loans or notes made to finance the costs of a Project;

(j) cost of site improvements performed by the Issuer in anticipation of a Project;

(k) moneys necessary to fund the funds created under the Indenture;

(l) costs of the capitalization with proceeds of a Series of Bonds issued under the Indenture of any operation and maintenance expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one year, as in the Indenture provided, of any discount on bonds or other securities, and of any reserves for the payment of the Principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, Security Instrument Costs, and Reserve Instrument Costs;

(m) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;

(n) all other expenses necessary or desirable and appertaining to a Project, as estimated or otherwise ascertained by the Issuer, including costs of contingencies for a Project; and

(o) payment to the Issuer of such amounts, if any, as shall be necessary to reimburse the Issuer in full for advances and payments theretofore made or costs theretofore incurred by the Issuer for any item of Costs.

In the case of refunding or redeeming any bonds or other obligations, "Cost" includes, without limiting the generality of the foregoing, the items listed in (c), (e), (f), (i), (k), (1), (m) and (o) above, advertising and other expenses related to the redemption of such bonds to be redeemed and the redemption price of such bonds (and the accrued interest payable on redemption to the extent not otherwise provided for).

"Cross-over Date" means with respect to Cross-over Refunding Bonds the date on which the Principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

"Cross-over Refunded Bonds" means Bonds or other obligations refunded by Cross-over Refunding Bonds.

"Cross-over Refunding Bonds" means Bonds issued for the purpose of refunding Bonds or other obligations if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay Principal of the Cross- over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

"Current Interest Bonds" means all Bonds other than Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Supplemental Indenture.

"Debt Service" means, for any particular Bond Fund Year and for any Series of Bonds and any Repayment Obligations, an amount equal to the sum of (a) all interest payable during such Bond Fund Year on such Series of Bonds plus (b) the Principal Installments payable during such Bond Fund Year on (i) such Bonds Outstanding, calculated on the assumption that Bonds Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture, and (ii) such Repayment Obligations then outstanding;

provided, however, for purposes of issuing Additional Bonds,

(1) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate which cannot be ascertained for any particular Bond Fund Year, it shall be assumed that such Series of Variable Rate Bonds or related Repayment Obligations will bear interest at such market rate of interest applicable to such Series of Variable Rate Bonds or related Repayment Obligations as shall be established for this purpose in the opinion of the Issuer's financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise);

(2) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds which are issued with a floating rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Interest Rate Swap; provided that such effective fixed annual rate may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(3) when calculating interest payable during such Bond Fund Year for any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a floating amount, Debt Service shall include the interest payable on such Series of Bonds, less fixed amounts to be received by the Issuer under such Interest Rate Swap plus the amount of the floating payments (using the market rate in a manner similar to that described in (1) above, unless another method of estimation is more appropriate, in the opinion of the Issuer's financial advisor, underwriter, or similar agent for such floating payments) to be made by the Issuer under the Interest Rate Swap; provided that the above described calculation of Debt Service may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(4) when calculating interest payable during such Bond Fund Year with respect to any Commercial Paper Program, Debt Service shall include an amount equal to the sum of all Principal and interest payments that would be payable during such Bond Fund Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a 30 years beginning on the date of calculation or, if later, the last day of the period during which obligations can be issued under such Commercial Paper Program, and bearing interest at such market rate of interest applicable to such Commercial Paper Program as shall be established for this purpose in the opinion of the Issuer's financial advisor, underwriter, or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise); and

(5) when calculating interest payable on Bonds that are Paired Obligations, the interest rate on such Bonds shall be the resulting linked rate or effective fixed interest rate to be paid by the Issuer with respect to such Paired Obligations;

and further provided, that there shall be excluded from Debt Service (a) interest on Bonds (including Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest or capitalized interest is available to pay such interest, (b) Principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, as amended, and such proceeds or the earnings thereon are required to be applied to pay such Principal (subject to the possible use to pay the Principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such Principal, and (c) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the Issuer's obligation to pay such Repayment Obligations and (d) all interest on Bonds to the extent of Direct Payments attributable to Debt Service on Outstanding Bonds or Additional Bonds proposed to be issued.

"Debt Service Reserve Fund" means the Bluffdale City, Utah Water Revenue Debt Service Reserve Fund to be held by the Trustee and created and administered pursuant to the Indenture.

"Debt Service Reserve Requirement" means with respect to each Series of Bonds issued pursuant to the Indenture, unless otherwise provided in the related Supplemental Indenture, an amount equal to the least of (a) 10% of the proceeds of such Series of Bonds determined on the basis of original principal amount (unless original issue premium or original issue discount exceeds 2% of original principal, then determined on the basis of initial purchase price to the public), (b) the maximum annual Debt Service during any Bond Fund Year for such Series of Bonds, and (c) 125% of the average annual Debt Service for such Series of Bonds; provided, however, that in the event any Series of Additional Bonds is issued to refund only a portion and not all of the then Outstanding Bonds of any other Series of Bonds issued pursuant to the Indenture (the "Prior Bonds"), then the portion of such Series of Prior Bonds that remain Outstanding immediately after the issuance of such Additional Bonds and the portion of such Additional Bonds that is allocable to the refunding of such Series of Prior Bonds may be combined and treated as a single Series for purpose of determining the Debt Service Reserve Requirement relating to such combined Series and the resulting requirement shall be allocated among the two Series pro rata based upon the total principal amount remaining Outstanding for each Series. The Debt Service Reserve Requirement may be funded by proceeds from the sale of such Series of Bonds, by a Reserve Instrument as in the Indenture provided or, if provided in the related Supplemental Indenture, may be accumulated over time. Each Account of the Debt Service Reserve Fund shall only be used with respect to the related Series of Bonds.

"Direct Obligations" means noncallable Government Obligations.

"Direct Payments" means the interest subsidy payments received by the Issuer from the Internal Revenue Service pursuant to Section 6431 of the Code or other similar programs with respect to Bonds issued under the Indenture.

"Escrowed Interest" means amounts irrevocably deposited in escrow in accordance with the requirements of Section 11-27-3, Utah Code, in connection with the issuance of Refunding Bonds or Cross-over Refunding Bonds secured by such amounts or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

"Event of Default" means with respect to any default or event of default under the Indenture any occurrence or event specified in and defined by the Indenture.

"Fitch" means Fitch Ratings.

"Governing Body" means the municipal council of the Issuer.

"Government Obligations" means solely one or more of the following:

(a) State and Local Government Series issued by the United States Treasury ("SLGS");

(b) United States Treasury bills, notes, and bonds, as traded on the open market;

(c) Zero Coupon United States Treasury Bonds; and

(d) Any other direct obligations of or obligations unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as "REFCORP strips").

"Indenture" means the General Indenture of Trust as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of the Indenture.

"Initial Bonds" means the first Series of Bonds issued under the Indenture.

"Interest Payment Date" means the stated payment date of an installment of interest on the Bonds.

"Interest Rate Swap" means an agreement between the Issuer or the Trustee and a Swap Counterparty related to a Series of Bonds whereby a variable rate cash flow (which may be subject to any interest rate cap) on a principal or notional amount is exchanged for a fixed rate of return on an equal principal or notional amount. If the Issuer or the Trustee enters into more than one Interest Rate Swap with respect to a Series of Bonds, each Interest Rate Swap shall specify the same payment dates.

"Issuer" means Bluffdale City, Utah, and its successors.

"Moody's" means Moody's Investors Service, Inc.

"Net Revenues" means the Revenues after provision has been made for the payment therefrom of Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means all expenses reasonably incurred in connection with the operation and maintenance of the System, including the cost of water treatment, whether incurred by the Issuer or paid to any other municipality or company pursuant to a contract or otherwise, repairs and renewals (other than capital improvements) necessary to keep the System in efficient operating condition, the cost of audits hereinafter required, fees of the paying agents on the Bonds, payment of premiums for insurance on the System hereinafter required and, generally, all expenses, exclusive of depreciation, which under generally accepted accounting practices are properly allocable to operation and maintenance of the System, but only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

"Outstanding" or "Bonds Outstanding" means at any date all Bonds which have not been canceled which have been or are being authenticated and delivered by the Trustee under the Indenture, except:

(a) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to the Indenture; and

(b) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered under the Indenture, unless proof satisfactory to the Trustee is presented that such Bond is held by a bona fide holder in due course.

"Paired Obligations" means any Series (or portion thereof) of Bonds designated as Paired Obligations in the Supplemental Indenture authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (a) the Principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (b) the interest rates of which, when taken together, result in an irrevocably fixed interest rate obligation of the Issuer for the terms of such Bonds.

"Paying Agent" means the Trustee, appointed as the initial paying agent for the Bonds pursuant to the Indenture, and any additional or successor paying agent appointed pursuant thereto.

"Pledged Bonds" means any Bonds that have been (a) pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations or (b) purchased and held by a Security Instrument Issuer pursuant to a Security Instrument.

"Principal" means (a) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest), except as used in connection with the authorization and issuance of Bonds and with the order of priority of payment of Bonds after an Event of Default, in which case "Principal" means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest), and (b) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

"Principal Corporate Trust Office" means, with respect to the Trustee, the office of the Trustee at U.S. Bank Trust Company, , Salt Lake City, Utah 84101, or such other or additional offices as may be specified by the Trustee.

"Principal Installment" means, as of any date of calculation, (a) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (i) the Principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance of any Sinking Fund Installment due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a Principal amount equal to such unsatisfied balance of such Sinking Fund Installment; and (b) with respect to any Repayment Obligations, the principal amount of such Repayment Obligations due on a certain future date.

"Project" means the acquisition, construction, and/or renovation of the System, or the acquisition of improvements and equipment (with an expected life beyond a current Fiscal Year) for use in the System.

"Put Bond" means any Bond which is part of a Series of Bonds which is subject to purchase by the Issuer, its agent, or a third party from the Owner of the Bond pursuant to provisions of the Supplemental Indenture authorizing the issuance of the Bond and designating it as a "Put Bond."

"Qualified Engineer" means any registered or licensed engineer or architect or engineer or firm of such engineers or architects and engineers generally recognized to be qualified in engineering matters relating to construction and maintenance of municipal water systems, appointed and paid by the Issuer, who shall not have any substantial interest, direct or indirect (other than employment), with the Issuer, but who may be regularly retained to make annual or other periodic reports of the Issuer. "Qualified Engineer" may include any registered or licensed engineer employed by the Issuer.

"Qualified Investments" means any of the following securities:

(a) Government Obligations;

(b) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America including: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Financing Bank; the Farmer's Home Administration; the Federal Housing Administration; the Maritime Administration: General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA's);

(c) Money market funds rated "AAAm" or "AAAm-G" or better by S&P and/or the equivalent rating or better of Moody's (if so rated), including money market funds from which the Trustee or its affiliates derive a fee for investment advisory services to the fund;

(d) Commercial paper which is rated at the time of purchase in the single highest classification, P-1 by Moody's or A-1+ by S&P, and which matures not more than 270 days after the date of purchase;

(e) Bonds, notes or other evidences of indebtedness rated "AAA" by S&P and "Aaa" by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three (3) years;

(f) U.S. dollar denominated deposit accounts, federal funds, and banker's acceptances with domestic commercial banks, including the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date or purchase of"A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(g) The fund held by the Treasurer for the State of Utah and commonly known as the Utah State Public Treasurer's Investment Fund; and

(h) Any other investments or securities permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, including investments contracts permitted by Section 51-7-l 7(2)(d) thereof.

"Rating Agency" means Fitch, Moody's or S&P and their successors and assigns, but only to the extent such rating agency is then providing a rating on a Series of Bonds issued under the Indenture at the request of the Issuer. If either such Rating Agency ceases to act as a securities rating agency, the Issuer may designate any nationally recognized securities rating agency as a replacement.

"Rating Category" or "Rating Categories" mean one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

"Rebatable Arbitrage" means with respect to any Series of Bonds where (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, the amount (determinable as of each Rebate Calculation Date) of rebatable arbitrage payable to the United States at the times and in the amounts specified in Section 148(f)(3) of the Code and Section 1.148-3 of the Regulations.

"Rebate Calculation Date" means, with respect to any Series of Bonds where (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, the Interest Payment Date next preceding the fifth anniversary of the issue date of such Series of Bonds, each fifth anniversary of the initial Rebate Calculation Date for such Series of Bonds, and the date of retirement of the last Bond for such Series.

"Rebate Fund" means the Bluffdale City, Utah Water Revenue Rebate Fund held by the Trustee created and administered pursuant to the Indenture.

"Register" means the record of ownership of the Bonds maintained by the Registrar.

"Registrar" means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the registrar for the Bonds pursuant to the Indenture, and any additional or successor registrar appointed pursuant thereto.

"Regular Record Date" means unless otherwise provided by Supplemental Indenture for a Series of Bonds, the fifteenth day immediately preceding each Interest Payment Date.

"Regulations" and all references thereto shall mean and include applicable final, proposed, and temporary United States Treasury Regulations promulgated with respect to Sections 103 and 141 through 150 of the Code, including all amendments thereto made hereafter.

"Remarketing Agent" means a remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

"Repair and Replacement Fund" means the Bluffdale City, Utah Water Revenue Repair and Replacement Fund to be held by the Issuer and created and administered pursuant to the Indenture.

"Repair and Replacement Reserve Requirement" means the amount or amounts from time to time required under each Supplemental Indenture to be on deposit in the Repair and Replacement Fund.

"Repayment Obligations" means, collectively, all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

"Reserve Instrument" means a device or instrument issued by a Reserve Instrument Provider to satisfy all or any portion of the Debt Service Reserve Requirement applicable to a Series of Bonds. The term "Reserve Instrument" includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit, and other devices.

"Reserve Instrument Agreement" means any agreement entered into by the Issuer and a Reserve Instrument Provider pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) and providing for the issuance by such Reserve Instrument Provider of a Reserve Instrument.

"Reserve Instrument Costs" means all fees, premiums, expenses, and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Provider pursuant to a Reserve

Instrument Agreement. Each Reserve Instrument Agreement shall specify the fees, premiums, expenses, and costs constituting Reserve Instrument Costs.

"Reserve Instrument Coverage" means, as of any date of calculation, the aggregate amount available to be paid to the Trustee pursuant to the Indenture under all Reserve Instruments.

"Reserve Instrument Fund" means the Bluffdale City, Utah Water Revenue Reserve Instrument Fund to be held by the Trustee and created administered pursuant to the Indenture.

"Reserve Instrument Limit" means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of principal of the applicable Series of Bonds.

"Reserve Instrument Provider" means any bank, savings and loan association, savings bank, thrift institution, credit union, insurance company, Surety Company, or other institution issuing a Reserve Instrument.

"Reserve Instrument Repayment Obligations" means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Issuer under such Reserve Instrument Agreement to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs.

"Revenue Fund" means the Bluffdale City, Utah Water Revenue Fund held by the Issuer and administered pursuant to the Indenture.

"Revenues" means all gross income and revenues of any kind, from any source whatsoever, derived from the operation of the System, including, without limitation, Direct Payments, all fees, rates, connection charges, impact fees that are imposed with respect to the Project and other charges, the gross revenues of all improvements, additions, and extensions of the System hereafter constructed or acquired, and all interest earned by and profits derived from the sale of investments made with the income and Revenues.

"S&P" means Standard & Poor's Rating Services.

"Security Instrument" means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term "Security Instrument" includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit, and other security instruments and credit enhancement or liquidity devices (but does not include a Reserve Instrument); provided, however, that no such device or instrument shall be a "Security Instrument" for purposes of the Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

"Security Instrument Agreement" means any agreement entered into by the Issuer and a Security Instrument Issuer pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) providing for the issuance by such Security Instrument Issuer of a Security Instrument.

"Security Instrument Costs" means, with respect to any Security Instrument, all fees, premiums, expenses, and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses, and costs constituting Security Instrument Costs.

"Security Instrument Issuer" means any bank or other financial institution, insurance company, surety company, or other institution issuing a Security Instrument.

"Security Instrument Repayment Obligations" means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs.

"Series" means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

"Sinking Fund Account" means the Bluffdale City, Utah Water Revenue Sinking Fund Account of the Bond Fund held by the Trustee and created and administered pursuant to the Indenture.

"Sinking Fund Installment" means the amount of money which is required to be deposited into the Sinking Fund Account in each Bond Fund Year for the retirement of Term Bonds as specified in the Supplemental Indenture authorizing said Term Bonds (whether at maturity or by redemption), and including the redemption premium, if any.

"Special Record Date" means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with the Indenture.

"State" means the State of Utah.

"Supplemental Indenture" means any indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of the Indenture.

"Swap Counterparty" means a member of the International Swap Dealers Association rated in one of the three top Rating Categories by at least one of the Rating Agencies and meeting the requirements of applicable laws of the State.

"System" means, collectively, the Issuer's culinary water, secondary/irrigation water and enterprise facilities, together with any additions, repairs, renewals, replacements, expansions, extensions, and improvements to said System, or any part thereof, hereafter acquired or constructed, and together with all lands, easements, interests in land, licenses, and rights of way of the Issuer and all other works, property, structures, equipment of the Issuer, and contract rights and other tangible and intangible assets of the Issuer now or hereafter owned or used in connection with, or related to said System.[1]

"Term Bonds" means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Sinking Fund Account.

"Trustee" means U.S. Bank Trust Company, National Association, or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under the Indenture.

"Utah Code" means Utah Code Annotated 1953, as amended.

"Variable Rate Bonds" means, as of any date of calculation, Bonds, the interest on which for any future period of time, is to be calculated at a rate which is not susceptible to a precise determination.

"Year" means any twelve-consecutive month period.

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[1] As amended by Third and Fourth Supplemental Indentures of Trust dated as of September 1, 2020.

Indenture to Constitute Contract

In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued under the Indenture by the Registered Owners thereof, the issuance from time to time of any and all Security Instruments by Security Instrument Issuers, and the issuance from time to time of any and all Reserve Instruments by Reserve Instrument Providers pursuant hereto, the Indenture shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds, the Security Instrument Issuers and the Reserve Instrument Providers; and the pledge made in the Indenture and the covenants and agreements in the Indenture set forth to be performed by or on behalf of the Issuer shall be, FIRST, for the equal benefit, protection, and security of the Owners of any and all of the Bonds and the Security Instrument Issuers of any and all of the Security Instruments all of which, regardless of the time or times of their issuance, delivery, maturity, or expiration, shall be of equal rank without preference, priority, or distinction of any of the Bonds or Security Instrument Repayment Obligations over any others, except as expressly provided in or permitted by the Indenture, and SECOND, for the equal benefit, protection, and security of the Reserve Instrument Providers of any and all of the Reserve Instruments which, regardless of the time or times of their issuance, delivery, or termination, shall be of equal rank without preference, priority, or distinction of any Reserve Instrument over any other thereof.

Limited Obligation.

The Bonds, together with interest thereon, and all Repayment Obligations shall be limited obligations of the Issuer payable solely from the Net Revenues (except to the extent paid out of moneys attributable to the Bond proceeds or other funds created under the Indenture (except the Rebate Fund) or the income from the temporary investment thereof), and shall not constitute a general indebtedness or pledge of the full faith and credit of the Issuer, within the meaning of any constitutional or statutory provision or limitation of indebtedness. The Bonds shall be a valid claim of the Registered Owners thereof only against the Net Revenues and other moneys in funds and accounts held by the Trustee under the Indenture (except the Rebate Fund) and the Issuer by the Indenture pledges and assigns the same for the equal and ratable payment of the Bonds and all Repayment Obligations, and the Net Revenues shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds and to pay the Repayment Obligations, except as may be otherwise expressly authorized in the Indenture or by Supplemental Indenture. The issuance of the Bonds and delivery of any Security Instrument Agreement or Reserve Instrument Agreement shall not, directly, indirectly, or contingently obligate the Issuer or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Covenant Against Creating or Permitting Liens

Except for the pledge of Net Revenues to secure payment of the Bonds and Repayment Obligations under the Indenture, the Net Revenues are and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto; provided, however, that nothing contained in the Indenture shall prevent the Issuer from issuing, if and to the extent permitted by law, indebtedness having a lien on Net Revenues subordinate to that of the Bonds and Repayment Obligations.

Use of Construction Fund

(a) So long as an Event of Default shall not have occurred and be continuing and except as otherwise provided by Supplemental Indenture, moneys deposited in the appropriate account in the Construction Fund shall be disbursed by the Trustee to pay the Costs of a Project, in each case within three (3) Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition approved by an Authorized Representative of the Issuer, stating that the Trustee shall disburse sums in the manner specified by and at the direction of the Issuer to the person or entity designated in such written requisition, and that the amount set forth therein is justly due and owing and constitutes a Cost of a Project based upon audited, itemized claims substantiated in support thereof.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the applicable account in the Construction Fund. In making such payments the Trustee may rely upon the information submitted in such requisition. Such payments shall be presumed to be made properly and the

Trustee shall not be required to verify the application of any payments from the Construction Fund or to inquire into the purposes for which disbursements are being made from the Construction Fund.

(c) The Issuer shall deliver to the Trustee, within 90 days after the completion of a Project, a certificate executed by an Authorized Representative of the Issuer stating:

(i) that such Project has been fully completed in accordance with the plans and specifications therefor, as amended from time to time, and stating the date of completion for such Project; and

(ii) that the Project has been fully paid for and no claim or claims exist against the Issuer or against such Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing certification any claim or claims out of which a lien exists or might ripen in the event the Issuer intends to contest such claim or claims, in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to the Indenture shall state that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Issuer shall file a similar certificate with the Trustee when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

(f) Unless otherwise specified in a Supplemental Indenture, upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by this Section, any balance remaining in the applicable account in the Construction Fund relating to such Project shall, as directed by an Authorized Representative of the Issuer, be deposited in the Bond Fund, to be applied, (i) toward the redemption of the Series of Bonds issued to finance such Project, or (ii) to pay Principal and/or interest next falling due with respect to such Series of Bonds.

(g) The Trustee shall, to the extent there are no other available funds held under the Indenture, use the remaining funds in the Construction Fund to pay Principal and interest on the Bonds at any time in the event of a payment default under the Indenture.

Use of Bond Fund.

The Issuer may direct the Trustee, pursuant to a Supplemental Indenture, to create an account within the Bond Fund for a separate Series of Bonds under the Indenture.

(a) The Trustee shall make deposits to the Bond Fund, as and when received, as follows:

(i) accrued interest received upon the issuance of any Series of Bonds;

(ii) all moneys payable by the Issuer as specified in the Indenture;

(iii) any amount in the Construction Fund to the extent required by or directed pursuant to the Indenture upon completion of a Project;

(iv) all moneys transferred from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect as provided in the Indenture; and

(v) all other moneys received by the Trustee under the Indenture when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) Except as elsewhere provided in the Indenture and except as otherwise provided by Supplemental Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

(i) on or before each Interest Payment Date for each Series of Bonds, the amount required to pay the interest due on such date;

(ii) on or before each Principal Installment due date, the amount required to pay the Principal Installment due on such due date; and

(iii) on or before each redemption date for each Series of Bonds, the amount required to pay the redemption price of and accrued interest on such Bonds then to be redeemed.

Such amounts shall be applied by the Paying Agent to pay Principal Installments and redemption price of, and interest on the related Series of Bonds.

The Trustee shall pay out of the Bond Fund to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. Except as otherwise specified in a related Supplemental Indenture all such Security Instrument Repayment Obligations shall be paid on a parity with the payments to be made with respect to Principal and interest on the Bonds; provided that amounts paid under a Security Instrument shall be applied only to pay the related Series of Bonds. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

The Issuer by the Indenture authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay Principal of and interest on the Bonds and on Security Instrument Repayment Obligations as the same become due and payable and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said Principal and interest.

(c) After payment in full of the Principal of and interest on (i) all Bonds issued under the Indenture (or after provision has been made for the payment thereof as provided in the Indenture so that such Bonds are no longer Outstanding); (ii) all agreements relating to all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations in accordance with their respective terms; and (iii) the fees, charges, and expenses of the Trustee, the Paying Agent, and any other amounts required to be paid under the Indenture or under any Supplemental Indenture and under any Security Instrument Agreement and under any Reserve Instrument Agreement; all amounts remaining in the Bond Fund shall be paid to the Issuer.

Use of Sinking Fund Account.

(a) The Trustee shall apply moneys in the Sinking Fund Account to the retirement of any Term Bonds required to be retired by operation of the Sinking Fund Account under the provisions of and in accordance with the Supplemental Indenture authorizing the issuance of such Term Bonds, either by redemption in accordance with such Supplemental Indenture or, at the direction of the Issuer, purchase of such Term Bonds in the open market prior to the date on which notice of the redemption of such Term Bonds is given pursuant hereto, at a price not to exceed the redemption price of such Term Bonds (plus accrued interest which will be paid from moneys in the Bond Fund other than those in the Sinking Fund Account).

(b) On the maturity date of any Term Bonds, the Trustee shall apply the moneys on hand in the Sinking Fund Account for the payment of the principal of such Term Bonds.

Use of Debt Service Reserve Fund

Except as otherwise provided in this Section and subject to the immediately following sentence, moneys in each account in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement, if any. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount of any Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the Debt Service Reserve Requirement, if any, applicable to such Series which amount shall either be (a) deposited immediately upon the issuance and delivery of such Series from (i) proceeds from the sale thereof or from any other legally available source, or (ii) by a Reserve Instrument or Instruments, or (iii) any combination thereof, (b) deposited from available Net Revenues over the period of time specified therein, or (c) deposited from any combination of (a) and (b) above; provided however, the foregoing provisions shall be subject to the requirements of any Security Instrument Issuer set forth in any Supplemental Indenture. If at any time the amount on deposit in any account of the Debt Service Reserve Fund is less than the minimum amount to be maintained therein under this Section, the Issuer is required, pursuant to the Indenture and the provisions of any Supplemental Indenture, make payments totaling the amount of any such deficiency directly to the Trustee for deposit into the Debt Service Reserve Fund.

In the event funds on deposit in an account of the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is insufficient cash available in such account of the Debt Service Reserve Fund to make up such deficiency and Reserve Instruments applicable to such Series are in effect, the Trustee shall immediately make a demand for payment on such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund. Thereafter, the Issuer shall be obligated to reinstate the Reserve Instrument as provided in the Indenture.

No Reserve Instrument shall be allowed to expire or terminate while the related Series of Bonds are Outstanding unless and until cash has been deposited into the related account of the Debt Service Reserve Fund, or a new Reserve Instrument has been issued in place of the expiring or terminating Reserve Instrument, or any combination thereof in an amount or to provide coverage, as the case may be, at least equal to the amount required to be maintained in the related account of the Debt Service Reserve Fund.

Moneys at any time on deposit in the account of the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of related Reserve Instrument Coverage) shall be transferred by the Trustee to the Bond Fund at least once each year.

Moneys on deposit in any account of the Debt Service Reserve Fund shall be used to make up any deficiencies in the Bond Fund only for the Series of Bonds secured by said account and any Reserve Instrument shall only be drawn upon with respect to the Series of Bonds for which such Reserve Instrument was obtained.

The Issuer may, upon obtaining approving opinion of bond counsel to the effect that such transaction will not adversely affect the tax-exempt status of any outstanding Bonds, replace any amounts required to be on deposit in the Debt Service Reserve Fund with a Reserve Instrument.

Use of Reserve Instrument Fund

There shall be paid into the Reserve Instrument Fund the amounts required by the Indenture and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the Reserve Instrument Repayment Obligations which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement.

Use of Repair and Replacement Fund

All moneys in the Repair and Replacement Fund, if any, may be drawn on and used by the Issuer for the purpose of (a) paying the cost of unusual or extraordinary maintenance or repairs of the System; (b) paying the costs of any renewals, renovation, improvements, expansion, or replacements to the System; and (c) paying the cost of any replacement of buildings, lines, equipment, and other related facilities, to the extent the same are not paid as part of the ordinary and normal expense of the operation of the System.

Funds shall be deposited monthly from available Net Revenues in such amounts as may be required from time to time by each Supplemental Indenture until the Repair and Replacement Fund has an amount equivalent to the Repair and Replacement Requirement. Any deficiencies below the Repair and Replacement Requirement shall be made up from Net Revenues of the System available for such purposes. Funds at any time on deposit in the Repair and Replacement Fund in excess of the amount required to be maintained therein may, at any time, be used by the Issuer for any lawful purpose.

Use of Rebate Fund.

(a) If it becomes necessary for the Issuer to comply with the rebate requirements of the Code and the Regulations, the Trustee shall establish and thereafter maintain, so long as the Bonds which are subject to said rebate requirements are Outstanding, a Rebate Fund, which shall be held separate and apart from all other funds and accounts established under the Indenture and from all other moneys of the Trustee.

(b) All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Indenture. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of Rebatable Arbitrage for one or more Series of Bonds, as verified in writing by an independent public accountant or other qualified professional at the time the Rebatable Arbitrage is determined, the excess amount remaining after payment of the Rebatable Arbitrage to the United States shall, upon the Issuer's written request accompanied by the determination report, be paid by the Trustee to the Issuer.

(c) The Issuer shall determine the amount of Rebatable Arbitrage and the corresponding Required Rebate Deposit with respect to each Series of Bonds on each applicable Rebate Calculation Date and take all other actions necessary to comply with the rebate requirements of the Code and the Regulations. The Issuer shall deposit into the Rebate Fund the Required Rebate Deposit, if any, with respect to each Series of Bonds (or instruct the Trustee to transfer to the Rebate Fund moneys representing such Required Rebate Deposit from the Funds and Accounts held under the Indenture other than the Rebate Fund) or shall otherwise make payment of the rebate to be paid to the United States at the times required by the Code and the Regulations. If applicable, the Issuer shall instruct in writing the Trustee to withdraw from the Rebate Fund and pay any rebate over to the United States. The determination of Rebatable Arbitrage made with respect to each such payment date and with respect to any withdrawal and payment to the Issuer from the Rebate Fund pursuant to the Indenture must be verified in writing by an independent public accountant or other qualified professional. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Issuer's determinations, calculations, and certifications required by this Section and the Trustee shall have no responsibility to independently make any calculations or determination or to review the Issuer's determinations, calculations, and certifications required by this Section.

(d) The Trustee shall, at least sixty (60) days prior to each Rebate Calculation Date, notify the Issuer of the requirements of this Section. By agreeing to give this notice, the Trustee assumes no responsibility whatsoever for compliance by the Issuer with the requirements of Section 148 of the Code or any successor. The Issuer expressly agrees that (notwithstanding any other provision of the Indenture) any failure of the Trustee to give any such notice, for any reason whatsoever, shall not cause the Trustee to be responsible for any failure of the Issuer to comply with the requirements of said Section 148 or any successor thereof.

(e) These provisions may be amended or deleted without Bondowner consent or notice, upon receipt by the Issuer and the Trustee of an opinion of nationally recognized bond counsel that such amendment or deletion will not adversely affect the excludability from gross income of interest on the Bonds or the status of the Bonds as Build America Bonds.

Investment of Funds

Any moneys in the Bond Fund, the Construction Fund, the Reserve Instrument Fund, the Rebate Fund or the Debt Service Reserve Fund shall, at the discretion and authorization of the Issuer, be invested by the Trustee in Qualified Investments; provided, however, that moneys on deposit in the Bond Fund and the Reserve Instrument Fund may only be invested in Qualified Investments having a maturity date one year or less. If no written authorization is given to the Trustee, moneys shall be held uninvested. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Construction Fund, Bond Fund, the Reserve Instrument Fund and Rebate Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as in the Indenture provided. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with the Indenture. All moneys in the Revenue Fund may, at the discretion of the Issuer, be invested by the Issuer in Qualified Investments.

The Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Section. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Qualified Investment, remains a Qualified Investment thereafter, absent receipt of written notice or information to the contrary.

The Trustee may, to the extent permitted by the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, make any and all investments permitted by the provisions of the Indenture through its own or any of its affiliate's investment departments.

The Issuer acknowledges that to the extent regulations of the comptroller of the currency or any other regulatory entity grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Trustee under the Indenture.

The Issuer may invest the amounts on deposit in the Repair and Replacement Fund as permitted by applicable law.

In the event the Issuer shall be advised by nationally recognized municipal bond counsel that it is necessary to restrict or limit the yield on the investment of any moneys paid to or held by the Trustee in order to avoid the Bonds, or any Series thereof, being considered "arbitrage bonds" within the meaning of the Code or the Treasury Regulations proposed or promulgated thereunder, or to otherwise preserve the excludability of interest payable or paid on any Bonds from gross income for federal income tax purposes, the Issuer may require in writing the Trustee to take such steps as it may be advised by such counsel are necessary so to restrict or limit the yield on such investment, irrespective of whether the Trustee shares such opinion, and the Trustee agrees that it will take all such steps as the Issuer may require.

Trust Funds

All moneys and securities received by the Trustee under the provisions of the Indenture shall be trust funds under the terms thereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions of the Indenture. Except as provided otherwise in the Indenture, unless and until disbursed pursuant to the terms of the Indenture, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds and the fees and expenses of the Trustee payable under the Indenture.

Method of Valuation and Frequency of Valuation

In computing the amount in any fund or account, Qualified Investments shall be valued at market, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur annually, except in the event of a withdrawal from the Debt Service Reserve Fund, whereupon securities shall be valued immediately after such withdrawal.

General Covenants.

The Issuer by the Indenture covenants and agrees with each and every Registered Owner of the Bonds issued under the Indenture, Security Instrument Issuer and Reserve Instrument Provider as follows:

(a) While any of the principal of and interest on the Bonds are outstanding and unpaid, or any Repayment Obligations are outstanding, any resolution or other enactment of the Governing Body of the Issuer, applying the Net Revenues for the payment of the Bonds and the Repayment Obligations shall be irrevocable until the Bonds and/or any Repayment Obligations have been paid in full as to both principal and interest, and is not subject to amendment in any manner which would impair the rights of the holders of those Bonds or the Repayment Obligations which would in any way jeopardize the timely payment of principal or interest when due. Furthermore, the rates including connection fees, for all services supplied by the System to the Issuer and to its inhabitants and to all customers within or without the boundaries of the Issuer, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide Net Revenues for each Bond Fund Year of not less than 125% of the Aggregate Annual Debt Service Requirement for such year, plus an amount sufficient to fund the Debt Service Reserve Fund in the time, rate and manner specified in the Indenture, provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. There shall be no free water service, and such rates shall be charged against all users of the System, including the Issuer. The Issuer agrees that should its annual financial statement made in accordance with the Indenture disclose that during the period covered by such financial statement the Net Revenues were not at least equal to the above requirement, the Issuer shall request that a Qualified Engineer make recommendations as to the revision of the rates, charges, and fees and that the Issuer on the basis of such recommendations will revise the schedule of rates, charges, and fees insofar as is practicable and further revise Operation and Maintenance Costs so as to produce the necessary Net Revenues as in the Indenture required.

(b) The Issuer will maintain the System in good condition and operate the same in an efficient manner.

(c) Each Registered Owner, Security Instrument Issuer, and Reserve Instrument Provider shall have a right, in addition to all other rights afforded it by the laws of the State, to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the Issuer to charge or collect reasonable rates for services supplied by the System sufficient to meet all requirements of the Indenture and of any applicable Reserve Instrument Agreement.

(d) So long as any Principal and interest payments of the Bonds are Outstanding, or any Repayment Obligations are outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Each Registered Owner, Security Instrument Issuer, and Reserve Instrument Provider, or any duly authorized agent or agents thereof shall have the right at all reasonable times to inspect all records, accounts, and data relating thereto and to inspect the System. Except as otherwise provided in the Indenture, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Bond Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the Net Revenues and the System, and that such audit will be available for inspection by each Registered Owner, Security Instrument Issuer, and Reserve Instrument Provider.

All expenses incurred in compiling the information required by this Section shall be regarded and paid as an Operation and Maintenance Expense.

First Lien Bonds; Equality of Liens

The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the Net Revenues. The Issuer covenants that the Bonds and Security Instrument Repayment Obligations hereafter authorized to be issued and from time to time outstanding are equitably and ratably secured by a first lien on the Net Revenues and shall not be entitled to any priority one over the other in the application of the Net Revenues regardless of the time or times of the issuance of the Bonds or delivery of Security Instruments, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be actually issued and/or delivered at different times.

Any assignment or pledge from the Issuer to a Reserve Instrument Provider of (a) proceeds of the issuance and sale of Bonds, (b) Net Revenues, or (c) Funds established by the Indenture , including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected by the Indenture to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Payment of Principal and Interest

The Issuer covenants that it will punctually pay or cause to be paid the Principal of and interest on every Bond issued under the Indenture, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, the Indenture, any Security Instrument Agreement, and any Reserve Instrument Agreement, according to the true intent and meaning of the Indenture and thereof. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations, and any Reserve Instrument Repayment Obligations are payable solely from the Net Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created under the Indenture or the income from the temporary investment thereof), and shall not constitute a general indebtedness or pledge of the full faith and credit of the Issuer, within the meaning of any constitutional or statutory provision or limitation of indebtedness, which Net Revenues are specifically pledged by the Indenture and assigned to the payment thereof in the manner and to the extent therein specified, and nothing in the Bonds, the Indenture, any Security Instrument Agreement or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Issuer for the payment thereof.

Expeditious Construction

The Issuer shall complete the acquisition and construction of each Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

Management of System

The Issuer, in order to assure the efficient management and operation of the System and to assure each Registered Owner, Security Instrument Issuer, and Reserve Instrument Provider from time to time that the System will be operated on sound business principles, will employ competent and experienced management for the System, will use its best efforts to see that the System is at all times operated and maintained in first-class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character.

Use of Legally Available Moneys

Notwithstanding any other provisions of the Indenture, nothing therein shall be construed to prevent the Issuer from (a) paying all or any part of the Operation and Maintenance Expenses from any funds available to the Issuer for such purpose, (b) depositing any funds available to the Issuer for such purpose in any account in the Bond Fund for the payment of the interest on, premium, if any, or the principal of any Bonds issued under provisions of the Indenture or for the redemption of any such Bonds, or (c) depositing any funds available to the Issuer for such purpose in the Reserve Instrument Fund for the payment of any amounts payable under any applicable Reserve Instrument Agreement.

Payment of Taxes and Other Charges

The Issuer covenants that all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon the System or upon any part thereof or upon any income therefrom will be paid when the same shall become due, that no lien or charge upon the System or any part thereof or upon any Revenues thereof, except for the lien and charge thereon created under the Indenture and securing the Bonds, will be created or permitted to be created ranking equally with or prior to the Bonds (except for the parity lien thereon of Additional Bonds issued from time to time under the Indenture and under Supplemental Indentures hereto), and that all lawful claims and demands for labor, materials, supplies, or other objects which, if unpaid, might by law become a lien upon the System or any part thereof or upon the Revenues thereof will be paid or discharged, or adequate provision will be made for the payment or discharge of such claims and demands within 60 days after the same shall accrue; provided, however, that nothing in this Section shall require any such lien or charge to be paid or discharged or provision made therefor so long as the validity of such lien or charge shall be contested in good faith and by appropriate legal proceedings.

Insurance

The Issuer, in its operation of the System, will self-insure or carry insurance, including, but not limited to, workmen's compensation insurance and public liability insurance, in such amounts and to such extent as is normally carried by others operating public utilities of the same type. The cost of such insurance shall be considered an Operation and Maintenance Expense of the System. In the event of loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder shall be paid into the Bond Fund.

Covenant Not to Sell

The Issuer will not sell, lease, mortgage, encumber, or in any manner dispose of the System or any substantial part thereof, including any and all extensions and additions that may be made thereto, until all Principal of and interest on the Bonds, and all Repayment Obligations, have been paid in full, except as follows:

(a) The Issuer may sell any portion of said property (i) which shall have been replaced by other property of at least equal value, (ii) which shall cease to be necessary for the efficient operation of the System and the disposition of which will not, as determined by the governing body of the Issuer, result in a material reduction in Net Revenues in any year; or (iii) the value, as determined by the governing body of the Issuer, of the property to be sold, leased, abandoned, mortgaged, or otherwise disposed of (together with any other property similarly disposed of within the 12 calendar months preceding the proposed disposition) does not exceed 5% of the value of the System assets, as determined by the governing body of the Issuer, provided, however, that in the event of any sale as aforesaid, the proceeds of such sale not needed to acquire other System property shall be paid into the Bond Fund.

(b) The Issuer may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement, or right does not impede the operation of the System; and any payment received by the Issuer under or in connection with any such lease, contract, license, arrangement, easement, or right in respect of the System or any part thereof shall constitute Revenues.

Billing Procedure

The Issuer shall submit a monthly billing for services rendered to persons who are liable for the payment of charges for such services, and shall require that each such bill be paid in full as a unit, and refuse to permit payment of a portion without payment of the remainder. Any bill not paid within 30 days from the date it is mailed to the customer shall be deemed delinquent. The Issuer agrees that if any bill remains delinquent for more than 60 days, it will initiate proceedings to cause all water service to the user concerned to be cut off pursuant to the notice and termination of service procedures of the Issuer.

Events of Default

Each of the following events is declared an "Event of Default":

(a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, or

(b) if payment of the Principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund under the Indenture or otherwise; or

(c) if the Issuer shall for any reason be rendered incapable of fulfilling its obligations under the Indenture; or

(d) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within 30 days after the entry thereof; or

(e) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are or may be under any circumstances payable from Revenues; or

(f) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment, or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee, or custodian of the Issuer or of the whole or any part of the Issuer's property and any of the aforesaid adjudications, orders, judgments, or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(g) if the Issuer shall file a petition or answer seeking reorganization, relief, or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(h) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of the property of the Issuer, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

(i) if the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements, and provisions contained in the Bonds, or in the Indenture or any Supplemental Indenture thereof on the part of the Issuer to be performed, other than as set forth above in this Section, and such Default shall continue for 30 days after written notice specifying such Event of Default and requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding under the Indenture; or

(j) any event specified in a Supplemental Indenture as constituting an Event of Default.

Remedies; Rights of Registered Owners

Upon the occurrence of an Event of Default, the Trustee, upon being indemnified pursuant to the Indenture, may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer under the Indenture.

If an Event of Default shall have occurred, and if requested so to do by (a) Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (b) Security Instrument Issuers at that time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, or (c) any combination of Registered Owners and Security Instrument Issuers described in (a) and (b) above representing not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, and indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Registered Owners and the Security Instrument Issuers.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners, or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default under the Indenture, whether by the Trustee or by the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Right of Registered Owners to Direct Proceedings

Anything in the Indenture to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (a) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (b) the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, or (c) any combination of Registered Owners and Security Instrument Issuers described in (a) and (b) above representing not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Application of Moneys

All moneys received by the Trustee pursuant to any right given or action taken under the provisions relating to Events of Default under the Indenture shall, after payment of Trustee's fees and expenses including the fees and expenses of its counsel for the proceedings resulting in the collection of such moneys and of the expenses and liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied in the following order:

(a) To the payment of the principal of, premium, if any, and interest then due and payable on the Bonds and the Security Instrument Repayment Obligations as follows:

(i) Unless the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST-To the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the interest component of any Security Instrument Repayment Obligations then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND-To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, and the Principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the Principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the Principal and interest then due and unpaid upon the Bonds and Security Instrument Repayment Obligations, without preference or priority of Principal over interest or of interest over Principal, or of any installment of interest over any other installment of interest, or of any Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, ratably, according to the amounts due respectively for Principal and interest, to the persons entitled thereto without any discrimination or privilege.

(iii) To the payment of all obligations owed to all Reserve Instrument Providers, ratably, according to the amounts due without any discrimination or preference under any applicable agreement related to any Reserve Instrument Agreement.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue.

Remedies Vested in Trustee

All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

Rights and Remedies of Registered Owners

Except as provided in the last sentence of this Section, no Registered Owner of any Bond or Security Instrument Issuer shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless an Event of Default has occurred of which the Trustee has been notified as provided in the Indenture, or of which by said provision it is deemed to have notice, nor unless also Registered Owners of 25% in aggregate Principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 25% in aggregate Principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted in the Indenture, or to institute such action, suit, or proceeding in its own name or names. Such notification, request, and offer of indemnity are declared by the Indenture in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the Indenture by its action or to enforce any right under the Indenture except in the manner in the Indenture provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner in the Indenture provided and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments. Nothing in the Indenture contained shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Issuer to pay the Principal of, premium, if any, and interest on each of the Bonds issued under the Indenture held by such Registered Owner and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

Termination of Proceedings

In case the Trustee, any Registered Owner, or any Security Instrument Issuer shall have proceeded to enforce any right under the Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any .reason, or shall have been determined adversely to the Trustee, the Registered Owner, or Security Instrument Issuer, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights under the Indenture, and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

Waivers of Events of Default

Except as otherwise provided in the Indenture, the Trustee may in its discretion, and with the prior written consent of all Security Instrument Issuers at the time providing Security Instruments, waive any Event of Default under the Indenture and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate Principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of principal and interest exist, or (b) a majority in aggregate Principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any default in the payment of the Principal of any Bonds at the date that a Principal Installment is due, or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of Principal and premium, if any, when due and all expenses of the Trustee, in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Registered Owners and the Security Instrument Issuers shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Trustee Notice

The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default under the Indenture, except an Event of Default described in (a) or (b) under Event of Default above, unless the Trustee shall be specifically notified in writing of such Default by the Issuer, a Security Instrument Issuer or by the Registered

Owners of at least 25% in the aggregate principal amount of any Series of the Bonds then Outstanding and all notices or other instruments required by the Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

Trustee Indemnity

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request, order, or direction of any of the Registered Owners, Security Instrument Issuers, or Reserve Instrument Providers, pursuant to the provisions of the Indenture, unless such Registered Owners, Security Instrument Issuers, or Reserve Instrument Providers shall have offered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities which may be incurred therein or thereby.

Fees, Charges, and Expenses of Trustee

The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered as Trustee under the Indenture and all advances, counsel fees, and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as provided in the Indenture. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or Principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs, and expenses incurred. The Trustee's rights under this Section will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Notice to Registered Owners if Event of Default Occurs

If an Event of Default occurs of which the Trustee is required by the Indenture to take notice or if notice of an Event of Default be given to the Trustee as in said Section provided, then the Trustee shall give written notice thereof by registered or certified mail to all Security Instrument Issuers or to Registered Owners of all Bonds then Outstanding shown on the registration books of the Bonds kept by the Trustee as Registrar for the Bonds.

Successor Trustee

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto, shall be and become successor Trustee under the Indenture and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed of conveyance on the part of any of the parties hereto, anything in the Indenture to the contrary notwithstanding.

Removal of the Trustee

The Trustee may be removed at any time, by an instrument or concurrent instruments (a) in writing delivered to the Trustee, and signed by the Issuer, unless there exists any Event of Default, or (b) in writing delivered to the Trustee and the Issuer, and signed by the Registered Owners of a majority in aggregate Principal amount of Bonds then Outstanding if an Event of Default exists; provided that such instrument or instruments concurrently appoint a successor Trustee meeting the qualifications set forth in the Indenture.

Appointment of Successor Trustee; Temporary Trustee

In case the Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting under the Indenture, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer (or, if an Event of Default exists, by the Registered Owners of a majority in aggregate Principal amount of Bonds then

Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy the Issuer by an instrument executed by an Authorized Representative under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners). Every successor Trustee appointed pursuant to the provisions of this Section or otherwise shall be a trust company or bank in good standing having a reported capital and surplus of not less than $50,000,000.

Each Reserve Instrument Provider and Security Instrument Issuer shall be notified immediately upon the resignation or termination of the Trustee and provided with a list of candidates for the office of successor Trustee.

Annual Accounting

The Trustee shall prepare an annual accounting for each Bond Fund Year by the end of the month following each such Bond Fund Year showing in reasonable detail all financial transactions relating to the funds and accounts held by the Trustee under the Indenture during the accounting period and the balance in any funds or accounts created by the Indenture as of the beginning and close of such accounting period, and shall mail the same to the Issuer, and to each Reserve Instrument Provider requesting the same. The Trustee shall also make available for inspection by any Registered Owner a copy of said annual accounting (with the names and addresses of Registered Owners receiving payment of debt service on the Bonds deleted therefrom) and shall mail the same if requested in writing to do so by Registered Owners of at least 25% in aggregate principal amount of Bonds then Outstanding to the designee of said Owners specified in said written request at the address therein designated. On or before the end of the month following each Bond Fund Year, the Trustee shall, upon written request, provide to the Issuer and the Issuer's independent auditor representations as to the accuracy of the facts contained in the financial reports concerning the transactions described in the Indenture that were delivered by the Trustee during the Bond Fund Year just ended.

Trustee's Right to Own and Deal in Bonds

The bank or trust company acting as Trustee under the Indenture, and its directors, officers, employees, or agents, may in good faith buy, sell, own, hold, and deal in any of the Bonds issued under the Indenture and secured by the Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under the Indenture.

Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers, and Reserve Instrument Providers

The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners, Reserve Instrument Providers, or Security Instrument Issuers, enter into an indenture or indentures supplemental hereto, as shall not be inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

(a) To provide for the issuance of Additional Bonds in accordance with the Indenture;

(b) To cure any ambiguity or formal defect or omission in the Indenture;

(c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers, and any Reserve Instrument Providers any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Registered Owners or any of them which shall not adversely affect the interests of any Reserve Instrument Providers or Security Instrument Issuers without its consent;

(d) To subject to the Indenture additional Revenues or other revenues, properties, collateral, or security;

(e) To provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Title 15, Chapter 7 of the Utah Code, or any successor provisions of law;

(f) To make any change which shall not materially adversely affect the rights or interests of the Owners of any Outstanding Bonds, any Security Instrument Issuers, or any Reserve Instrument Provider, requested or approved by a Rating Agency in order to obtain or maintain any rating on the Bonds or requested or approved by a Security Instrument Issuer or Reserve Instrument Provider in order to insure or provide other security for any Bonds;

(g) To make any change necessary (A) to establish or maintain the excludability from gross income for federal income tax purposes of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code or interpretations by the Internal Revenue Service of Section 148 of the Code or of regulations proposed or promulgated thereunder, or (B) to comply with the provisions of Section 148(f) of the Code, including provisions for the payment of all or a portion of the investment earnings of any of the Funds established under the Indenture to the United States of America or (C) to establish or maintain the Direct Payments related to any Series of Bonds;

(h) If the Bonds affected by any change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, provided that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument Issuer;

(i) If the Bonds affected by any change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument Issuer, provided that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected;

(i) Unless otherwise provided by a Supplemental Indenture authorizing a Series of Bonds, the designation of the facilities to constitute a Project by such Supplemental Indenture may be modified or amended if the Issuer delivers to the Trustee (i) a Supplemental Indenture designating the facilities to comprise the Project, (ii) an opinion of Bond Counsel to the effect that such amendment will not adversely affect the tax-exempt status (if applicable) or validity of the Bonds, and (iii) a certificate of the Issuer to the effect that such amendment will not adversely affect the Issuer's ability to comply with the provisions of the Indenture; and

(k) To correct any references contained in the Indenture to provisions of the Act, the Code or other applicable provisions of law that have been amended so that the references in the Indenture are correct.

Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners

Exclusive of Supplemental Indentures covered by the Section above and subject to the terms and provisions contained in this Section, and not otherwise, the Registered Owners of 66-2/3% in aggregate Principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to (a) consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental thereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture, or (b) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions of the Indenture or of any indenture supplemental hereto; provided, however, that nothing in this Section contained shall permit or be construed as permitting (i) an extension of the date that a Principal Installment is due at maturity or mandatory redemption or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Registered Owner of such Bond, or (ii) a reduction in the amount or extension of the time of any payment required by any Fund established under the Indenture applicable to any Bonds without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken, or (iii) a reduction in the aforesaid aggregate Principal amount of Bonds, the Registered Owners of which are required to consent to any such waiver or Supplemental Indenture, or (iv) affect the rights of the Registered Owners of less than all Bonds then outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken. In addition, no supplement to the Indenture shall modify the rights, duties, or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or a Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as provided in the preceding, neither the Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable.

Discharge of Indenture

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Registered Owners of the Bonds, the Principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of moneys due or to become due according to the provisions of the Indenture, and to all Security Instrument Issuers and all Reserve Instrument Providers all sums of money due or to become due according to the provisions of any Security Instrument Agreements, Reserve Instrument Agreements, as applicable, then these presents and the estate and rights by the Indenture granted shall cease, terminate, and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and release, assign, and deliver unto the Issuer any and all the estate, right, title, and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee, or otherwise subject to the lien of the Indenture, except moneys or securities held by the Trustee for the payment of the Principal of and interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements or the payment of amounts pursuant to any Reserve Instrument Agreements.

Any Bond shall be deemed to be paid within the meaning of these provisions when payment of the Principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment, or (ii) Direct Obligations, maturing as to Principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee and any Paying Agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Direct Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding Paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by the Indenture);

(b) directing the Trustee to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to the provisions of the Indenture; and

(c) if the Bonds to be redeemed will not be redeemed within 90 days of such deposit, directing the Trustee to mail, as soon as practicable, in the manner prescribed by the Indenture, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by these provisions has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the Principal or redemption price, if applicable, on said Bonds as specified in Subparagraph (a) above.

Any moneys so deposited with the Trustee as provided in this provisions may at the direction of the Issuer also be invested and reinvested in Direct Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Direct Obligations in the hands of the Trustee pursuant to these provisions which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund; provided, however, that before any excess moneys shall be deposited in the Bond Fund, the Trustee shall first obtain a written verification from a certified public accountant that the moneys remaining on deposit with the Trustee and invested in Direct Obligations after such transfer to the Bond Fund shall be sufficient in amount to pay Principal and interest on the Bonds when due and payable.

No such deposit under these provisions shall be made or accepted under the Indenture and no use made of any such deposit unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any tax-exempt Bonds to be treated as arbitrage bonds within the meaning of Sections 148 of the Code.

Notwithstanding any other provision of the Indenture which may be contrary to the provisions of these provisions, all moneys or Direct Obligations set aside and held in trust pursuant to the provisions of these provisions for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Direct Obligations have been so set aside in trust.

Anything in the Indenture to the contrary notwithstanding, if moneys or Direct Obligations have been deposited or set aside with the Trustee pursuant to these provisions for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of these provisions shall be made without the consent of the Registered Owner of each Bond affected thereby.

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY

THE CITY

City Population

Year	Population	Percent Change
2025	19,506	0.53%
2024	19,403	0.20
2023	19,364	0.96
2022	19,179	2.00
2021	18,803	10.51
2020 Census	17,015	2.88
2019	16,538	13.06
2018	14,628	8.65
2017	13,464	15.00
2016	11,708	8.31

(Source: U.S. Census Bureau. Years 2016 through 2019 and 2021 through 2025 are estimates as of July 1 of the year given; 2020 is as of 2020 census.)

Construction Activity

The following table summarizes the value of permit authorized construction for the City for the years shown for both residential and commercial construction.

	Calendar Year				
	2025	2024	2023	2022	2021
New Dwelling Units	13	194	46	65	440
New Residential Value ($000)	$7,624.75	$58,825.23	$25,630.56	$32,874.38	$55,757.46
New Nonresidential Value ($000)	12,933.77	45,476.16	37,320.22	31,419.56	20,530.72
Additions/Alterations/Repairs ($000)	12,578.38	5,788.54	15,250.62	23,001.53	12,722.95
Total Construction ($000)	33,136.90	110,089.93	78,201.40	87,295.48	89,011.13

(Source: University of Utah Bureau of Economic and Business Research.)

THE COUNTY

The following demographic information is provided solely as background information regarding Salt Lake County (the "County"), the general area in which the City is located. 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

Year	County	% Change	State	% Change
2025 Estimate	1,220,916	0.28%	3,538,904	1.03%
2024 Estimate	1,217,454	0.99	3,502,983	1.56
2023 Estimate	1,205,509	0.90	3,449,259	1.63
2022 Estimate	1,194,746	0.68	3,393,928	1.62
2021 Estimate	1,186,648	0.12	3,339,874	2.09
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
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

Year	County	State	United States
2024	3.2%	3.2%	4.0%
2023	2.7	2.7	3.6
2022	2.4	2.4	3.6
2021	2.9	2.8	5.3
2020	5.3	4.8	8.1
2019	2.5	2.5	3.7
2018	2.9	2.9	3.9
2017	3.0	3.1	4.4
2016	3.1	3.3	4.9
2015	3.3	3.5	5.3

(Source: Utah Department of Workforce Services and the U.S. Department of Labor.)

Economic Indicators in the County

LABOR FORCE [1]	2025	2024	2023	2022	2021
Labor Force (annual average)	n/a	693,444	681,550	664,322	645,193
Employed (annual average)	n/a	671,267	663,016	648,471	626,701
Unemployed (annual average)	n/a	21,177	18,534	15,851	18,492
Average Employment (Non-Farm Jobs)	820,278	808,015	800,225	783,881	750,123
% Change Prior Year	*1.52*	*0.98*	*2.09*	*4.50*	*4.08*
Average Employment by Sector:					
Agriculture, Forestry, Fishing & Hunting	562	572	600	505	433
Mining	3,252	3,476	3,419	3,101	2,711
Utilities	2,918	2,755	2,674	2,621	2,540
Construction	56,396	55,073	54,136	52,254	49,403
Manufacturing	62,657	60,989	61,937	61,233	58,412
Wholesale Trade	39,434	40,100	38,399	36,899	34,826
Retail Trade	71,110	73,066	73,842	75,693	75,837
Transportation and Warehousing	51,115	50,974	50,935	48,540	46,635
Information	24,010	23,459	24,260	24,535	21,586
Finance and Insurance	52,216	51,877	51,142	51,666	51,570
Real Estate and Rental and Leasing	13,597	12,882	12,605	12,320	11,964
Professional, Scientific & Technical Services	75,902	76,023	75,975	73,906	67,717
Management of Companies and Enterprises	17,381	16,898	16,780	16,336	16,041
Administrative, Support, Waste Management, & Remediation	52,095	49,971	51,294	52,504	50,714
Education Services	71,383	68,673	66,619	65,262	62,248
Health Care and Social Assistance	97,477	93,654	90,862	86,331	83,898
Arts, Entertainment, and Recreation	13,965	13,241	12,260	11,306	9,691
Accommodation and Food Services	57,009	57,213	56,703	53,976	48,396
Other Services and Unclassified Establishments	23,334	23,209	23,147	22,902	22,348
Public Administration	34,466	33,911	32,634	31,989	31,155
Total Establishments	68,084	67,171	65,069	62,762	62,346
Total Wages ($Millions)	65,197.9	61,501.2	58,435.7	54,673.5	49,206.1

INCOME AND WAGES	2025	2024	2023	2022	2021
Total Personal Income ($000) [2]	n/a	$91,748,267	$86,904,107	$80,769,549	$76,936,492
Per Capita Income [2]	n/a	75,434	72,387	67,745	64,843
Median Household Income [1]	n/a	99,008	94,658	91,713	80,676
Average Monthly Nonfarm Wage [1]	6,624	6,343	6,085	5,812	5,466

SALES & CONSTRUCTION	2025	2024	2023	2022	2021
Gross Taxable Sales ($000,000) [3]	43,966.8	42,782.1	41,950.6	41,687.3	37,173.7
New Dwelling Units [4]	7,253	4,093	8,824	8,864	11,037
Total Construction Value ($000) [4]	3,955,821.0	3,565,252.3	4,463,195.5	3,992,958.0	4,343,554.3
New Residential Value ($000) [4]	1,821,054.7	1,015,070.2	2,147,646.1	1,711,278.5	2,153,788.4
New Nonresidential Value ($000) [4]	1,153,450.7	637,834.0	910,557.6	1,303,331.3	1,056,514.3

(Sources: (1) Utah Department of Workforce Services; (2) U.S. Department of Commerce, Bureau of Economic Analysis, last updated February 2026; (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

Company	Industry	Employment Range
University of Utah	Higher Education	20,000+
Intermountain Health Care	Health Care	20,000+
State of Utah	State Government	10,000-14,999
Granite School District	Public Education	7,000-9,999
Jordan School District	Public Education	7,000-9,999
Amazon.com	Local Messengers and Delivery	7,000-9,999
Salt Lake County	Local Government	5,000-6,999
Wal-Mart Associates	Warehouse Clubs and Supercenters	5,000-6,999
Delta Airlines	Passenger Air Transportation	5,000-6,999
Canyons School District	Public Education	4,000-4,999
ARUP Laboratories	Medical Laboratories	4,000-4,999
Salt Lake City	Local Government	3,000-3,999
VA Salt Lake City Health Care	Hospitals	3,000-3,999
Smith's	Supermarkets	3,000-3,999
United Parcel Service	Couriers and Express Delivery	3,000-3,999
Salt Lake City School District	Public Education	3,000-3,999
US Postal Service	Postal Service	3,000-3,999
Salt Lake Community College	Junior Colleges	3,000-3,999
Biofire Diagnostics	Biotechnology R&D	2,000-2,999
Zions Bancorporation	Commercial Banking	2,000-2,999
L3 Technologies	Instrument Manufacturing	2,000-2,999
Kennecott Utah Copper	Copper Mining	2,000-2,999
Fidelity Brokerage Services	Investment Banking	2,000-2,999
Utah Transit Authority	Mixed Mode Transit	2,000-2,999
Harmons	Supermarkets	2,000-2,999
Costco Wholesale	Warehouse Clubs	2,000-2,999
Northrop Grumman	Aerospace Manufacturing	2,000-2,999
Mountain America Credit Union	Credit Unions	2,000-2,999
Merit Medical Systems	Medical Instrument Manufacturing	2,000-2,999
SkyWest Airlines	Passenger Air Transportation	2,000-2,999
Select Health	Medical Insurance Carriers	2,000-2,999
Goldman Sachs	Credit Intermediation	1,000-1,999
Wells Fargo Bank	Commercial Banking	1,000-1,999
Discover Products	Consumer Lending	1,000-1,999
Core Innovative Solutions	Accommodation	1,000-1,999
St Marks Hospital	Hospitals	1,000-1,999
Maverik	Gasoline Stations	1,000-1,999
FedEx	Couriers and Express Delivery	1,000-1,999
The Home Depot	Home Centers	1,000-1,999
Edwards Lifesciences	Medical Instrument Manufacturing	1,000-1,999
McDonalds	Restaurants	1,000-1,999
Jordan Valley Hospital	Hospitals	1,000-1,999
Target	Department Stores	1,000-1,999
Becton, Dickinson And Company	Medical Equipment Wholesalers	1,000-1,999
Snowbird Operations	Accommodation	1,000-1,999

(Source: Utah Department of Workforce Services; last updated October 2025.)

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking"), is executed by the City of Bluffdale, Utah (the "City"), in connection with the issuance by the City of its $[__________] Water Revenue Bonds, Series 2026 (the "Series 2026 Bonds"). The Series 2026 Bonds are being issued pursuant to a General Indenture of Trust dated as of May 1, 2011 (the "General Indenture"), as heretofore supplemented and amended and as further supplemented by a Fifth Supplemental Indenture of Trust dated as of September 1, 2026 (the "Fifth Supplemental Indenture" and together with the General Indenture as previously amended and supplemented, the "Indenture") each between the City and U.S. Bank Trust Company, National Association, as trustee.

The City hereby acknowledges that it is an "obligated person" within the meaning of the hereinafter defined Rule with respect to the Series 2026 Bonds.

In connection with the aforementioned transactions, the City covenants and agrees 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 Series 2026 Bonds and in order to assist the Participating Underwriter (each as defined below) in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth in the hereinafter defined Official Statement 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 (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2026 Bonds for federal income tax purposes.

"Dissemination Agent" shall mean 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 DC 20005-3314; Telephone (202) 838-1500; Fax (202) 898-1500, 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 [__________], 2026, relating to the Series 2026 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.

"Participating Underwriter" shall mean any of the original underwriters of the Series 2026 Bonds required to comply with the Rule in connection with the offering of the Series 2026 Bonds.

Section 3. <u>Provision of Annual Reports</u>.

(a) The City shall prepare an Annual Report of the City and shall, or shall cause the Dissemination Agent to, not later than 200 days after the end of each fiscal year of the City (presently June 30), commencing with the fiscal year ending June 30, 2026, provide to the MSRB in an electronic format, the Annual Report of the City which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than ten (10) 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(e).

(b) If by ten (10) 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 shall, in a timely manner, send a notice to the MSRB in the manner prescribed by the MSRB.

(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 reports 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. <u>Content of Annual Reports</u>. 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 financial and operating information in the Official Statement relating to the City of the type contained in the tables under the headings:

"THE SYSTEM—The Water Purchase Agreement for Culinary Water," "—Sources and Supplies of Secondary Water," "—Water Connections," "DEBT STRUCTURE OF THE CITY—Debt Structure of the City," and "HISTORICAL AND PRO FORMA DEBT SERVICE COVERAGE" (but only as to historical data).

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(a), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2026 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 Series 2026 Bonds or other material events affecting the tax status of the Series 2026 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(b), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2026 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 Series 2026 Bonds;

(v) Series 2026 Bond calls;

(vi) Release, substitution or sale of property securing repayment of the Series 2026 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 obligated person, 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 subsection (f).

(e) If the City determines that the 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 subsection (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 an electronic format in a timely manner 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 date of the legal defeasance, prior redemption or payment in full of all of the Series 2026 Bonds. If such termination occurs prior to the final maturity of the Series 2026 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 it 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 City will serve as the initial Dissemination Agent under this Disclosure Undertaking.

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 Series 2026 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 Series 2026 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 either (i) is approved by the Beneficial Owners of the Series 2026 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2026 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(a), and (ii) the Annual Disclosure Report 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 Disclosure Report 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 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 Series 2026 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. A default under this Disclosure Undertaking shall not be deemed an "event of default" under the Indenture, and 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 Series 2026 Bonds.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Beneficial Owners from time to time of the Series 2026 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: ___________, 2026.

CITY OF BLUFFDALE, UTAH

(SEAL)

By:____
Mayor

ATTEST:

By:____
City Recorder

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Series 2026 Bonds, Gilmore & Bell, P.C., Bond Counsel to the City, proposes to issue its approving opinion in substantially the following form.

Re: $[__________] City of Bluffdale, Utah Water Revenue Bonds, Series 2026

We have acted as bond counsel to the City of Bluffdale, Utah (the "Issuer") in connection with the issuance by the Issuer by the Issuer of the above-captioned bonds (the "Bonds"). In this capacity, we have examined the law and such certified proceedings, certifications and other documents as we have deemed necessary to give the opinions below.

The Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and other applicable provisions of law; (ii) resolutions of the Issuer adopted on May 27, 2026 and July 22, 2026; and (iii) a General Indenture of Trust dated as of May 1, 2011 (the "General Indenture"), as heretofore supplemented and amended and as further supplemented by a Fifth Supplemental Indenture of Trust dated as of September 1, 2026 (the "Fifth Supplemental Indenture" and together with the General Indenture as previously amended and supplemented, the "Indenture") each between the Issuer and U.S. Bank Trust Company, National Association, as trustee. Under the Indenture, the Issuer has pledged certain revenues (the "Net Revenues") for the payment of principal of, premium (if any), and interest on the Bonds when due.

Capitalized terms used and not otherwise defined in this opinion have the meanings assigned to those terms in the Indenture.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Issuer contained in the Indenture, on the certified proceedings and other certifications of representatives of the Issuer and the certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The Issuer is validly existing as a political subdivision and body politic duly organized and validly existing under the constitution and laws of the State of Utah (the "State") with the power to execute the Indenture, perform the agreements on its part contained therein, and issue the Bonds.

2. The Indenture has been authorized, executed and delivered by the Issuer and constitutes a valid and binding agreement of the Issuer.

3. The Indenture creates a valid lien on the Net Revenues and other funds pledged by the Indenture for the security of the Bonds on a parity with other bonds, if any, issued or to be issued under the Indenture.

4. The Bonds have been duly authorized and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable solely from the Net Revenues and the other funds provided therefor in the Indenture. The Bonds do not constitute general obligations of the Issuer and do not constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory provision, limitation, or restriction. The Issuer's taxing power is not pledged to the payment of the Bonds.

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

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

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding (a) the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Bonds, (b) the attachment, perfection, or priority of the lien on Revenues or other funds created by the Indenture, or (c) the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion letter.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Respectfully submitted,

APPENDIX F

PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds are to be issued as fully registered bonds 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 is to be issued for each series of the Series 2026 Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 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 Direct Participants are on file with the Securities and Exchange Commission. Neither the City nor the Purchaser make any representation about such information. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which are to receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026 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 Series 2026 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 the Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 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 Series 2026 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 Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 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 Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 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 Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2026 Bonds are to 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 City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners are to 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 Direct or Indirect Participant and not of DTC nor its nominee, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2026 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.