



# **City of Sandy, Utah**

## **Annual Comprehensive Financial Report**

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



**CITY OF SANDY**  
**10000 Centennial Parkway**  
**Sandy, Utah 84070**

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

**Prepared by:**

**Division of Finance**  
**of the Department of Administrative Services**

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# INTRODUCTORY SECTION

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December 27, 2023

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

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

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

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

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

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

immediately following the Independent Auditor's Report.

## **Profile of the Government**

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

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

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

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

## Factors Affecting Financial Condition

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

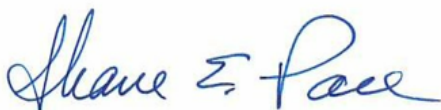
### **Awards and Acknowledgments**

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

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

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

Respectfully Submitted,



Shane Pace  
Chief Administrative Officer



Brian Kelley  
Director of Administrative Services

# SANDY CITY

## Principal Officials

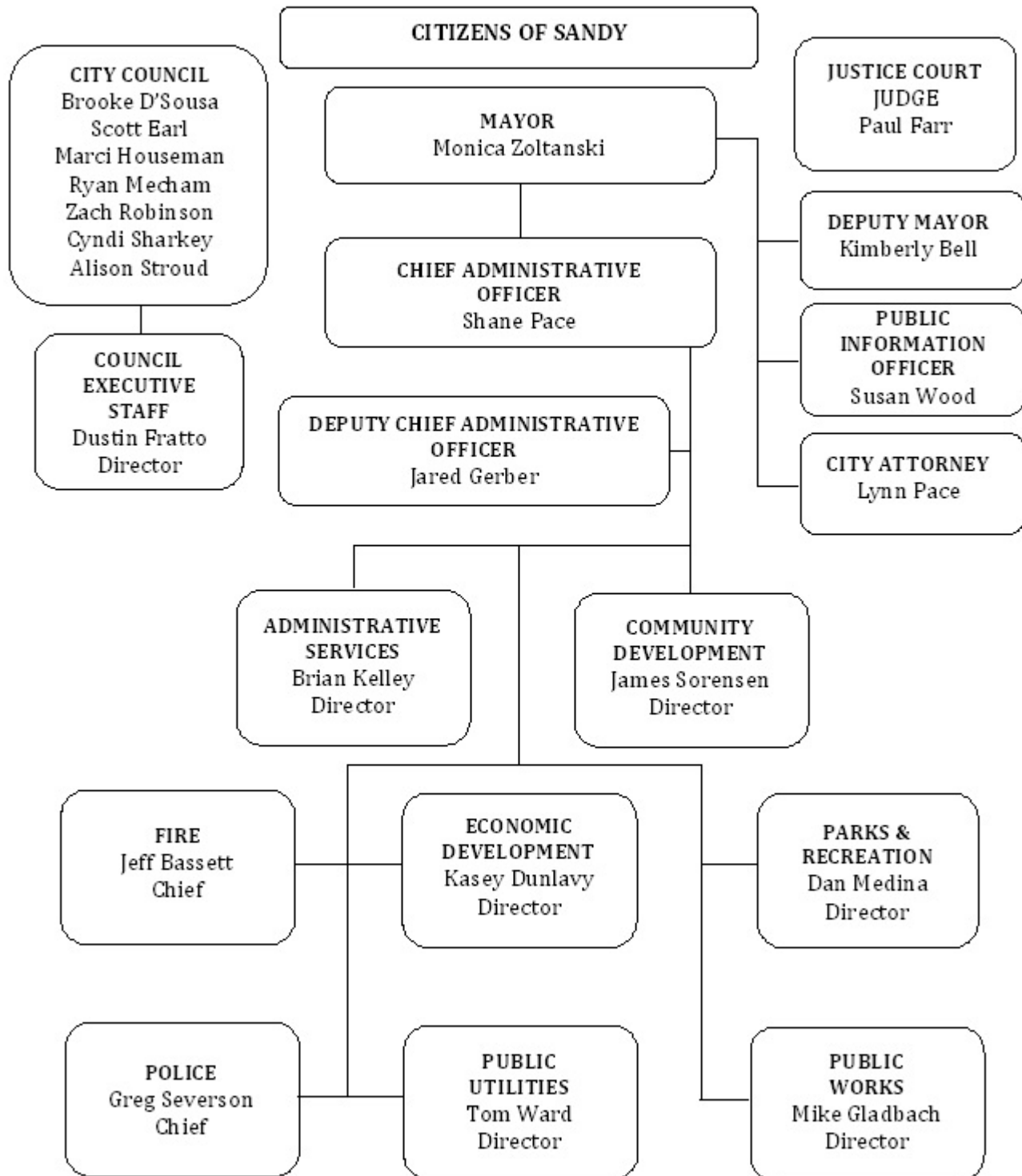
### Elected Officials

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

### Appointed Officials

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

## SANDY CITY ORGANIZATIONAL STRUCTURE





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Sandy City  
Utah**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



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# FINANCIAL SECTION

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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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

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

#### *Basis for Opinions*

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

#### *Correction of Error*

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

### ***Change in Accounting Principle***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

**Other Reporting Required by *Government Auditing Standards***

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Salt Lake City, Utah  
December 27, 2023

## Management's Discussion and Analysis

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

### Financial Highlights

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

## Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are located on pages 50-94 of this report.

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

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

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

## Government-wide Financial Analysis

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

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

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

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

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

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

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

## SANDY CITY

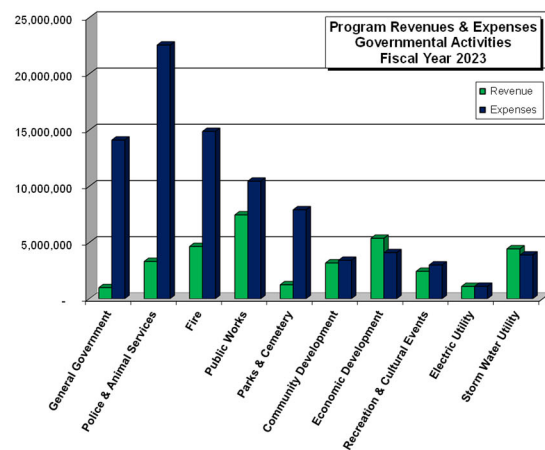
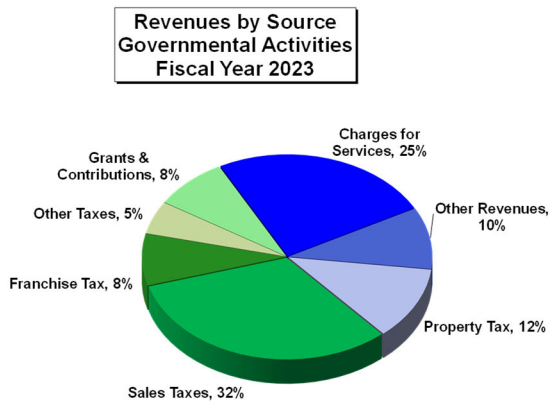
### Change in Net Position

For the Years Ended June 30, 2023 and 2022

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

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

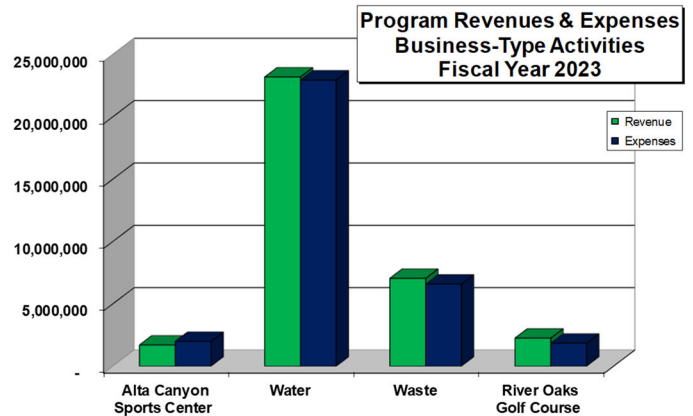
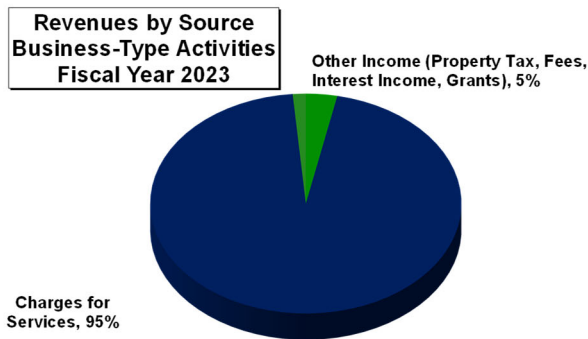
- The City received \$5,300,000 in State Infrastructure Bank Loan proceeds to fund a parking structure related to the development of The Gardner Development Project.
- The City received \$2,000,000 from the State of Utah pursuant to House Bill 244 for congestion mitigation and to improve transportation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



**Business-type Activities:**

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

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



### Financial Analysis of the Government's Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

## **General Fund Budgetary Highlights**

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

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

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

## **Capital Assets and Debt Administration**

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

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

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



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

**SANDY CITY**  
**Capital Assets**  
**June 30, 2023**

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

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

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

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

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

**SANDY CITY**  
**Outstanding Debt**  
**As of June 30, 2023**

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

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

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

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

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

### **Economic Factors and Next Year’s Budgets and Rates**

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

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

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

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

## **Requests for Information**

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

# BASIC FINANCIAL STATEMENTS

**SANDY CITY**  
**Statement of Net Position**  
**June 30, 2023**

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

The accompanying notes are an integral part of this statement.

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

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

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

General Revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

The accompanying notes are an integral part of this statement.



**Net (Expenses) Revenues and Changes in Net Position**

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

**SANDY CITY**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

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

The accompanying notes are an integral part of this statement.

## SANDY CITY

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

June 30, 2023

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

## SANDY CITY

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

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

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

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

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

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

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

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

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

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

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

# SANDY CITY

## Storm Water Fund

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

For the Year Ended June 30, 2023

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

The accompanying notes are an integral part of this statement.

**SANDY CITY****Redevelopment Agency (RDA)****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

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

The accompanying notes are an integral part of this statement.



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

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

The accompanying notes are an integral part of this statement.

**SANDY CITY**

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

**Proprietary Funds**

**For the Year Ended June 30, 2023**

**Business-Type Activities - Enterprise Funds**

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

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

303,249

Change in net position of business-type activities (page 39)

\$ 3,317,651

The accompanying notes are an integral part of this statement.

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

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

The accompanying notes are an integral part of this statement.

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 1 - Summary of Significant Accounting Policies**

**Reporting Entity**

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

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

**Blended Component Units**

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

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

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

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

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**Investment in Joint Venture**

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

**Related Organizations**

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

**Government-wide and Fund Financial Statements**

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

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

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

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

**Description of Funds**

The City reports the following major governmental funds:

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

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

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund type:

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

**Fund Balance Classifications**

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

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

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

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

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

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

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

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

**Budget Operation**

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

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



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

**Encumbrances**

Encumbrance accounting is not employed by the City.

**Cash, Cash Equivalents, and Investments**

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

**Inventory**

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

**Prepaid Items**

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

**Right-to-use Assets**

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

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

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

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

**Right-to-use Subscription IT Assets**

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

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

**Deferred Outflows/Inflows of Resources**

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

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

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

**Interfund Transactions**

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

**Capital Assets**

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

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

**Modified Approach**

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

**Contributions**

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

**Utility Revenue**

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

**Pensions**

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

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

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

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

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

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

**Note 3 - Property Taxes**

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

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

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

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

**Note 4 - Cash, Cash Equivalents, and Investments**

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

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

**Custodial Credit Risk**

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

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

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

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

**Note 5 - Investment Rating and Risk**

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

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

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

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

The City measures and records its investments using the fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

Level 1: Quoted prices for *identical* investments in *active* markets

Level 2: Observable inputs other than quoted market prices; and,

Level 3: Unobservable inputs.

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

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

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

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



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

**Credit Risk**

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

**Interest Rate Risk**

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

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

**Note 6 - Restricted Assets**

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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**Governmental Funds**

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

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

**Business-Type Funds**

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

**Note 7 - Receivables**

**Net Receivables**

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

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

**Lease Receivable**

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

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

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

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

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

**Note 9 - Joint Venture**

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

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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The following is a summary of audited financial information of the Association for the fiscal year ended June 30, 2023:

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

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

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

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**Note 10 - Capital Assets**

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

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

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

**Governmental Activities:**

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

**Business-Type Activities**

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

**Investment in Water Stock, Rights and Capacity**

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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**Note 11 - Long-Term Liabilities**

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

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

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

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

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

**Water Revenue Bonds**

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

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



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

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

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

**Sales Tax Revenue Bonds**

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

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

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

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

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

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**Notes to the Financial Statements**  
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**Transient Room Tax Revenue Bonds**

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

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

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

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

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

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

**Other Loan Payable**

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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**Compensated Absences**

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

**Contracts Payable**

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

**Defeasance of Debt**

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

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

**Right-To-Use Leased Assets**

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

**Right-To-Use Subscription IT Assets**

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

**Leases**

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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**Subscription IT Assets**

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

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

**Note 12 - Pension Plans**

**Plan Description**

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

**Defined Benefit Plans**

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

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

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

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

**Summary of Benefits by System**

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

Retirement benefits are as follows:

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

\*Actuarial reductions are applied

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

**Contribution Rate Summary**

**SANDY CITY**  
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As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2023 are as follows:

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

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

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

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

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

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

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

(Measure Date): December 31, 2022

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2023 the City recognized pension expense of \$4,457,689.

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

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

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

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

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



**SANDY CITY**  
**Notes to the Financial Statements**  
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**Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources**

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

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

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

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

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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**Contributory System Pension Expense, and Deferred Outflows and Inflows of Resources**

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

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

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

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

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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**Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources**

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

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

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

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

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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**Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources**

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

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

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

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

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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**Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources**

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

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

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

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

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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**Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources**

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

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

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

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

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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**Actuarial Assumptions**

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.25 - 9.25 percent, average, including inflation
Investment Rate of Return	6.85 percent, net of pension plan investment expense, including inflation

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

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

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
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The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

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

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

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

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

**Defined Contribution Savings Plans**

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



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

\*401(k) Plan

\*457(b) Plan

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

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

**Note 13 - Deferred Compensation Plans**

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2023**

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

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

**Note 14 - Post-employment Benefits**

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

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

**Note 15 - Personal Time-off**

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

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 16 - Commitments and Contingencies**

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

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

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

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 17 - Transfers In/Out**

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

**Transfers Out from the Following Funds:**

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

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 18 - General Fund Administrative Charges**

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

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

**Note 19 - Risk Management**

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

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2023**

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

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

**Note 20 - Sandy City Redevelopment Agency**

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

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

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

**Note 21 - Tax Abatement Agreements**

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

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2023**

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

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

**Note 22 - Related Party Transactions**

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

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

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

**Note 23 - Subsequent Events**

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

**Note 24 - Implementation of New Accounting Principles**

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

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

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2023**

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

**Note 25 - Restatement**

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

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

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



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# Required Supplementary Information

# SANDY CITY

## Roadway System Condition and Maintenance

### Modified Approach for Infrastructure

#### Last 5 Fiscal Years Ending June 30

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

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Percentage of Roadway System in Good or Better Condition</b>					
Arterials	94.1%	91.1%	83.6%	90.2%	91.0%
Collectors	76.1%	77.0%	82.4%	93.9%	94.2%
Secondary	83.1%	89.3%	88.8%	88.6%	89.3%
Overall System	83.9%	86.9%	85.7%	90.8%	91.3%
<b>Percentage of Roadway System in Substandard Condition</b>					
Arterials	0.1%	0.1%	0.5%	0.6%	0.5%
Collectors	1.1%	1.0%	0.1%	0.3%	0.3%
Secondary	0.7%	0.3%	0.3%	0.4%	0.5%
Overall System	0.7%	0.4%	0.3%	0.5%	0.5%

#### Comparison of Needed to Actual Maintenance/Preservation

##### Arterials:

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

##### Collectors:

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

##### Secondary:

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

##### Overall System:

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

See Notes to Required Supplementary Information.

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

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

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

See notes to required supplementary information

**SANDY CITY**  
**SCHEDULE OF CONTRIBUTIONS**  
**Utah Retirement Systems**  
**Last 10 Years Ended June 30, <sup>1</sup>**

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

**SANDY CITY**  
**Notes to Required Supplementary Information**  
**June 30, 2023**

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**Note 1: Changes in Assumptions**

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

# Supplementary Information

# SANDY CITY

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

### Governmental Funds

For the Year Ended June 30, 2023

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



# SANDY CITY

## Debt Service

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

For the Year Ended June 30, 2023

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

# SANDY CITY

## Capital Projects

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

For the Year Ended June 30, 2023

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

# Non-major Governmental Funds

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

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

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

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

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

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

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

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

**SANDY CITY**

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

**Non-major Governmental Funds**

**For the Year Ended June 30, 2023**

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

# SANDY CITY

## Community Development Block Grant (CDBG)

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

For the Year Ended June 30, 2023

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

# SANDY CITY

## Recreation

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

For the Year Ended June 30, 2023

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

# SANDY CITY

## Sandy Arts Guild

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

For the Year Ended June 30, 2023

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



# SANDY CITY

## Street Lighting

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

For the Year Ended June 30, 2023

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

# SANDY CITY

## Special Purpose

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

For the Year Ended June 30, 2023

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

# Enterprise Funds

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

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

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

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

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

# SANDY CITY

## Alta Canyon Sports Center

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

For the Year Ended June 30, 2023

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

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

# SANDY CITY

## Water

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

For the Year Ended June 30, 2023

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

# SANDY CITY

## Waste

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

For the Year Ended June 30, 2023

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

# SANDY CITY

## Golf Course

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

For the Year Ended June 30, 2023

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

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

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# Internal Service Funds

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

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

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

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

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

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

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

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

# SANDY CITY

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

### Internal Services Fund

For the Year Ended June 30, 2023

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

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

	Fleet	Information Technology	Risk Management	Equipment Management	Payroll Management	Internal Service Funds Total
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers	\$ 6,949,157	\$ 3,360,612	\$ 1,863,461	\$ -0-	\$ 777,139	\$ 12,950,369
Payments to Suppliers	(2,444,929)	(1,601,549)	(2,144,186)	(1,317,325)	(595,033)	(8,103,022)
Payments to Employees	(967,754)	(1,484,063)	(321,463)	-0-	(303,023)	(3,076,303)
Net Cash Provided (Used) by Operating Activities	3,536,474	275,000	(602,188)	(1,317,325)	(120,917)	1,771,044
<b>Cash Flows from Noncapital Financing Activities:</b>						
Tax Receipts	-0-	-0-	532,145	-0-	-0-	532,145
Transfers from/to Other Funds	-0-	40,000	-0-	2,875,266	(700,000)	2,215,266
Net Cash Provided (Used) by Noncapital Financing Activities	-0-	40,000	532,145	2,875,266	(700,000)	2,747,411
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition of Capital Assets	(3,688,373)	(380,380)	-0-	-0-	-0-	(4,068,753)
Interest Paid on Capital Lease	-0-	(16,166)	-0-	-0-	-0-	(16,166)
Proceeds from Sale of Capital Assets	267,936	10,198	-0-	-0-	-0-	278,134
Net Cash Used by Capital and Related Financing Activities	(3,420,437)	(386,348)	-0-	-0-	-0-	(3,806,785)
<b>Cash Flows from Investing Activities:</b>						
Interest Received (Paid)	19,056	47,254	77,457	-0-	124,432	268,199
Net Increase (Decrease) in Cash and Cash Equivalents	135,093	(24,094)	7,414	1,557,941	(696,485)	979,869
<b>Cash and Cash Equivalents:</b>						
Beginning of Year	544,003	1,294,376	2,166,422	2,629,995	3,892,945	10,527,741
End of Year	\$ 679,096	\$ 1,270,282	\$ 2,173,836	\$ 4,187,936	\$ 3,196,460	\$ 11,507,610

**Reconciliation of Operating Income  
(Loss) to Net Cash Provided (Used)  
by Operating Activities:**

Operating Income (Loss)	\$ 1,233,565	\$ (277,585)	\$ (629,214)	\$ (1,306,056)	\$ (387,455)	\$ (1,366,745)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Depreciation	2,089,838	468,792	-0-	-0-	-0-	2,558,630
Other Non-Operating Income	-0-	-0-	80	-0-	-0-	80
Increase (Decrease) Due to Changes in:						
Accounts Receivables	-0-	-0-	(3,407)	-0-	-0-	(3,407)
Inventories	25,260	-0-	-0-	-0-	-0-	25,260
Prepaid Assets	-0-	-0-	-0-	-0-	(26,878)	(26,878)
Accounts Payable	245,454	53,467	59,303	(11,269)	6,487	353,442
Salaries and Benefits Payable	(57,643)	30,326	(28,950)	-0-	286,929	230,662
Net Cash Provided (Used) by Operating Activities	\$ 3,536,474	\$ 275,000	\$ (602,188)	\$ (1,317,325)	\$ (120,917)	\$ 1,771,044

# SANDY CITY

## Fleet

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

For the Year Ended June 30, 2023

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

# SANDY CITY

## Information Technology

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

For the Year Ended June 30, 2023

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

# SANDY CITY

## Risk Management

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

For the Year Ended June 30, 2023

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

# SANDY CITY

## Equipment Management

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

For the Year Ended June 30, 2023

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ -0-	\$ -0-	\$ -0-
<b>Operating Expenses:</b>			
Internal Charges	1,133,194	910,061	223,133
Noncapital Improvements	938,769	395,995	542,774
Income (Loss) Before Transfers	(2,071,963)	(1,306,056)	765,907
<b>Transfers:</b>			
Transfers In	-0-	3,408,825	3,408,825
Transfers Out	(533,559)	(533,559)	-0-
Total Nonoperating Revenues (Expenses)	(533,559)	2,875,266	3,408,825
Change in Net Position	(2,605,522)	1,569,210	4,174,732
Beginning Net Position	2,606,954	2,606,954	-0-
Ending Net Position	\$ 1,432	\$ 4,176,164	\$ 4,174,732



# SANDY CITY

## Payroll Management

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

For the Year Ended June 30, 2023

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ 594,000	\$ 691,697	\$ 97,697
Miscellaneous	-0-	85,442	85,442
Total Operating Revenues	594,000	777,139	183,139
<b>Operating Expenses:</b>			
Salaries and Benefits	605,000	589,952	15,048
Contracted Services	594,000	574,642	19,358
Total Operating Expenses	1,199,000	1,164,594	34,406
Operating Income (Loss)	(605,000)	(387,455)	217,545
<b>Nonoperating Revenues:</b>			
Interest Income (Expense)	14,400	124,432	110,032
<b>Transfers:</b>			
Transfers Out	(700,000)	(700,000)	-0-
Change in Net Position	(1,290,600)	(963,023)	327,577
Beginning Net Position	1,816,351	1,816,351	-0-
Ending Net Position	\$ 525,751	\$ 853,328	\$ 327,577

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# STATISTICAL SECTION

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# STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
Financial Trends	132
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	138
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, water revenue. Property tax information has also been included.</i>	
Debt Capacity	145
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	150
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	152
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the current year.

**Sandy City**  
**Changes in Net Position (Unaudited)**  
**Last Ten Fiscal Years Ended June 30**  
**(Accrual Basis of Accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
<i>Governmental Activities:</i>										
General Government	\$ 9,294,444	\$ 7,180,102	\$ 7,556,775	\$ 9,815,340	\$ 8,325,339	\$ 9,520,808	\$ 12,731,967	\$ 11,607,686	\$ 10,926,854	\$ 15,571,672
Police and Animal Services	13,902,278	13,177,601	13,894,747	15,059,841	15,461,308	17,428,716	16,558,009	11,519,262	16,150,628	22,616,367
Fire	8,797,130	8,984,089	10,054,714	9,732,766	9,535,154	10,871,586	12,313,969	11,786,218	11,840,960	14,992,139
Public Works	7,479,630	5,567,301	8,722,861	16,080,403	12,091,109	11,509,996	10,375,979	10,872,054	9,997,224	10,486,013
Parks and Cemetery	5,441,022	5,551,009	7,318,762	5,724,147	7,659,421	7,256,878	7,750,673	8,399,021	7,036,149	7,934,299
Community Development	2,404,784	2,522,481	2,585,366	2,936,963	2,871,803	2,633,585	3,447,563	3,304,090	3,150,810	3,428,619
Economic Development	2,310,726	2,361,079	8,039,813	7,402,439	2,594,765	9,002,426	3,506,720	2,122,955	2,415,713	2,471,783
Recreation and Cultural Events	2,957,260	2,941,120	3,134,411	3,359,938	1,953,997	2,671,939	2,398,911	1,752,627	2,307,743	3,008,446
Street Lighting	1,163,002	1,036,256	1,107,902	1,150,545	1,187,460	1,421,547	1,241,639	1,119,962	1,029,481	1,110,698
Storm Water Utility	2,830,642	2,583,995	2,486,872	2,798,228	1,760,709	3,227,498	3,114,717	4,156,006	2,737,652	3,898,364
Interest on Long-Term Debt	2,518,294	2,334,518	3,709,448	3,900,474	3,698,455	3,540,667	3,294,713	3,088,497	2,917,369	2,301,782
Total Governmental Activities	59,099,212	54,239,551	68,611,671	77,961,084	67,139,520	79,085,646	76,734,860	69,728,378	70,510,583	87,820,182
<i>Business Type Activities:</i>										
Alta Canyon Sports Center	1,278,288	1,271,696	1,438,751	1,515,561	1,405,357	1,530,410	1,502,158	1,298,269	1,519,182	1,993,627
Water	21,322,806	21,200,369	22,333,857	22,311,980	19,628,434	21,623,537	21,734,720	21,470,870	21,510,705	22,965,644
Waste	4,371,847	4,341,608	4,477,254	4,577,539	4,606,715	5,332,728	5,597,008	5,815,870	5,419,670	6,510,475
Golf Course	1,454,495	1,444,432	1,492,504	1,436,524	1,303,450	1,371,803	1,383,200	1,567,833	1,754,088	1,852,257
Total Business-Type Activities	28,427,436	28,258,105	29,742,366	29,841,604	26,943,956	29,858,478	30,217,086	30,152,842	30,203,645	33,322,003
<b>Total Primary Government Expenses</b>	<b>\$ 87,526,648</b>	<b>\$ 82,497,656</b>	<b>\$ 98,354,037</b>	<b>\$ 107,802,688</b>	<b>\$ 94,083,476</b>	<b>\$ 108,944,124</b>	<b>\$ 106,951,946</b>	<b>\$ 99,881,220</b>	<b>\$ 100,714,228</b>	<b>\$ 121,142,185</b>
<b>Program Revenues</b>										
<i>Governmental Activities:</i>										
Charges for Services:										
General Government	\$ 1,935,859	\$ 929,707	\$ 398,907	\$ 218,963	\$ 341,089	\$ 416,251	\$ 548,494	\$ 228,334	\$ 258,579	\$ 997,731
Police and Animal Services	2,158,720	2,049,174	1,877,263	2,054,021	2,101,635	1,841,852	1,447,955	1,289,729	1,510,103	3,215,520
Fire	2,462,939	2,484,173	2,561,484	2,763,414	2,975,829	2,907,701	2,834,778	3,158,529	3,700,897	3,791,466
Public Works	323,549	349,877	456,869	20,640	50,816	287,074	187,631	211,837	223,390	942,415
Community Development	2,484,593	2,736,069	3,352,475	3,340,260	3,179,496	3,071,381	2,367,234	2,566,955	2,522,918	2,683,281
Economic Development	5,919,493	5,932,425	6,244,623	6,345,935	7,630,510	7,709,758	5,805,989	6,244,527	5,942,542	5,377,685
Recreation and Cultural Events	1,640,457	1,667,709	1,670,944	1,876,064	1,798,417	1,550,993	1,400,752	743,052	1,225,207	1,858,030
Storm Water Utility	4,230,715	4,101,505	4,187,503	4,233,054	4,376,244	4,683,765	4,842,444	4,613,584	4,550,474	4,429,094
Other Activities	1,704,321	2,926,686	2,460,346	3,141,385	2,783,762	2,155,257	2,275,682	2,434,767	1,838,863	2,346,223
Operating Grants and Contributions	3,323,155	7,450,505	12,255,996	4,583,359	4,261,077	4,601,311	8,841,801	10,535,578	12,569,948	8,022,976
Capital Grants and Contributions	9,357,280	5,239,194	18,638,359	21,790,246	11,333,897	6,130,817	5,446,776	10,246,326	829,875	592,320
Total Governmental Activities Program Revenues	35,541,081	35,867,024	54,104,769	50,367,341	40,832,772	35,356,160	35,999,536	42,273,218	35,172,796	34,256,741

*Business-Type Activities:*

Charges for Services:

Water	20,852,620	19,258,113	21,552,026	23,941,517	23,163,011	22,134,144	23,555,583	24,757,017	19,568,572	23,201,354
Waste	4,924,586	4,555,528	4,825,815	4,507,219	5,144,718	5,761,177	5,797,999	5,800,207	5,924,814	7,094,887
Alta Canyon Sports Center	908,409	913,833	966,147	996,051	1,005,212	975,769	716,039	618,119	854,146	1,706,825
Golf Course	1,436,519	1,556,675	1,551,308	1,437,030	1,480,708	1,474,407	1,370,670	1,980,277	2,346,596	2,260,370
Capital Grants and Contributions	328,561	466,020	567,752	646,880	312,268	1,510,152	1,569,070	667,305	369,280	486,480
Total Business-Type Activities Program Revenues	28,450,695	26,750,169	29,463,048	31,528,697	31,105,917	31,855,649	33,009,361	33,822,925	29,063,408	34,749,916
<b>Total Primary Government Program Revenues</b>	<b>\$ 63,991,776</b>	<b>\$ 62,617,193</b>	<b>\$ 83,567,817</b>	<b>\$ 81,896,038</b>	<b>\$ 71,938,689</b>	<b>\$ 67,211,809</b>	<b>\$ 69,008,897</b>	<b>\$ 76,096,143</b>	<b>\$ 64,236,204</b>	<b>\$ 69,006,657</b>

**Net (Expense)/Revenue**

Governmental Activities	(23,558,131)	(18,372,527)	(14,506,902)	(27,593,743)	(26,306,748)	(43,729,486)	(40,735,324)	(27,455,160)	(35,337,787)	(53,563,441)
Business-Type Activities	23,259	(1,507,936)	(279,318)	1,687,093	4,161,961	1,997,171	2,792,275	3,670,083	(1,140,237)	1,427,913
<b>Total Primary Government Net Expense</b>	<b>\$ (23,534,872)</b>	<b>\$ (19,880,463)</b>	<b>\$ (14,786,220)</b>	<b>\$ (25,906,650)</b>	<b>\$ (22,144,787)</b>	<b>\$ (41,732,315)</b>	<b>\$ (37,943,049)</b>	<b>\$ (23,785,077)</b>	<b>\$ (36,478,024)</b>	<b>\$ (52,135,528)</b>

**General Revenues and Other Changes in Net Position**

*Governmental Activities:*

Taxes										
Property Taxes	\$ 8,074,477	\$ 8,070,449	\$ 8,645,321	\$ 8,835,112	\$ 9,391,703	\$ 8,454,366	\$ 11,493,355	\$ 11,713,701	\$ 11,737,458	\$ 11,935,232
Sales Taxes	18,750,745	19,221,835	19,891,096	20,642,039	21,909,964	22,289,422	25,127,618	29,190,378	32,455,302	32,875,215
Franchise Taxes	9,044,031	8,695,039	9,110,856	9,150,385	7,726,736	7,265,428	7,326,290	7,190,100	7,503,887	8,485,552
Motor Vehicle Taxes	593,183	599,964	651,186	655,767	631,698	598,978	730,086	667,607	647,559	579,755
Transient Room Taxes	2,479,153	2,721,941	2,943,564	3,332,491	3,581,154	3,591,532	2,886,799	2,259,918	4,083,103	4,811,357
Investment Earnings	316,482	297,948	959,323	717,689	713,261	1,516,656	1,020,838	444,332	1,206,795	5,459,236
Miscellaneous	1,910,354	2,134,697	3,888,241	5,814,009	4,571,474	4,213,833	7,017,876	4,285,847	4,752,066	4,659,165
Transfers	(150,000)	(232,000)	(150,000)	(150,000)	1,046,144	(150,000)	(563,000)	(300,000)	(492,949)	(725,000)
<b>Total Government Activities</b>	<b>41,018,425</b>	<b>41,509,873</b>	<b>45,939,587</b>	<b>48,997,492</b>	<b>49,572,134</b>	<b>47,780,215</b>	<b>55,039,862</b>	<b>55,451,883</b>	<b>61,893,221</b>	<b>68,080,512</b>

*Business-Type Activities:*

Taxes										
Property Taxes	367,565	368,004	369,521	370,675	371,794	370,319	376,796	383,959	381,404	381,590
Motor Vehicle Taxes	31,805	31,524	31,422	33,771	31,018	28,113	27,111	22,808	23,353	20,066
Investment Earnings	72,682	55,690	74,038	149,158	319,282	586,662	372,680	142,438	(79,946)	763,082
Miscellaneous	-0-	-0-	-0-	-0-	-0-	-0-	25,610	1,232,396	2,163,333	-0-
Transfers	150,000	232,000	150,000	150,000	(1,046,144)	150,000	563,000	300,000	492,949	725,000
<b>Total Business-Type Activities</b>	<b>622,052</b>	<b>687,218</b>	<b>624,981</b>	<b>703,604</b>	<b>872,094</b>	<b>1,135,094</b>	<b>1,365,197</b>	<b>2,081,601</b>	<b>2,981,093</b>	<b>1,889,738</b>
<b>Total Primary Government</b>	<b>\$ 41,640,477</b>	<b>\$ 42,197,091</b>	<b>\$ 46,564,568</b>	<b>\$ 49,701,096</b>	<b>\$ 50,444,228</b>	<b>\$ 48,915,309</b>	<b>\$ 56,405,059</b>	<b>\$ 57,533,484</b>	<b>\$ 64,874,314</b>	<b>\$ 69,970,250</b>

**Changes in Net Position**

Governmental Activities	17,460,294	23,137,346	31,432,685	21,403,749	20,310,913	1,507,972	14,304,538	27,996,723	26,555,434	14,517,071
Business-Type Activities	645,311	(820,718)	345,663	2,390,697	3,837,911	3,132,265	4,157,472	5,751,684	1,840,856	3,317,651
<b>Total Primary Government</b>	<b>\$ 18,105,605</b>	<b>\$ 22,316,628</b>	<b>\$ 31,778,348</b>	<b>\$ 23,794,446</b>	<b>\$ 24,148,824</b>	<b>\$ 4,640,237</b>	<b>\$ 18,462,010</b>	<b>\$ 33,748,407</b>	<b>\$ 28,396,290</b>	<b>\$ 17,834,722</b>

**Sandy City**  
**Net Position by Component (Unaudited)**  
**Last Ten Fiscal Years Ended June 30**  
**(Accrual Basis of Accounting)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 399,206,538	\$ 413,535,453	\$ 426,894,795	\$ 456,205,373	\$ 485,539,383	\$ 504,212,180	\$ 512,828,692	\$ 519,886,214	\$ 510,828,693	\$ 509,478,572
Restricted	13,831,898	16,248,537	37,513,870	24,987,708	15,165,556	10,833,913	13,880,971	12,800,608	9,548,553	8,378,846
Unrestricted	<u>26,960,976</u>	<u>22,433,573</u>	<u>19,241,583</u>	<u>23,860,896</u>	<u>30,472,446</u>	<u>22,200,775</u>	<u>24,841,743</u>	<u>46,861,307</u>	<u>85,726,317</u>	<u>102,763,216</u>
Total Governmental Activities Net Position	<u>\$ 439,999,412</u>	<u>\$ 452,217,563</u>	<u>\$ 483,650,248</u>	<u>\$ 505,053,977</u>	<u>\$ 531,177,385</u>	<u>\$ 537,246,868</u>	<u>\$ 551,551,406</u>	<u>\$ 579,548,129</u>	<u>\$ 606,103,563</u>	<u>\$ 620,620,634</u>
<b>Business Type Activities</b>										
Net Investment in Capital Assets	\$ 113,202,374	\$ 113,470,754	\$ 113,690,211	\$ 104,222,933	\$ 107,857,842	\$ 112,054,188	\$ 116,335,896	\$ 117,201,463	\$ 118,120,471	\$ 125,723,687
Restricted	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unrestricted	<u>19,068,039</u>	<u>16,740,297</u>	<u>16,866,503</u>	<u>28,724,478</u>	<u>28,927,479</u>	<u>27,863,398</u>	<u>29,126,000</u>	<u>34,012,117</u>	<u>34,933,966</u>	<u>30,648,401</u>
Total Business-Type Activities Net Position	<u>\$ 132,270,413</u>	<u>\$ 130,211,051</u>	<u>\$ 130,556,714</u>	<u>\$ 132,947,411</u>	<u>\$ 136,785,321</u>	<u>\$ 139,917,586</u>	<u>\$ 145,461,896</u>	<u>\$ 151,213,580</u>	<u>\$ 153,054,437</u>	<u>\$ 156,372,088</u>
<b>Primary government</b>										
Net Investment in Capital Assets	\$ 512,408,912	\$ 527,006,207	\$ 540,585,006	\$ 560,428,306	\$ 593,397,225	\$ 616,266,368	\$ 629,164,588	\$ 637,087,677	\$ 628,949,164	\$ 635,202,259
Restricted	13,831,898	16,248,537	37,513,870	24,987,708	15,165,556	10,833,913	13,880,971	12,800,608	9,548,553	8,378,846
Unrestricted	<u>46,029,015</u>	<u>39,173,870</u>	<u>36,108,086</u>	<u>52,585,374</u>	<u>59,399,925</u>	<u>50,064,173</u>	<u>53,967,743</u>	<u>80,873,424</u>	<u>120,660,283</u>	<u>133,411,617</u>
Total Primary Government Net Position	<u>\$ 572,269,825</u>	<u>\$ 582,428,614</u>	<u>\$ 614,206,962</u>	<u>\$ 638,001,388</u>	<u>\$ 667,962,706</u>	<u>\$ 677,164,454</u>	<u>\$ 697,013,302</u>	<u>\$ 730,761,709</u>	<u>\$ 759,158,000</u>	<u>\$ 776,992,722</u>



**Sandy City**  
**Governmental Activities Tax Revenues by Source (Unaudited)**  
**Last Ten Fiscal Years Ended June 30**  
**(Accrual Basis of Accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Fuel Tax</b>	<b>Transient Room Tax</b>	<b>Total</b>
2014	\$ 8,074,477	\$ 18,750,745	\$ 9,044,031	\$ 593,183	\$ 2,479,153	\$ 38,941,589
2015	8,070,449	19,221,835	8,695,039	599,964	2,721,941	39,309,228
2016	8,645,321	19,891,096	9,110,856	651,186	2,943,564	41,242,023
2017	8,835,112	20,642,039	9,150,385	655,767	3,332,491	42,615,794
2018	8,554,944	21,909,964	7,726,736	631,698	3,581,154	43,241,255
2019	8,454,366	22,289,422	7,265,428	598,978	3,591,532	42,199,726
2020	11,493,355	25,127,618	7,326,290	730,086	2,886,799	47,564,148
2021	11,713,701	29,190,378	7,190,100	667,607	2,259,918	51,021,704
2022	11,737,458	32,455,302	7,503,887	647,559	4,083,103	56,427,309
2023	11,935,232	32,875,215	8,485,552	579,755	4,811,357	58,687,111

Source: Sandy City Finance Department

**Sandy City**

**Fund Balances of Governmental Funds (Unaudited)**

**Last Ten Fiscal Years Ended June 30**

**(Modified Accrual Basis of Accounting)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>General Fund</b>										
Nonspendable	\$ 26,847	\$ 15,425	\$ 24,974	\$ 24,974	\$ 24,974	\$ 24,974	\$ 24,974	\$ 25,000	\$ 25,000	\$ 34,655
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	87,313
Unassigned	5,862,610	5,911,530	6,125,635	6,250,772	6,713,982	6,343,819	6,931,555	7,887,125	8,328,910	8,832,038
<b>Total General Fund</b>	<b>\$ 5,889,457</b>	<b>\$ 5,926,955</b>	<b>\$ 6,150,609</b>	<b>\$ 6,275,746</b>	<b>\$ 6,738,956</b>	<b>\$ 6,368,793</b>	<b>\$ 6,956,529</b>	<b>\$ 7,912,125</b>	<b>\$ 8,353,910</b>	<b>\$ 8,954,006</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -0-	\$ 20,352	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -0-	\$ -0-	\$ -0-
Restricted for:										
Debt Service	800,000	-0-	800,000	800,000	800,000	800,000	800,000	800,000	-0-	-0-
Capital Projects	12,528,549	15,041,415	58,977,834	22,806,635	13,165,248	8,620,162	10,866,969	9,080,552	7,376,922	6,628,071
Roads	476,502	371,345	947,160	1,381,073	1,200,308	1,413,751	2,214,002	2,920,056	2,171,631	1,750,775
Special Revenues	3,187,890	3,820,622	3,995,006	11,458,950	19,595,145	19,276,892	21,491,381	25,874,615	45,781,328	53,592,256
Committed:										
Debt Service	141,552	242,815	189,605	154,514	129,681	107,242	93,720	70,679	835,290	1,926,558
Capital Projects	11,191,663	13,407,209	12,063,129	9,229,501	6,803,107	5,042,714	6,592,339	18,406,913	25,773,462	26,009,083
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned:	(1,952,164)	(1,109,195)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total All Other Governmental Funds</b>	<b>\$ 26,373,992</b>	<b>\$ 32,594,563</b>	<b>\$ 76,992,734</b>	<b>\$ 45,850,673</b>	<b>\$ 41,713,489</b>	<b>\$ 35,280,761</b>	<b>\$ 42,078,411</b>	<b>\$ 57,152,815</b>	<b>\$ 81,938,633</b>	<b>\$ 89,906,743</b>
<b>Total Governmental Funds</b>	<b>\$ 32,263,449</b>	<b>\$ 38,521,518</b>	<b>\$ 83,143,343</b>	<b>\$ 52,126,419</b>	<b>\$ 48,452,445</b>	<b>\$ 41,649,554</b>	<b>\$ 49,034,940</b>	<b>\$ 65,064,940</b>	<b>\$ 90,292,543</b>	<b>\$ 98,860,749</b>

**Sandy City**

**Changes in Fund Balances of Governmental Funds (Unaudited)**

**Last Ten Fiscal Years Ended June 30**

**(Modified Accrual Basis of Accounting)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Revenues</b>										
Taxes	\$ 44,655,987	\$ 44,969,245	\$ 47,277,145	\$ 48,760,235	\$ 50,954,596	\$ 50,124,376	\$ 53,587,743	\$ 57,434,752	\$ 62,453,513	\$ 64,076,297
Special Assessments	90,299	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Innkeeper Fees	389,713	432,870	418,792	461,811	439,936	488,639	341,920	297,366	510,628	583,567
Licenses and Permits	2,524,358	2,666,587	3,308,440	3,283,590	3,032,875	3,002,184	2,321,492	2,426,845	3,152,235	3,158,790
Intergovernmental	11,341,710	7,703,310	17,786,981	4,614,146	10,901,363	7,026,233	12,283,201	16,894,628	12,958,370	8,146,017
Charges for Sales and Services	8,847,723	9,758,080	9,344,100	9,662,222	13,596,594	13,065,668	12,876,532	12,532,059	13,425,102	14,418,443
Administrative Charges	2,820,241	2,923,855	2,924,933	2,974,404	2,972,165	3,065,305	3,020,203	3,107,512	3,225,649	3,603,823
Fines and Forfeitures	1,877,704	1,795,311	1,625,292	1,696,893	1,777,291	1,436,045	1,145,274	992,344	1,060,110	1,189,014
Cell Tower Lease	591,127	707,170	591,748	544,076	618,840	956,046	1,012,748	973,559	1,093,451	1,011,660
Fees from Developers	2,082,981	2,741,931	2,093,422	2,856,794	1,761,808	1,708,178	1,256,101	1,781,562	851,816	1,157,754
Interest Income	316,482	316,767	959,322	717,691	714,611	1,522,015	960,788	414,159	(627,499)	4,366,276
Miscellaneous	554,877	374,241	10,354,064	10,819,794	4,495,832	1,138,938	1,457,863	577,231	990,120	858,688
Total Revenues	<u>76,093,202</u>	<u>74,389,367</u>	<u>96,684,239</u>	<u>86,391,656</u>	<u>91,265,911</u>	<u>83,533,627</u>	<u>90,263,865</u>	<u>97,432,017</u>	<u>99,093,495</u>	<u>102,570,329</u>
<b>Expenditures</b>										
General Government	10,386,087	10,133,593	10,128,873	10,390,260	10,858,246	10,670,023	11,617,661	11,839,390	12,484,606	13,625,495
Police and Animal Services	14,213,269	14,577,117	14,863,710	15,247,853	15,730,152	16,313,521	17,095,968	17,747,432	19,625,479	22,596,127
Fire	8,596,758	8,605,591	9,646,627	9,202,585	9,715,305	9,972,690	10,751,511	11,105,580	12,347,356	13,609,505
Public Works	6,011,730	5,277,192	4,835,017	5,551,491	5,227,320	5,177,998	5,927,924	4,892,655	5,815,990	5,679,249
Parks and Cemetery	4,217,598	4,582,559	4,695,031	5,066,031	5,044,923	5,660,604	5,542,468	5,259,552	5,480,108	6,065,581
Community Development	2,458,354	2,583,654	2,680,905	2,875,833	3,301,025	3,088,275	3,313,054	3,329,534	3,654,223	3,884,814
Economic Development	1,521,989	1,395,997	1,269,013	1,324,016	1,188,376	1,033,091	1,109,198	992,810	1,064,334	1,133,778
Recreation and Cultural Events	2,735,894	2,724,521	2,921,949	3,127,770	3,192,835	2,506,988	2,334,678	1,747,901	2,098,326	2,749,042
Street Lighting	887,799	846,805	1,110,089	947,262	1,156,171	1,138,899	1,030,474	742,629	710,886	692,515
Storm Water Utility	1,343,110	1,352,336	1,405,338	1,512,336	1,516,881	1,591,960	2,395,965	1,803,787	1,799,659	2,572,336
Capital Outlays	13,533,349	9,729,516	37,641,859	56,505,377	32,472,909	29,029,341	13,885,144	11,732,449	12,960,287	16,188,935
Debt Service:										
Principal	46,054,920	6,129,287	6,664,565	6,827,471	5,967,000	6,257,000	10,737,000	5,347,000	21,471,000	5,591,981
Interest	2,991,144	2,396,838	3,281,469	3,934,500	3,669,265	3,475,998	3,233,657	2,944,225	2,760,494	2,804,722
Other Charges	700,885	18,106	601,530	18,400	18,055	13,598	100,393	13,900	197,505	9,800
Total Expenditures	<u>115,652,886</u>	<u>70,353,112</u>	<u>101,745,975</u>	<u>122,531,185</u>	<u>99,058,463</u>	<u>95,929,986</u>	<u>89,075,095</u>	<u>79,498,844</u>	<u>102,470,253</u>	<u>97,203,880</u>
Excess of Revenues Over (Under) Expenditures	<u>(39,559,684)</u>	<u>4,036,255</u>	<u>(5,061,736)</u>	<u>(36,139,529)</u>	<u>(7,792,552)</u>	<u>(12,396,359)</u>	<u>1,188,770</u>	<u>17,933,173</u>	<u>(3,376,758)</u>	<u>5,366,449</u>
<b>Other Financing Sources (Uses)</b>										
Proceeds from Issuance of Debt	47,936,000	-0-	46,323,165	-0-	-0-	-0-	4,307,937	-0-	32,161,216	5,300,000
Proceeds from Sale of Capital Assets	2,293,139	2,393,686	3,174,141	4,690,815	2,954,472	2,542,757	2,611,248	39,000	21,300	50,617
Transfers In	13,064,455	13,102,485	27,950,756	18,530,965	14,326,297	15,633,781	11,560,501	18,927,892	29,524,541	14,842,121
Transfers Out	<u>(13,214,455)</u>	<u>(13,274,358)</u>	<u>(27,764,501)</u>	<u>(18,099,175)</u>	<u>(13,162,191)</u>	<u>(11,746,312)</u>	<u>(12,280,000)</u>	<u>(20,870,065)</u>	<u>(33,102,696)</u>	<u>(17,782,386)</u>
Total Other Financing Sources (Uses)	<u>50,079,139</u>	<u>2,221,813</u>	<u>49,683,561</u>	<u>5,122,605</u>	<u>4,118,578</u>	<u>6,430,226</u>	<u>6,199,686</u>	<u>(1,903,173)</u>	<u>28,604,361</u>	<u>2,410,352</u>
Net Change in Fund Balances	<u>\$ 10,519,455</u>	<u>\$ 6,258,068</u>	<u>\$ 44,621,825</u>	<u>\$ (31,016,924)</u>	<u>\$ (3,673,974)</u>	<u>\$ (5,966,133)</u>	<u>\$ 7,388,456</u>	<u>\$ 16,030,000</u>	<u>\$ 25,227,603</u>	<u>\$ 7,776,801</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>47.8%</u>	<u>14.8%</u>	<u>13.8%</u>	<u>14.9%</u>	<u>13.6%</u>	<u>12.6%</u>	<u>11.1%</u>	<u>11.9%</u>	<u>25.5%</u>	<u>9.6%</u>

## Sandy City

### General Government Tax Revenues by Source (Unaudited)

#### Last Ten Fiscal Years Ended June 30

(Modified Accrual Basis of Accounting)

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<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Fuel Tax</b>	<b>Total</b>
2014	\$ 7,947,905	\$ 18,750,745	\$ 9,044,031	\$ 593,183	\$ 36,335,864
2015	7,941,661	19,221,835	8,695,039	599,964	36,458,499
2016	8,510,819	19,891,096	9,110,856	651,186	38,163,957
2017	8,740,862	20,642,039	9,150,385	655,767	39,189,053
2018	9,490,933	21,909,964	7,726,736	631,698	39,759,331
2019	8,800,258	22,289,422	7,265,428	598,978	38,954,086
2020	11,800,272	23,060,272	7,326,290	730,086	42,916,920
2021	11,913,597	26,759,689	7,190,100	667,607	46,530,993
2022	11,827,346	29,714,666	7,503,887	647,559	49,693,458
2023	12,129,281	30,106,136	8,485,552	579,755	51,300,724

Source: Sandy City Finance Department

## Sandy City

### Water Fund Billed Sales and Monthly Rates (Unaudited)

Last Ten Fiscal Years Ended June 30

Fiscal Year	Total Billed Sales	Sandy Rates			Salt Lake County Rates <sup>3</sup>		
		Water Base <sup>1</sup>	Water Overage <sup>2</sup>	Water Block Tiers 1-4 <sup>4</sup>	Water Base <sup>1</sup>	Water Overage <sup>2</sup>	Water Block Tiers 1-4 <sup>4</sup>
2014	\$ 19,117,427	20.40	2.42/1.43	N/A	29.54	2.63/1.57	N/A
2015	17,742,869	20.40	2.42/1.43	N/A	29.54	2.63/1.57	N/A
2016	19,225,737	11.74	N/A	\$1.56 / 2.41 / 2.84 / 3.26	17.00	N/A	\$1.71 / 2.62 / 3.09 / 3.54
2017	22,099,394	13.74	N/A	1.56 / 2.41 / 2.84 / 3.26	19.00	N/A	1.71 / 2.62 / 3.09 / 3.54
2018	21,241,097	13.74	N/A	1.56 / 2.41 / 2.84 / 3.26	19.00	N/A	1.71 / 2.62 / 3.09 / 3.54
2019	21,329,422	14.43	N/A	1.64 / 2.53 / 2.98 / 3.42	19.95	N/A	1.80 / 2.75 / 3.24 / 3.72
2020	23,227,781	14.43	N/A	1.64 / 2.53 / 2.98 / 3.42	19.95	N/A	1.80 / 2.75 / 3.24 / 3.72
2021	24,367,111	14.43	N/A	1.64 / 2.53 / 2.98 / 3.42	19.95	N/A	1.80 / 2.75 / 3.24 / 3.72
2022	19,189,764	14.43	N/A	1.64 / 2.53 / 2.98 / 3.42	19.95	N/A	1.80 / 2.75 / 3.24 / 3.72
2023	22,316,925	14.43	N/A	1.64 / 2.31 / 2.98 / 3.82 / 5.08	19.95	N/A	1.80 / 2.54 / 3.28 / 4.20 / 5.59

<sup>1</sup>Water base rates are based on a 3/4" meter, which is the standard size meter for most residences in Sandy. In fiscal year 2016, the base rate decreased due to a billing structure change. See notes 2 and 4 below.

<sup>2</sup>On July 1, 2011, the City's billing structure changed, with overage being charged after usage of 6,000 gallons until July 1, 2015 (see note 4 below). The peak season changed to June through October, and the non-peak season changed to November through May.

<sup>3</sup>The City provides water services for some unincorporated Salt Lake County areas within the City.

<sup>4</sup>The City has changed from charging an overage rate to a new block rate. A base rate is charged for connection regardless of water usage, and an additional amount is charged per 1,000 gallons used within four different block tiers. Block 1 is 1-6 thousand, Block 2 is 7-40, Block 3 is 41-80, and Block 4 is 81+. On July 1, 2022, the City added block 5. Block 1 is 1-6 thousand, Block 2 is 7-25, Block 3 is 26-50, Block 4 is 51-75, and Block 5 is 75+.

**Sandy City**  
**Principal Water Users (Unaudited)**  
**For the Years Ended June 30, 2023 and 2014**

Taxpayer	2023			2014		
	Annual Water Bill	Rank	Percentage of Total Water Operating Revenue	Annual Water Bill	Rank	Percentage of Total Water Operating Revenue
Canyons School District	\$ 653,244	1	2.927%	\$ 694,198	2	3.376%
Sandy City	593,232	2	2.658%	735,163	1	3.575%
Corp of PB of JC of LDS	410,116	3	1.838%	300,536	3	1.462%
Sandy Station APTS LLC	171,810	4	0.770%			
Becton Dickinson	93,351	5	0.418%			
Waterford School	82,769	6	0.371%	61,510	7	0.299%
The Quarry Bend HOA	78,981	7	0.354%	75,363	5	0.367%
Villas at Hidden Creek	78,103	8	0.350%	57,196	10	0.278%
Wasatch Property Management	65,609	9	0.294%			
Crescentwood Village MH LLC	63,976	10	0.287%	63,453	6	0.309%
IHC Health Services				76,310	4	0.371%
Parkway Mobile Homes				61,446	8	0.299%
Salt Lake County				58,997	9	0.287%
<b>Totals</b>	<b>\$ 2,291,191</b>		<b>10.267%</b>	<b>\$ 2,184,172</b>		<b>10.623%</b>

Source: Sandy City Finance Department

## Sandy City

### Assessed Value and Estimated Actual Value of Taxable Property (Unaudited)

Last Ten Fiscal Years Ended June 30

Fiscal Year	Real Property		Personal Property		Mines and Utilities	Total Taxable Assessed Value	Total Direct Tax Rate <sup>1</sup>	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Primary Residential	Other Property	Non Residential	Other Property					
2014	\$ 3,896,023,932	\$ 1,969,406,660	\$ 319,780,029	\$ 5,793,008	\$ 94,460,295	\$ 6,285,463,924	0.001483	\$ 9,483,071,154	66.28
2015	4,159,578,341	2,020,214,638	313,405,528	5,610,228	111,506,198	6,610,314,933	0.001413	9,996,970,395	66.12
2016	4,470,453,861	2,120,093,880	308,249,823	5,434,208	128,890,247	7,033,122,019	0.001426	10,684,170,191	65.83
2017	4,924,474,412	2,382,427,507	322,051,565	5,270,785	129,906,367	7,764,130,636	0.001321	11,758,047,820	66.03
2018	5,384,694,780	2,531,695,973	332,678,572	5,229,340	138,034,126	8,392,332,790	0.001229	12,784,678,806	65.64
2019	6,028,558,325	2,679,708,173	335,575,394	5,224,583	159,786,672	9,208,853,147	0.001144	14,117,320,395	65.23
2020	6,455,741,399	2,909,474,590	392,303,386	5,013,241	164,038,812	9,926,571,429	0.001337	15,232,100,343	65.17
2021	6,866,444,419	3,080,224,696	449,875,894	4,776,241	184,735,045	10,586,056,294	0.001279	16,186,214,615	65.40
2022	7,695,685,263	3,145,333,993	452,446,178	4,665,068	180,631,066	11,478,761,567	0.001174	17,732,790,151	64.73
2023	10,214,049,706	3,417,908,068	451,733,268	4,607,465	176,138,160	14,264,436,667	0.000942	22,495,350,091	63.41

Source: Salt Lake County Auditor and Salt Lake County Treasurer

<sup>1</sup>Property in the county is reassessed annually. Tax rates are per \$1 of assessed value.

**Sandy City**  
**Property Tax Rates (Unaudited)**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years Ended June 30**

Fiscal Year	Sandy City			Overlapping <sup>1</sup> Rates							Total Direct and Overlapping Rates
	General Fund	Risk Management	Total City Millage	Salt Lake County	Canyons School District	Jordan School Districts <sup>5</sup>	State Basic School Levy <sup>2</sup>	Charter School Levy <sup>3</sup>	Salt Lake County Library	Special Districts <sup>4</sup>	
2014	0.001409	0.000074	0.001483	0.003180	0.004881	0.001095	0.001535	0.000000	0.000755	0.002543	0.015472
2015	0.001342	0.000071	0.001413	0.003036	0.004853	0.000951	0.001419	0.000000	0.000715	0.002407	0.014794
2016	0.001354	0.000072	0.001426	0.002819	0.004661	0.000862	0.001736	0.000000	0.000683	0.002315	0.014502
2017	0.001254	0.000067	0.001321	0.002639	0.004188	0.000764	0.001675	0.000000	0.000639	0.002194	0.013420
2018	0.001167	0.000062	0.001229	0.002492	0.004768	0.000678	0.001568	0.000103	0.000612	0.001557	0.013007
2019	0.001086	0.000058	0.001144	0.002259	0.004696	0.000560	0.001666	0.000073	0.000559	0.001470	0.012427
2020	0.001281	0.000056	0.001337	0.002158	0.005271	0.000488	0.001661	0.000087	0.000536	0.001398	0.012936
2021	0.001226	0.000053	0.001279	0.002170	0.005194	0.000403	0.001628	0.000072	0.000515	0.001344	0.012605
2022	0.001124	0.000050	0.001174	0.001985	0.004895	0.000347	0.001661	0.000087	0.000474	0.001264	0.011887
2023	0.000902	0.000040	0.000942	0.001634	0.004336	N/A	0.001652	0.000065	0.000386	0.001102	0.010117

Source: Salt Lake County Auditor and Salt Lake County Property Tax Division

<sup>1</sup>Overlapping rates are those of local and county governments that apply to property owners within Sandy City. Not all overlapping rates apply to all Sandy City property owners. The rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district.

<sup>2</sup>Rate established annually by Utah State Legislature.

<sup>3</sup>Rate established annually by Utah State Tax Commission and Utah State Board of Education as an adjustment to the board local levy.

<sup>4</sup>Includes South Salt Lake Valley Mosquito District, Metropolitan Water District of Salt Lake and Sandy, Sandy Suburban Improvement District, Central Utah Water District, and Crescent Cemetery Maintenance District. Although other special districts apply to only a portion of the City, these districts apply to the majority of property values within the City.

<sup>5</sup>Jordan school old debt service is dissolved.



**Sandy City**  
**Principal Property Taxpayers (Unaudited)**  
**For the Years Ended June 30, 2023 and 2014**

Taxpayer	2023			2014		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
MOUNTAIN AMERICA FEDERAL CREDIT UNION	\$ 140,003,000	1	0.981%			
WOODBURY CORPORATION	134,062,900	2	0.940%			
STERLING REALTY ORGANIZATION CO	108,304,600	3	0.759%			
MILLER FAMILY REAL ESTATE LLC	101,818,400	4	0.714%	\$ 111,744,070	2	1.840%
SOUTH TOWN OWNER PR LLC	101,215,240	5	0.710%			
RODERICK ENTERPRISES	100,265,358	6	0.703%			
ONEFOURTEEN, LLC	83,420,620	7	0.585%			
SYNERGY BUSINESS PARK	82,533,100	8	0.579%			
UTAH SOCCER LLC	79,607,500	9	0.558%			
CR COBBLEGATE COMMUNITIES, LLC	77,904,865	10	0.546%			
MACERICH CO.				144,374,300	1	2.380%
RONALD RADDON				62,475,639	3	1.030%
REDEVELOPMENT AGENCY OF SANDY				61,841,400	4	1.020%
SANDY PARK LLC				56,737,500	5	0.940%
THE BOYER COMPANY				50,714,900	6	0.840%
WAL-MART REAL ESTATE BUSINESS				46,293,400	7	0.760%
SOUTH TOWNE CORPORATE CENTER				34,356,300	8	0.570%
RIVER OAKS ON RIVERSIDE LLC				33,847,770	9	0.560%
WORKERS COMPENSATION FUND				31,016,600	10	0.510%
Totals	<u>\$ 1,009,135,583</u>		<u>7.074%</u>	<u>\$ 633,401,879</u>		<u>10.450%</u>

Note: Annual amounts are shown only for the top ten ranked taxpayers. Including the other amounts would skew the overall total and percentage for the top ten taxpayers.

Source: Utah State Tax Commission and Salt Lake County assessment records

**Sandy City**  
**Property Tax Levies and Collections (Unaudited)**  
**Last Ten Fiscal Years Ended June 30**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 9,321,343	\$ 9,089,368	97.5	\$ 168,768	\$ 9,258,136	99.3
2015	9,340,375	9,088,945	97.3	174,165	9,263,110	99.2
2016	10,029,232	9,816,468	97.9	165,233	9,981,701	99.5
2017	10,256,417	10,035,014	97.8	151,267	10,186,282	99.3
2018	10,314,177	10,110,721	98.0	132,885	10,243,606	99.3
2019	10,534,928	10,299,251	97.8	146,533	10,445,784	99.2
2020	13,271,826	12,995,296	97.9	173,162	13,168,459	99.2
2021	13,539,566	13,265,116	98.0	150,117	13,415,233	99.1
2022	13,476,066	13,226,980	98.2	108,917	13,335,898	99.0
2023	13,437,099	13,151,682	97.9	N/A	13,151,682	97.9

Source: Sandy City Finance Department

**Sandy City**  
**Ratios of Outstanding Debt by Type (Unaudited)**  
**Last Ten Fiscal Years Ended June 30**

<b>Governmental Activities</b>					
<b>Fiscal Year</b>	<b>Revenue Bonds</b>	<b>Other Payables</b>	<b>Lease Liabilities</b>	<b>Compensated Absences</b>	
2014	\$ 59,931,323	\$ 445,000	-0-	-0-	
2015	63,313,036	230,000	-0-	-0-	
2016	98,423,471	-0-	-0-	-0-	
2017	91,596,000	-0-	-0-	-0-	
2018	85,629,000	-0-	-0-	-0-	
2019	79,372,000	-0-	-0-	-0-	
2020	72,385,000	-0-	-0-	-0-	
2021	67,038,000	-0-	-0-	-0-	
2022	61,172,000	15,000,000	1,352,671	6,439,646	
2023	56,467,000	19,869,517	191,522	7,116,459	
<b>Business Activities</b>					
<b>Fiscal Year</b>	<b>Revenue Bonds</b>	<b>Other Payable</b>	<b>Lease Liabilities</b>	<b>Total Primary Government</b>	<b>Per Capita<sup>1</sup></b>
2014	\$ 7,569,678	\$ 11,966,670	-0-	\$ 79,912,671	892
2015	6,943,965	11,526,750	-0-	82,013,751	867
2016	6,294,529	11,057,220	-0-	115,775,220	1,193
2017	15,625,000	10,562,310	-0-	117,783,310	1,213
2018	14,920,000	10,042,020	-0-	110,591,020	1,130
2019	13,626,000	9,496,350	-0-	102,494,350	1,037
2020	19,304,000	8,921,070	-0-	100,610,070	1,009
2021	9,710,000	8,311,950	-0-	85,059,950	857
2022	8,525,000	7,673,220	330,050	100,492,587	1,006
2023	7,205,000	6,987,960	418,174	98,255,632	1,003

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the Schedule of Demographic and Economic Statistics for population data.

**Sandy City**  
**Ratios of General Bonded Debt Outstanding (Unaudited)**  
**Last Ten Fiscal Years Ended June 30**

Note: Sandy City has no general bonded debt outstanding as of last ten fiscal years ended June 30.

# Sandy City

## Direct and Overlapping Governmental Activities Debt (Unaudited)

For the Year Ended June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>3</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt			
State of Utah	\$ 1,640,940,000	2.73%	\$ 44,797,662
CUWCD <sup>1</sup>	116,365,000	4.15%	4,829,148
Salt Lake County	116,360,000	7.83%	9,110,988
Canyons School District	394,870,000	38.58%	152,340,846
Sandy Suburban Improvement District	2,962,000	100.00%	2,962,000
Total Overlapping Debt	<u>\$ 2,271,497,000</u>		<u>\$ 214,040,644</u>
Total Overlapping Debt Less the State <sup>2</sup>			<u>169,242,982</u>
Sandy City Total Direct Debt			<u>98,255,632</u>
Total Direct and Overlapping Debt			<u><u>\$ 267,498,614</u></u>

Source: Lewis Young Robertson and Burningham, Inc

<sup>1</sup>Central Utah Water Conservancy District (CUWCD) outstanding general obligation bonds are limited ad valorem tax bonds. These bonds are the only limited ad valorem tax bonds in the state issued under the Water Conservancy Act. By law, CUWCD may levy a tax rate of up to .04 percent to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.

<sup>2</sup>The state's general obligation debt is not included in overlapping debt because the state levies no property tax for the payment of general obligation bonds.

<sup>3</sup>Estimated percentage applicable is rounded to the nearest 100th percent.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**Sandy City**  
**Legal Debt Margin Information (Unaudited)**  
**Last Ten Fiscal Years Ended June 30**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Debt Limit</b>										
General (4% Fair Cash Value) <sup>1</sup>	\$ 379,322,846	\$ 399,878,816	\$ 427,366,808	\$ 470,321,913	\$ 511,387,152	\$ 564,692,816	\$ 609,284,013	\$ 647,448,584	\$ 709,311,606	\$ 899,814,004
Water and Sewer (4% Fair Cash Value) <sup>1</sup>	379,322,846	399,878,816	427,366,808	470,321,914	511,387,153	564,692,817	609,284,014	647,448,585	709,311,606	899,814,004
Total 8% Debt Limit	758,645,692	799,757,632	854,733,616	940,643,827	1,022,774,305	1,129,385,633	1,218,568,028	1,294,897,169	1,418,623,212	1,799,628,007
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	\$ 758,645,692	\$ 799,757,632	\$ 854,733,616	\$ 940,643,827	\$ 1,022,774,305	\$ 1,129,385,633	\$ 1,218,568,028	\$ 1,294,897,169	\$ 1,418,623,212	\$ 1,799,628,007
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Assessed Valuation:	
Primary Residential	\$ 10,157,141,550
All Other	4,107,295,117
Total Assessed Value	<u>\$ 14,264,436,667</u>
Reasonable Fair Cash Value	\$ 22,495,350,091
Debt Limit (8% of Reasonable Fair Cash Value) <sup>1</sup>	1,799,628,007
Debt Applicable to Limit:	
General Obligation Bonds	-0-
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>-0-</u>
Total Net Debt Applicable to Limit	<u>-0-</u>
Legal Debt Margin	<u>\$ 1,799,628,007</u>

Source: Salt Lake County Auditor's Office

<sup>1</sup>The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 8% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 4% and any unused portion of the 4% available for general purposes up to the maximum 8% may be utilized for water and/or sewer purposes.

**Sandy City**  
**Pledged-Revenue Coverage (Unaudited)**  
**Last Ten Fiscal Years Ended June 30**

Fiscal Year	Water Revenue Bonds						Sales Tax Revenue Bonds				
	Gross Operating Revenue	Less: Direct Operating Expenses	Net Available Revenue	Debt Service		Coverage	Sales Tax Revenue Collections	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
2014	\$ 20,663,715	\$ 10,650,644	\$ 10,013,071	\$ 370,000	\$ 172,999	18.44	\$ 18,750,745	\$ 3,544,000	\$ 1,442,163	3.76	
2015	19,148,344	10,215,890	8,932,454	390,000	156,621	16.34	19,221,835	4,015,000	1,228,102	3.67	
2016	20,890,459	11,640,561	9,249,898	405,000	140,683	16.95	19,891,096	4,364,000	1,139,647	3.61	
2017	23,500,938	12,001,955	11,498,983	415,000	128,650	21.15	20,642,039	4,587,000	2,975,264	2.73	
2018	22,896,871	10,449,027	12,447,844	425,000	240,251	18.71	21,909,964	4,587,000	2,854,008	2.94	
2019	21,652,019	11,785,256	9,866,763	1,019,000	326,439	7.33	22,289,422	4,727,000	2,708,012	3.00	
2020	24,038,821	11,885,826	12,152,995	1,042,000	305,959	9.02	25,127,618	3,436,000	2,558,495	4.19	
2021	25,151,479	11,806,144	13,345,335	1,059,000	284,387	9.93	29,190,378	3,537,000	2,284,092	5.01	
2022	20,591,173	12,033,446	8,557,727	860,000	430,553	6.63	32,455,302	2,771,000	2,160,968	6.58	
2023	23,186,642	17,286,072	5,900,570	980,000	307,800	4.58	30,106,136	2,885,000	2,046,723	6.10	

Fiscal Year	Tax Increment Bonds				Motor Fuel Excise Tax Revenue Bonds				Transient Room Tax Revenue Bonds				
	Tax Increment Collections	Debt Service		Coverage	B and C Road Fund Collections	Debt Service		Coverage	Transient Room Tax Revenue		Debt Service		Coverage
		Principal	Interest			Principal	Interest		Collections	Debt Service	Principal	Interest	
2014	\$ 113,989	\$ 390,000	\$ 583,195	0.12	\$ 2,756,822	\$ 850,000	\$ 172,750	2.70	\$ 2,479,153	\$ 985,000	\$ 1,304,147	1.08	
2015	106,957	-0-	-0-	-0-	2,917,055	875,000	138,750	2.88	2,721,941	1,260,000	1,038,623	1.18	
2016	92,549	-0-	-0-	-0-	3,129,681	925,000	95,000	3.07	2,943,564	1,390,000	992,910	1.24	
2017	94,141	-0-	-0-	-0-	3,310,634	975,000	48,750	3.23	3,332,491	1,520,000	942,713	1.35	
2018	89,183	-0-	-0-	-0-	3,335,120	-0-	-0-	-0-	3,581,154	1,660,000	887,858	1.41	
2019	95,186	-0-	-0-	-0-	3,728,958	-0-	-0-	-0-	3,591,532	1,805,000	828,086	1.36	
2020	93,967	-0-	-0-	-0-	3,495,735	-0-	-0-	-0-	2,886,799	1,955,000	763,226	1.06	
2021	103,628	-0-	-0-	-0-	3,770,384	-0-	-0-	-0-	2,259,918	2,120,000	692,933	0.80	
2022	90,091	-0-	-0-	-0-	4,080,380	-0-	-0-	-0-	4,083,103	2,295,000	372,590	1.53	
2023	88,929	-0-	-0-	-0-	4,234,550	-0-	-0-	-0-	5,394,924	2,160,000	511,300	2.02	

**Sandy City**  
**Demographic and Economic Statistics (Unaudited)**  
**Last Ten Fiscal Years Ended June 30**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Adjusted Gross Income<sup>3</sup></b>	<b>Per Capita Adjusted Gross Income<sup>3</sup></b>	<b>Median Age<sup>1,4</sup></b>	<b>Unemployment Rate<sup>5</sup></b>
2014 <sup>9</sup>	89,620	N/A	N/A	\$ 3,126,428,378	\$ 34,885	33.8	3.7%
2015	94,612	5,412,267,700	57,205	3,331,330,650	35,210	33.8	3.3%
2016 <sup>9</sup>	97,082	N/A	N/A	3,356,529,172	34,574	33.8	3.2%
2017	97,082	N/A	N/A	3,606,213,177	37,146	33.8	3.0%
2018 <sup>7</sup>	97,857	N/A	N/A	3,680,152,101	37,607	33.8	3.1%
2019 <sup>7</sup>	98,849	N/A	N/A	3,714,361,915	37,576	36.4	2.9%
2020 <sup>7</sup>	99,700	N/A	N/A	3,870,664,992	38,823	35.9	3.9%
2021 <sup>7,8</sup>	99,235	N/A	N/A	N/A	N/A	36.5	3.5%
2022 <sup>7,8</sup>	99,848	N/A	N/A	N/A	N/A	36.0	2.1%
2023 <sup>7,8</sup>	97,984	N/A	N/A	N/A	N/A	36.3	2.3%

<b>Fiscal Year</b>	<b>High School or Less<sup>2</sup></b>	<b>Some College/ Tech School<sup>2</sup></b>	<b>Two-Year College Degree<sup>2</sup></b>	<b>Bachelors Degree (4 yrs.)<sup>2</sup></b>	<b>Grad. School/ Beyond 4 yr.<sup>2</sup></b>	<b>Refused to Answer<sup>2</sup></b>	<b>School Enrollment<sup>6</sup></b>
2014 <sup>9</sup>	N/A	N/A	N/A	N/A	N/A	N/A	18,286
2015	7%	21%	18%	32%	21%	N/A	17,612
2016 <sup>9</sup>	N/A	N/A	N/A	N/A	N/A	N/A	17,618
2017	5%	17%	14%	38%	27%	2%	17,612
2018 <sup>7</sup>	N/A	N/A	N/A	N/A	N/A	N/A	17,458
2019 <sup>7</sup>	N/A	N/A	N/A	N/A	N/A	N/A	18,355
2020 <sup>7</sup>	N/A	N/A	N/A	N/A	N/A	N/A	17,963
2021 <sup>7</sup>	N/A	N/A	N/A	N/A	N/A	N/A	18,920
2022 <sup>7</sup>	N/A	N/A	N/A	N/A	N/A	N/A	18,946
2023 <sup>7</sup>	N/A	N/A	N/A	N/A	N/A	N/A	19,226

<sup>1</sup>Source: Sandy City Planning Division

<sup>2</sup>Source: Estimated using information received from the Dan Jones Survey/Lighthouse Research Survey.  
The city does not conduct this exact survey anymore.

<sup>3</sup>Source: Utah State Tax Commission (Based on a calendar year)

<sup>4</sup>Source: Census Bureau

<sup>5</sup>Source: The United States Bureau of Labor Statistics

<sup>6</sup>Source: Canyons School District

<sup>7</sup>No Dan Jones Survey was conducted from fiscal year 2018 to fiscal year 2023.

<sup>8</sup>Information from the Utah State Tax Commission was unavailable at the time of this report.

<sup>9</sup>Information from the Dan Jones/Lighthouse surveys were unavailable at the time of this report.



**Sandy City**  
**Principal Employers (Unaudited)**  
**For the Years Ended June 30, 2023 and 2014**

<b>Employer</b>	<b>2023</b>			<b>2014</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
BECTON DICKINSON INFUSN THRPY	1,092	1	3.75%	1,092	2	2.36%
AMERICAN EXPRESS TRAVEL REALTED SERVICES CO INC	791	2	2.72%			
MOUNTAIN AMERICA CREDIT UNION	749	3	2.57%			
NICE INCONTACT	739	4	2.54%			
E*TRADE SECURITIES LLC	552	5	1.90%	423	6	0.91%
WCF MUTUAL INSURANCE COMPANY	441	6	1.51%			
AETNA LIFE INSURANCE COMPANY	376	7	1.29%			
TELARUS LLC	365	8	1.25%			
GALILEO FINANCIAL TECHNOLOGIES LLC	341	9	1.17%			
ALTA VIEW HOSPITAL	332	10	1.14%	332	7	0.72%
GENERAL DYNAMICS INFORMATION				1,656	1	3.40%
XEROX COMMERCIAL SOLUTIONS LLC				607	3	1.31%
SANDY CITY CORPORATION				546	4	1.18%
TELEPERFORMANCE USA				459	5	0.99%
WORKERS COMPENSATION FUND				320	8	0.69%
SCHEELS ALL SPORTS INC				300	9	0.65%
WALMART				246	10	0.53%
<b>Total</b>	<b>5,778</b>		<b>19.85%</b>	<b>5,981</b>		<b>12.74%</b>

Note: Annual amounts are shown only for the top ten principal employers. Including the other amounts would skew the overall total and percentage for the top ten principal employers.

Source: Sandy City Business License Division and The United States Bureau of Labor Statistics

# Sandy City

## Full-time Equivalent City Government Employees by Function (Unaudited)

Last Ten Fiscal Years Ended June 30

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities:</b>										
General Government										
Mayor	3.6	3.6	3.6	3.6	3.6	2.6	4.6	4.6	4.6	4.6
City Administrator	15.6	16.0	17.5	18.1	18.2	17.2	16.3	14.4	15.4	15.4
City Council	3.5	3.3	3.5	3.5	3.0	3.0	3.0	3.0	4.0	4.0
City Attorney	14.1	14.1	14.6	14.6	14.6	15.3	15.8	15.8	15.8	16.5
Court Services	16.5	16.5	16.5	16.5	16.8	16.3	16.0	16.0	16.0	16.0
Administrative Services	48.1	48.3	48.3	48.3	48.3	54.2	57.9	55.1	56.1	56.6
Non-Departmental	2.3	2.0	2.0	2.0	2.0	2.0	-0-	-0-	-0-	-0-
Police and Animal Services	156.0	156.2	156.2	158.7	160.7	156.0	162.4	162.1	162.6	162.7
Fire	76.7	78.2	78.2	79.0	80.0	80.0	87.0	87.0	87.0	88.0
Public Works	49.5	50.0	51.0	51.4	52.4	52.1	53.1	53.1	53.1	48.4
Parks and Cemetery	46.4	50.5	51.5	54.0	55.3	50.1	50.5	49.8	49.8	49.8
Recreation and Cultural Events	13.0	13.0	14.5	14.5	14.5	14.5	15.6	15.8	15.8	15.8
Street Lighting	3.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Storm Water Utility	20.4	21.1	21.1	21.1	20.1	20.1	20.1	20.1	20.1	20.1
Community Development	24.3	24.8	26.1	26.4	26.4	26.3	26.7	26.7	26.7	27.7
Economic Development	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Business-Type Activities:</b>										
Alta Canyon Sports Center	26.5	26.8	29.9	29.9	29.9	30.9	30.9	30.9	28.9	28.9
Water	40.3	40.3	40.3	40.3	41.8	41.8	42.8	43.8	43.8	43.8
Waste Collection	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	9.7
River Oaks Golf Course	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.2	12.5
<b>Total</b>	<b>578.9</b>	<b>586.3</b>	<b>596.2</b>	<b>603.4</b>	<b>608.9</b>	<b>603.8</b>	<b>624.1</b>	<b>619.6</b>	<b>621.1</b>	<b>625.7</b>

Source: Sandy City Payroll Division

**Sandy City**  
**Operating Indicators by Function (Unaudited)**  
**Last Ten Fiscal Years Ended June 30**

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police<sup>1</sup></b>										
Physical arrests	2,728	2,411	2,251	2,115	2,210	2,140	1,990	1,937	2,145	2,086
Nonmoving traffic citations	1,898	428	4,053	6,020	3,155	2,211	1,999	2,122	2,137	2,314
Moving traffic citations	9,507	12,979	12,164	11,232	13,559	8,563	6,139	5,109	5,730	7,079
<b>Fire</b>										
Number of fire calls answered	1,565	1,696	1,495	1,834	1,927	1,937	2,010	5,860	2,011	2,181
Number of medical calls answered	4,824	5,196	4,593	5,664	5,686	5,723	5,510	1,895	6,497	6,961
<b>Public Works</b>										
Street resurfacing (miles)										
Overlays	0.75	1.22	1.47	0.49	0.49	1.60	1.20	0.69	0.98	1.51
Slurry	35.50	44.18	35.97	33.91	35.75	44.06	-0-	41.80	37.35	29.12
Potholes repaired	1,542	1,028	1,037	1,189	2,060	1,743	1,126	1,415	1,386	4,163
<b>Sanitation</b>										
Number of garbage cans per month	31,550	31,595	31,686	31,818	31,983	32,196	32,783	33,020	33,163	33,441
Number of recycle cans/month	24,095	24,206	24,288	24,348	24,413	24,467	24,520	25,006	25,292	25,548
<b>Parks, recreation, and cemetery</b>										
Number of program participants	19,043	19,092	18,683	17,554	16,126	15,991	11,229	13,810	16,275	15,163
Cemetery plots sold <sup>2</sup>	5	2	2	288	409	126	75	87	72	54
<b>Alta Canyon</b>										
Members	1,395	1,376	1,160	1,481	1,337	926	689	1,867	1,588	3,240
Class participants	34,606	35,818	34,392	24,637	23,974	25,228	19,430	19,975	22,958	22,795
<b>Golf</b>										
Number of 18 hole rounds played	21,275	18,540	18,506	18,142	16,907	27,649	15,682	26,648	24,466	24,959
Number of 9 hole rounds played	21,746	22,228	19,924	18,035	20,579	17,696	21,059	33,986	21,891	25,178
Number of tournaments	70	27	53	43	47	48	30	31	63	63
<b>Sandy Arts Guild</b>										
Number of tickets sold	35,262	29,086	20,752	22,557	11,212	11,649	9,114	5,088	4,127	5,477
Number of performances	29	18	34	28	17	35	16	32	28	27
<b>Water</b>										
New connections	135	110	106	101	266	154	131	93	92	125
Water main breaks	69	62	62	87	77	64	84	65	79	71
Average daily consumption (gallons)	22,038,333	20,550,833	22,015,833	23,248,333	22,570,000	20,505,000	21,964,167	23,091,667	17,966,667	18,586,667

<sup>1</sup>Fiscal Year 14 Police changed the way they collect their data. For example, prior nonmoving citations involved driver license expiration, but now it only includes parking violations.

<sup>2</sup>Fiscal Year 17 A new section of the Sandy City Cemetery has been opened, bringing 3,000 new grave plots and 396 niches.

Source: Various City Departments

**Sandy City**  
**Capital Assets Statistics by Function (Unaudited)**  
**Last Ten Fiscal Years Ended June 30**

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	4	3	4	4	4	4	3	3	5	2
Vehicles and Motorcycles	155	170	173	174	166	167	184	167	166	180
<b>Fire</b>										
Fire Stations	5	5	5	5	5	5	5	5	5	5
Fire Engines	5	5	7	7	7	7	7	6	6	6
Ladder Truck 100'	1	1	1	1	1	2	2	2	2	2
Telesquirt 50'	1	1	1	1	1	-0-	-0-	-0-	-0-	-0-
Ambulance	4	4	5	5	5	5	5	5	5	5
Training Towers	1	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
Streets (road miles)	306	311	313	317	318	322	319	320	322	322
Traffic Signals	42	43	43	40	42	42	42	44	44	44
<b>Streetlights</b>	7,673	7,776	8,042	8,174	8,187	8,374	8,307	8,372	8,405	8,491
<b>Culture and Recreation</b>										
Parks Acreage	314	314	314	314	314	314	314	314	314	314
Parks	32	32	32	32	32	32	32	32	32	32
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	31	29	29	31	31	31	31	24	24	24
Pickle Ball Courts		4	4	4	4	4	4	5	13	17
18-Hole Golf Course	1	1	1	1	1	1	1	1	1	1
<b>Water</b>										
Water Mains (miles)	422	424	426	427	428	424	426	426	428	431
Fire Hydrants	4,807	4,378	4,428	4,468	4,517	4,456	4,468	4,497	4,512	4,545
Maximum Daily Capacity (millions of gallons per day)	157.875	157.155	157.875	157.875	154.625	157.875	158.875	154.625	152.660	152.660
Storm Water Drains (miles) <sup>1</sup>	203	205	148	157	159	159	254	255	261	164

Source: Various City Departments

<sup>1</sup>Decrease in 2023 due to separation of entity ownership. Only what Sandy City owns and maintains is shown.

INTERNAL CONTROL  
and  
STATE LEGAL COMPLIANCE  
REPORTS

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Compliance Reports  
June 30, 2023

City of Sandy, Utah



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Members of City Council  
City of Sandy, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sandy City (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 27, 2023.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.



## **Report on Compliance and Other Matters**

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

## **Sandy City's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

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



Salt Lake City, Utah  
December 27, 2023



**Independent Auditor's Report on Compliance and Report on Internal Control over Compliance as Required by the *State Compliance Audit Guide***

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

***Report on Compliance***

We have audited Sandy City's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2023.

State compliance requirements were tested for the year ended June 30, 2023, in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Government Fees
- Cash Management
- Impact Fees
- Open and Public Meetings Act

***Opinion on Compliance***

In our opinion, Sandy City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the State Compliance Audit Guide (Guide). Our responsibilities under those standards and the State Compliance Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Sandy City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Sandy City's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Sandy City's government programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Sandy City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Sandy City's compliance with the requirements of the government program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Sandy City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Sandy City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Compliance Audit Guide but not for the purpose of expressing an opinion on the effectiveness of Sandy City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report On Internal Control over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Eide Bailly LLP*

Salt Lake City, Utah  
December 27, 2023

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**Section I – Financial Statement Findings**

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**2023-001      Audit Adjustments, and Prior Year Restatement  
Material Weakness in Internal Control**

*Criteria:* Sandy City and its management are responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement in accordance with accounting principles generally accepted in the United States, whether due to fraud or error.

*Condition:* During the audit we identified multiple audit adjustments that in the aggregate represent a material adjustment to the financial statements. In addition, restatement to the prior year financial statements was required due to lease receivables not being presented in the fund financial statements, although they were properly included in the government-wide financial statements. Audit adjustments were proposed that impacted receivables, capital assets, debt, and lease receivables and beginning fund balance.

*Cause:* Schedules supporting financial statement balances contained errors leading to inaccurate financial reporting. These issues were not adequately reconciled or reviewed by an appropriate individual prior to the initial financial close or during the financial statement preparation process. These were typically related to infrequent transactions or the adoption of new accounting standards.

*Effect:* If the audit adjustments had not been made, the financial statements could have misstatements.

*Recommendation:* We recommend that management review the process and timing of reconciliation of year end items, as well as continuing to provide training to those performing those reconciliations.

*Views of Responsible Officials:* The adjustment for lease receivables was caused by specific guidance in GASB 87 and is a one-time item related to adoption of the standard in the prior year. Other adjustments due to infrequent transactions as mentioned in the “Cause” section of the finding, began in prior periods and were audited by previous auditors without associated findings. We agree with the auditor’s recommendation to review the process and timing of year-end reconciliation items and will do so before the fiscal year 2024 audit commences.

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**Section II – Compliance Findings**

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None