

OFFICIAL STATEMENT RELATED TO

\$6,245,000*

Santaquin City, Utah

Sales Tax Revenue Bonds, Series 2020

INTRODUCTION

This introduction is only a brief description of the 2020 Bonds, as hereinafter defined, the security and sources of payment for the 2020 Bonds and certain information regarding Santaquin City, Utah (the “City”). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT as well as the documents summarized or described herein.

See the following appendices that are attached hereto and incorporated herein by reference: “APPENDIX A—BASIC FINANCIAL STATEMENTS OF SANTAQUIN CITY, UTAH FOR FISCAL YEAR 2019”; “APPENDIX B—THE GENERAL INDENTURE OF TRUST”; “APPENDIX C—PROPOSED FORM OF OPINION OF BOND COUNSEL”; “APPENDIX D—PROPOSED FORM OF LIMITED CONTINUING DISCLOSURE UNDERTAKING”; “APPENDIX E—BOOK-ENTRY SYSTEM” and “APPENDIX F—SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] June 30, 20YY” shall refer to the year beginning on July 1 and ending on June 30 of the year indicated. When used herein the terms “Calendar Year[s] 20YY”; “Calendar Year[s] End[ed][ing] December 31, 20YY”; or “Tax Year 20YY” shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. Unless otherwise indicated, capitalized terms used in this OFFICIAL STATEMENT shall have the meaning established in the Indenture (as hereinafter defined). See “APPENDIX B—THE GENERAL INDENTURE OF TRUST—Definitions.”

Public Sale/Electronic Bid

The 2020 Bonds will be awarded pursuant to competitive bidding received by means of the *PARITY*[®] electronic bid submission system on Thursday, September 3, 2020, as set forth in the OFFICIAL NOTICE OF BOND SALE (dated the date of this PRELIMINARY OFFICIAL STATEMENT).

See the “OFFICIAL NOTICE OF BOND SALE” above.

Santaquin City, Utah

The City, incorporated in 1932, covers an area of approximately 10 square miles. The City is mostly located in the southernmost portion of Utah County (the “County”), approximately 70 miles south of Salt Lake City, Utah. A small portion of the City is located in northeastern Juab County. The City had 12,865 residents per the 2019 U.S. Census Bureau estimates. Incorporated in 1850, the County encompasses approximately 2,000 square miles of land with a population of 636,235 residents in 2019 according to the estimates by the U.S. Census Bureau, ranking the County as the second largest populated county in the State. Juab County encompasses approximately 3,406 square miles with a population of 12,017 in 2019. See “SANTAQUIN CITY, UTAH” below.

* Preliminary; subject to change.

The 2020 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information about the issuance and sale by the City of its \$6,245,000*, Sales Tax Revenue Bonds, Series 2020 (the “2020 Bonds or “2020 Bond”), initially issued in book–entry form.

The 2020 Bonds are the first bonds to be issued under the Indenture.

Authorization And Purpose Of The 2020 Bonds

Authorization. The 2020 Bonds are being issued under the Indenture pursuant to the Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended (the “Utah Code”), and (ii) a General Indenture of Trust, dated as of [September 1, 2020] (the “General Indenture”) between the City and Zions Bancorporation, Corporate Trust Department, Salt Lake City, Utah (“Zions Bancorporation”), as trustee (the “Trustee”), as further supplemented by a First Supplemental Indenture of Trust, dated as of [September 1, 2020], between the City and the Trustee (the “First Supplemental Indenture”) providing for the issuance of the 2020 Bonds. The General Indenture, together with all amendments or supplements thereto, including without limitation the First Supplemental Indenture, is sometimes referred to collectively herein, as the “Indenture.”

Purpose. The proceeds of the 2020 Bonds are being issued by the City for the purpose of financing: (i) the construction of a 20,000 square foot City Hall, and (ii) payment of costs associated with the issuance of the 2020 Bonds. See “THE 2020 BONDS” and “THE 2020 PROJECT” herein.

Security for the 2020 Bonds, Additional Bonds

Security for the 2020 Bonds. The 2020 Bonds are special limited obligations of the City payable from and secured solely by a pledge of Revenues, moneys, securities and funds pledged under the Indenture. The 2020 Bonds will be issued on a parity with any Additional Bonds, defined herein, which may be issued from time to time under the Indenture.

The Revenues consist of 100% of the revenues received by the City from the Local Option Sales and Use Tax (the “Pledged Sales and Use Taxes”) levied by the City pursuant to the Local Sales and Use Tax Act, Title 59, Chapter 12, Part 2, Utah Code (the “Local Sales and Use Tax Act”).

No assurance can be given that the Pledged Taxes will remain sufficient for the payment of the principal of or interest on the 2020 Bonds and the City is limited by State law in its ability to increase the rate of such taxes. The 2020 Bonds do not constitute a general obligation indebtedness, a pledge of the ad valorem taxing power or the full faith and credit of the City and are not obligations of the State of Utah or any other agency or other political subdivision or entity of the State of Utah. The City will not mortgage or grant any security interest in the improvements financed with the proceeds of the 2020 Bonds or any portion thereof to secure payment of the 2020 Bonds.

Additional Bonds. The 2020 Bonds are the initial series of bonds issued under the indenture and are secured on a parity lien with any additional bonds, notes or other obligations that may be issued from time to time under the Indenture (the “Additional Bonds”). The 2020 Bonds and any Additional Bonds which may be issued from time to time under the Indenture are collectively referred to herein as the “Bonds.”

See “SECURITY AND SOURCES OF PAYMENT FOR THE 2020 BONDS” below.

Pledged Taxes

The Pledged Taxes for Fiscal Year 2019 were \$1,466,725 and will, if maintained at that level, provide projected coverage of 3.8 times* the expected maximum debt service of approximately \$420,000* occurring in Fiscal

* Preliminary; subject to change.

Year 2040 of the Bonds. See “SECURITY AND SOURCES OF PAYMENT—Pledged Taxes,” “HISTORICAL DEBT SERVICE COVERAGE,” and “PROJECTED DEBT SERVICE COVERAGE” below.

Under the Indenture the City may issue Additional Bonds if Pledged Taxes for any consecutive 12-month period in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to [200%] of the maximum annual debt service on all Bonds including the Additional Bonds to be Outstanding following the issuance of the Additional Bonds. See “SECURITY AND SOURCES OF PAYMENT—Pledged Taxes” and “PROJECTED DEBT SERVICE COVERAGE” below.

Redemption Provisions

The 2020 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See “THE 2020 BONDS—Redemption Provisions” and “—Mandatory Sinking Fund Redemption At Bidder’s Option” below.

Registration, Denominations, Manner Of Payment

The 2020 Bonds are issuable only as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, (“DTC”). DTC will act as securities depository of the 2020 Bonds. Purchases of 2020 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC’s Participants (as defined herein). Beneficial Owners (as defined herein) of the 2020 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2020 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined under “APPENDIX E—BOOK-ENTRY SYSTEM.”

Principal of and interest on the 2020 Bonds (interest payable June 15 and December 15 of each year, commencing December 15, 2020) are payable by Zions Bancorporation, Corporate Trust Department, Salt Lake City, Utah, as Paying Agent for the 2020 Bonds, to the registered owners of the 2020 Bonds. So long as Cede & Co. is the sole registered owner, it will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2020 Bonds, as described under “APPENDIX E—BOOK-ENTRY SYSTEM.”

So long as DTC or its nominee is the sole registered owner of the 2020 Bonds, neither the City nor the Trustee will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2020 Bonds. Under these same circumstances, references herein and in the Indenture to the “Bondowners” or “Registered Owners” of the 2020 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2020 Bonds.

Tax-Exempt Status Of The 2020 Bonds; Bank Qualified Obligation

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the 2020 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the 2020 Bonds is exempt from State of Utah individual income taxes.

See “TAX MATTERS” below for a more complete discussion. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the 2020 Bonds.

Bank Qualification. The 2020 Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986 (the “Code”).

Professional Services

In connection with the issuance of the 2020 Bonds, the following have served the City in the capacity indicated.

Trustee, Registrar and Paying Agent
Zions Bancorporation National Association
Zions Bank Building
Corporate Trust Department
One S Main St 12th Floor
Salt Lake City UT 84133–1109
801.844.7561 | f 855.547.5428
[\[shelene.brown@zionsbancorp.com\]](mailto:shelene.brown@zionsbancorp.com)

Bond Counsel and Disclosure Counsel
Gilmore & Bell PC
15 W S Temple Ste 1450
Salt Lake City UT 84101
801.364.5080 | f 801.364.5032
rlarsen@gilmorebell.com

Municipal Advisor
Zions Public Finance Inc
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484
brian.baker@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner, And Place Of Delivery

The 2020 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s) subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the City by _____, City Attorney. Certain matters regarding this OFFICIAL STATEMENT will be passed on by Gilmore & Bell, P.C. It is expected that the 2020 Bonds, in book–entry form, will be available for delivery to DTC or its agent on or about Thursday, September 17, 2020.

Limited Continuing Disclosure Undertaking

The City will enter a limited continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2020 Bonds. For a detailed discussion of this disclosure undertaking, previous undertakings and timing of submissions see “LIMITED CONTINUING DISCLOSURE UNDERTAKING” below and “APPENDIX D—PROPOSED FORM OF LIMITED CONTINUING DISCLOSURE UNDERTAKING.”

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the City and the 2020 Bonds are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture and the 2020 Bonds are qualified in their entirety by reference to each such document. See “APPENDIX B—THE GENERAL INDENTURE OF TRUST.”

Descriptions of the Indenture and the 2020 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. Other documentation authorizing the issuance of the 2020 Bonds and establishing the rights and responsibilities of the City and other parties to the transaction may be obtained from the “contact persons” as indicated below.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Salt Lake City, Utah (the “Municipal Advisor”) to the City:

Brian Baker, Vice President, brian.baker@zionsbancorp.com
Jeanette Harris, Vice President, jeanette.harris@zionsbancorp.com

Zions Public Finance, Inc.
Zions Bank Building
One S Main St 18th Fl

Salt Lake City UT 84133-1109
801.844.7373 | f 801.844.4484

As of the date of this OFFICIAL STATEMENT, the chief contact person for the City concerning the 2020 Bonds is:

Ben Reeves, City Manager
breeves@santaquin.org

Santaquin City
275 W Main St
Santaquin City UT
801.754.3211 | f 801.754.3526

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the 2020 Bonds, _____ will issue its Municipal Bond Insurance Policy for the 2020 Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the 2020 Bonds when due as set forth in the form of the Policy included as “APPENDIX F—SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

[_____ Company]

LIMITED CONTINUING DISCLOSURE UNDERTAKING

Limited Continuing Disclosure Undertaking For 2020 Bonds

The City will enter into a Limited Continuing Disclosure Undertaking (the “Disclosure Undertaking”) for the benefit of the Beneficial Owners of the 2020 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the form of Disclosure Undertaking in “APPENDIX D—PROPOSED FORM OF LIMITED CONTINUING DISCLOSURE UNDERTAKING.”

During the five years prior to the date of this OFFICIAL STATEMENT, the City has not been subject to the Rule’s requirements for undertakings or disclosure thereunder.

[The City will submit the Fiscal Year 2020 basic financial statement and other operating and financial information for the 2020 Bonds on or before February 5, 2021 (220 days from the end of the Fiscal Year), and annually thereafter on or before each February 5.]

A failure by the City to comply with the Limited Disclosure Undertaking will not constitute a default under the Indenture and the Beneficial Owners of the 2020 Bonds are limited to the remedies described in the Limited Disclosure Undertaking. A failure by the City to comply with the annual disclosure requirements of the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2020 Bonds in the secondary market. Consequently, such a failure may adversely affect the marketability and liquidity of the 2020 Bonds and their market price.

THE 2020 BONDS

General

The 2020 Bonds are dated the date of delivery¹ thereof (the “Dated Date”) and will mature on June 15 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT.

The 2020 Bonds shall bear interest from the Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2020 Bonds is payable on December 15, 2020, and semi-annually thereafter on each June 15 and December 15. Interest on the 2020 Bonds shall be computed based on a 360-day year comprised of 12, 30-day months. Zions Bancorporation, Corporate Trust Department, Salt Lake City, Utah is the initial Registrar, Paying Agent and Trustee with respect to the 2020 Bonds (in such respective capacities, the “Registrar,” “Paying Agent” and “Trustee”).

The 2020 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

¹ The anticipated date of delivery is Thursday, September 17, 2020.

Sources And Uses Of Funds

The proceeds from the sale of the 2020 Bonds are estimated to be applied as set forth below:

Sources of Funds:	
Par amount of 2020 Bonds	\$
Original issue premium	
Total	\$
Uses of Funds:	
Deposit to Project Account.....	\$
Successful bidder’s discount	
Original issue discount	
Costs of Issuance (1)	
Total	\$

(1) Includes legal fees, Municipal Advisor fees, rating agency fees, Trustee, Registrar and Paying Agent fees, rounding amounts and other miscellaneous costs of issuance.

(Source: Municipal Advisor.)

Redemption Provisions

Optional Redemption. The 2020 Bonds maturing on or prior to June 15, 20__ are not subject to redemption prior to maturity. The 2020 Bonds maturing on or after June 15, 20__, are subject to redemption at the option of the City on June 15, 20__, and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the City, at a redemption price equal to 100% of the principal amount of the 2020 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

Selection for Redemption. If less than all 2020 Bonds of any maturity are to be redeemed, the 2020 Bonds or portion of 2020 Bonds of such maturity to be redeemed will be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate. The portion of any registered 2020 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or a whole multiple thereof, and in selecting portions of such 2020 Bonds for redemption, the Trustee will treat each such 2020 Bond as representing that number of 2020 Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such 2020 Bond by \$5,000.

Notice of Redemption. Notice of redemption will be given by the Registrar by first class mail, not less than 30 nor more than 60 days prior to the redemption date, to the owner, as of the Record Date, as defined under “THE 2020 BONDS—Registration And Transfer; Record Date” below, of each 2020 Bond that is subject to redemption, at the address of such owner as it appears on the registration books of the City kept by the Registrar or at such other address as is furnished to the Registrar in writing by such owner on or prior to the Record Date. Each notice of redemption will state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the 2020 Bonds are to be redeemed, the distinctive numbers of the 2020 Bonds or portions of 2020 Bonds to be redeemed, and will also state that the interest on the 2020 Bonds in such notice designated for redemption will cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the 2020 Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date.

Each notice of optional redemption may further state that such redemption will be conditioned upon the receipt by the Trustee, on or prior to the date fixed for redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such 2020 Bonds to be redeemed and that if such moneys have not been so received the notice will be of no force or effect and the City will not be required to redeem such 2020 Bonds. If such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Trustee will within a reasonable time thereafter give notice, in the way the notice of redemption was given, that such moneys were not so received. Any such notice mailed will be conclusively presumed to have been duly given,

whether the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any 2020 Bond will not affect the validity of the proceedings for redemption with respect to any other 2020 Bond.

In addition to the foregoing notice, further notice of such redemption will be given by the Trustee to the MSRB as provided in the Indenture, but no defect in such further notice nor any failure to give all or any portion of such notice will in any manner affect the validity of a call for redemption if notice thereof is given as prescribed above and in the Indenture.

For so long as a book–entry system is in effect with respect to the 2020 Bonds, the Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of 2020 Bonds. See “THE 2020 BONDS—Book–Entry System” below.

Mandatory Sinking Fund Redemption At Bidder’s Option

The 2020 Bonds may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See “OFFICIAL NOTICE OF BOND SALE—Term Bonds and Mandatory Sinking Fund Redemption at Bidder’s Option.”

Book–Entry System

DTC will act as securities depository for the 2020 Bonds. The 2020 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2020 Bond certificate will be issued for each maturity of the 2020 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or a “fast agent” of DTC. See “APPENDIX E—BOOK–ENTRY SYSTEM” for a more detailed discussion of the book–entry system and DTC.

Registration And Transfer; Record Date

Registration and Transfer. In the event the book–entry only system is discontinued, any 2020 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by such owner’s duly authorized attorney, upon surrender of such 2020 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Registrar. No transfer will be effective until entered on the registration books kept by the Registrar. Whenever any 2020 Bond is surrendered for transfer, the Registrar shall authenticate and deliver a new fully registered 2020 Bond or 2020 Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the City, for a like aggregate principal amount.

The 2020 Bonds may be exchanged at the principal corporate office of the Trustee for a like aggregate principal amount of fully registered 2020 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the 2020 Bonds, the Trustee must make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2020 Bonds.

Record Date. “Regular Record Date” means the fifteenth day immediately preceding each Interest Payment Date. “Special Record Date” means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with the Indenture. The Trustee will not be required to transfer or exchange any Bond (i) during the period from and including any Regular Record Date to and including the next succeeding Interest Payment Date, (ii) during the period from and including the day 15 days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day 15 days prior to the mailing of notice calling any Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such Bond for redemption.

The City, the Registrar and the Paying Agent may treat and consider the person in whose name each 2020 Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such 2020 Bond for payment of principal, premium and interest with respect to such 2020 Bond and for all other purposes whatsoever. See “APPENDIX E—BOOK—ENTRY SYSTEM” for a more detailed discussion of the book—entry system and DTC.

Debt Service On The 2020 Bonds

<u>Payment Date</u>	<u>The 2020 Bonds</u>		<u>Period Total</u>	<u>Fiscal Total</u>
	<u>Principal*</u>	<u>Interest</u>		
December 15, 2020.....	\$ 0.00	\$	\$	
June 15, 2021.....	245,000.00			
December 15, 2021.....	0.00			
June 15, 2022.....	215,000.00			
December 15, 2022.....	0.00			
June 15, 2023.....	225,000.00			
December 15, 2023.....	0.00			
June 15, 2024.....	235,000.00			
December 15, 2024.....	0.00			
June 15, 2025.....	245,000.00			
December 15, 2025.....	0.00			
June 15, 2026.....	250,000.00			
December 15, 2026.....	0.00			
June 15, 2027.....	265,000.00			
December 15, 2027.....	0.00			
June 15, 2028.....	280,000.00			
December 15, 2028.....	0.00			
June 15, 2029.....	290,000.00			
December 15, 2029.....	0.00			
June 15, 2030.....	305,000.00			
December 15, 2030.....	0.00			
June 15, 2031.....	320,000.00			
December 15, 2031.....	0.00			
June 15, 2032.....	330,000.00			
December 15, 2032.....	0.00			
June 15, 2033.....	340,000.00			
December 15, 2033.....	0.00			
June 15, 2034.....	350,000.00			
December 15, 2034.....	0.00			
June 15, 2035.....	365,000.00			
December 15, 2035.....	0.00			
June 15, 2036.....	375,000.00			
December 15, 2036.....	0.00			
June 15, 2037.....	385,000.00			
December 15, 2037.....	0.00			
June 15, 2038.....	395,000.00			
December 15, 2038.....	0.00			
June 15, 2039.....	410,000.00			
December 15, 2039.....	0.00			
June 15, 2040.....	<u>420,000.00</u>			
Totals.....	<u>\$6,245,000.00</u>	<u>\$</u>	<u>\$</u>	

* Preliminary; subject to change.

(Source: Municipal Advisor.)

SECURITY AND SOURCES OF PAYMENT

The Indenture

The 2020 Bonds are special limited obligations of the City, payable solely from and secured by a pledge of the Revenues and certain funds and accounts pledged therefor and established by the Indenture. The Revenues consist of all the revenues produced by the Pledged Taxes. No assurance can be given that the Pledged Taxes will remain sufficient for the payment of principal of and interest on the 2020 Bonds and the City is limited by State law in its ability to increase the rate of such taxes. The Bonds do not constitute general obligation indebtedness or a pledge of the ad valorem taxing power or full faith and credit of the City and are not obligations of the State or any other agency or other political subdivision or entity of the State. The City will not mortgage or grant any security interest in any of the improvements financed with the proceeds of the 2020 Bonds to secure payment of the Bonds.

Upon the occurrence of an Event of Default specified in the Indenture, the Trustee or the Registered Owners of the Bonds may pursue certain remedies to enforce the obligations of the City under the Indenture. These remedies do not include the right to declare all the principal of and interest on the Bonds to be immediately due and payable. See “APPENDIX B—THE GENERAL INDENTURE OF TRUST—Article VII—Events of Default; Remedies” (page B-43).

State Pledge Of Nonimpairment

In accordance with the provisions of the Bonding Act, the State pledges and agrees with the holders of the Bonds that it will not alter, impair or limit the sales taxes in a manner that reduces the amounts to be rebated to the City which are devoted or pledged for the payment of the 2020 Bonds until the 2020 Bonds, together with applicable interest, are fully met and discharged; provided, however, that nothing shall preclude such alteration, impairment or limitation if and when adequate provision shall be made by law for the protection of the holders of outstanding 2020 Bonds

The City notes that this provision has not been interpreted by a court of law and, therefore, the extent that such provision would (i) be upheld under constitutional or other legal challenge, (ii) protect the current rates and collection of all Pledged Taxes, or (iii) impact any other aspect of Pledged Taxes, cannot be predicted by the City.

Flow Of Funds

To secure timely payment of the principal of and interest on the 2020 Bonds, the City has pledged and assigned to the Trustee the Pledged Taxes and all moneys in certain funds and accounts established by the Indenture. The Indenture establishes a [Construction Fund, a Revenue Fund, a Bond Fund, and certain other funds and accounts.]

The Indenture provides that all Pledged Taxes shall be accounted for and maintained by the City separate and apart from all other moneys of the City. The Indenture provides that the Pledged Taxes shall be expended and used by the City only in the manner indicated in the Indenture, see “APPENDIX B—THE GENERAL INDENTURE OF TRUST—Article V. Uses of Funds—Section 5.2 Application of Revenues” (page B-31).

Pledged Taxes

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

A sales and use tax due and unpaid constitutes a debt due from the vendor and may be collected, together with interest, penalty, and costs, by appropriate judicial proceeding within three years after the vendor is delinquent. Furthermore, if a sales and use tax is not paid when due and if the vendor has not followed the procedures to object to a notice of deficiency, the Utah State Tax Commission may issue a warrant directed to the sheriff of any county com-

manding the sheriff to levy upon and sell the real and personal property of a delinquent taxpayer found within such county for the payment of the tax due. The amount of the warrant shall have the force and effect of an execution against all personal property of the delinquent taxpayer and shall become a lien upon the real property of the delinquent taxpayer in the same manner as a judgment duly rendered by any district court.

The Local Sales and Use Tax Act provides that each county, city and town in the State may levy a local sales and use tax of up to 1% on the purchase price of taxable goods and services. Although local governments may elect to levy sales and use taxes at rates less than 1%, various provisions of the Local Sales and Use Tax Act encourage local governments to levy these taxes at the rate of 1%. The legislative intent contained in the Local Sales and Use Tax Act is to provide an additional source of revenue to assist local governments to meet their financial needs and to service their bonded indebtedness. The local sales and use taxes discussed in this paragraph and received by the City are the Pledged Sales and Use Taxes from which a portion of the Revenues is derived. *The City has levied the Pledged Sales and Use Taxes at the maximum legal rate of 1%.*

Local sales and use taxes, including the Pledged Sales and Use Taxes, are collected by the State Tax Commission and distributed monthly to each county, city and town. Generally, the distributions are based on a formula, which provides that (i) 50% of sales tax collections will be distributed based on the percentage of the population of the local government to the total population of all similar local governments in the State and (ii) 50% of sales tax collections will be distributed based on the point of sale (the “50/50 Distribution”). The 50/50 Distribution formula is subject to legislative changes and the State Legislature has from time to time discussed altering this 50/50 Distribution formula. Changes to such formula have been and continue to be under discussion and the City cannot predict whether the State Legislature will make any such adjustments.

[*The Larger Sales Taxpayers.* State law prohibits disclosure of actual dollar figures of sales and use tax collections by specific businesses. However, in Fiscal Year 2019, the largest 10 businesses collected approximately 38% of the total sales tax collected in the City. The largest tax collection by a single business was approximately 9.5%. Those larger sales taxpayers include lodging services and retail business, resort service industries and utilities.] (Source: The City from data provided by the Utah State Tax Commission.)

Other Sales And Use Taxes

Total City–Wide Sales and Use Taxes. As of the date of this OFFICIAL STATEMENT, the City’s general sales and use tax rate is 7.25%. This tax rate includes the following taxes - 4.85% state tax; 1% local tax (these sales and use tax revenues are pledged to the repayment of the Bonds); 0.25% county option; 0.25% mass transit; 0.30% mass transit fixed guideway; 0.25% county airport, highway, public transit; 0.25% transportation infrastructure; and 0.10% botanical, cultural, zoo tax.

Additionally, the City imposes a 6% municipal energy tax, a 5.0% cable franchise tax and a 3.5% municipal telecommunications license tax.

County–Wide Sales and Use Taxes. Within the City are county–wide sales and use taxes *which are not pledged to the repayment of Bonds*. For example, as of the date of this OFFICIAL STATEMENT, other county–wide sales tax levies include:

- (i) a 4.25% transient room tax; (ii) a 2.5% motor vehicle leasing tax; (iii) a 1% tourism–restaurant tax; and (iv) a \$1.48 monthly per line county telecommunications (consisting of \$0.71 E911 emergency; \$0.25 unified state–wide 911; and \$0.52 radio network) tax.

State–Wide Sales and Use Tax. The State levies a state–wide sales and use tax, which is currently imposed at a rate of 4.85% (as indicated above) of the purchase price of taxable goods and services; a 0.32% transient room tax; and 3% on unprepared food and food ingredients (1.75% State; local option 1% and county option 0.25%). For residential energy use, the State currently imposes a tax rate of 2.0%.

No Debt Service Reserve Fund For The 2020 Bonds

Pursuant to the Indenture, each Series of Bonds, if required, may be secured by a separate subaccount in the Debt Service Reserve Fund as described in the Indenture.

2020 Bonds. There will be no funding of a subaccount of the Debt Service Reserve Fund with respect to the 2020 Bonds.

Issuance Of Additional Bonds

No additional indebtedness, bonds or notes of the City secured by a pledge of the Revenues senior to the pledge of Revenues for the payment of the Bonds and the Security Instrument Repayment Obligations, if any, authorized under the Indenture shall be created or incurred without the prior written consent of the Owners of 100% of the Outstanding Bonds and the Security Instrument Issuers. In addition, no Additional Bonds or other indebtedness, bonds or notes of the City payable on a parity with the Bonds authorized by the Indenture out of Revenues shall be created or incurred, unless the following requirements have been met:

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

(b) A certificate shall be delivered to the Trustee by an Authorized Representative to the effect that the Revenues for any consecutive 12-month period in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to 200% of the sum of (x) the maximum Aggregate Annual Debt Service Requirement on all Bonds and Additional Bonds to be Outstanding following the issuance of the Additional Bonds plus (y) the maximum annual installments due on all Reserve Instrument Repayment Obligations to be outstanding following the issuance of such Additional Bonds; and

provided, however, that such Revenue coverage test set forth above shall not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued under the Indenture, (ii) the Average Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith, and (iii) the maximum Aggregate Annual Debt Service Requirement for such Additional Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith; and

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

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

Issuance Of Future Additional Bonds

The City does not currently anticipate issuing additional sales tax revenue bonds on parity with the 2020 Bonds in the future but reserves the right to issue additional bonds in the future as circumstances warrant.

HISTORICAL SALES TAX REVENUES

The following table shows the past 10 Fiscal Years of Pledged Taxes received by the City and annual percent change in Pledged Tax revenue.

Fiscal Year Ended June 30	Pledged Sales and Use Taxes	
	Amount	% change from prior year
2019.....	\$1,466,725	9.0%
2018.....	1,345,017	11.2
2017.....	1,209,363	9.0
2016.....	1,109,606	4.8
2015.....	1,059,084	7.5
2014.....	984,764	5.8
2013.....	931,029	8.0
2012.....	862,068	12.6
2011.....	765,599	4.6
2010.....	731,831	

(Source: The City.)

PROJECTED DEBT SERVICE COVERAGE

Forward Looking Information. The City does not as a matter of course make public projections as to future revenues, income or other results. However, the City prepared the prospective financial information set forth below in the table “Projected Debt Service Coverage” to present projected debt service coverage on the 2020 Bonds. The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. In the view of the City management, the projections were prepared on a reasonable basis, and reflect the best currently available estimates and judgments. The following projections present, to the best of management’s knowledge and belief, the expected course of action and the expected future financial performance of the City or was prepared by carrying forward historical information to future years. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this OFFICIAL STATEMENT are cautioned not to place undue reliance on the prospective financial information.

Neither the City’s independent auditors nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The assumption and estimates underlying the prospective financial information are inherently uncertain and, although considered reasonable by the management of the City as of the date hereof, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties, that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the City or that the actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this OFFICIAL STATEMENT should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

[Add a note here regarding the new business sales tax revenues that are only included in the sales tax projections on a limited basis.]

Projected Pledged Taxes And Debt Service Coverage

For purposes of the following debt service coverage table, the amount of Pledged Taxes estimated to be collected for Fiscal Year 2021 is shown for all years during which the 2020 Bonds are scheduled to be outstanding.

Fiscal Year Ending June 30	2020 Bonds Debt Service	Pledged Taxes	Coverage Ratio (3)
Projected:			
2021.....	\$245,000	\$1,593,651	6.5
2022.....	215,000	1,593,651	7.4
2023.....	225,000	1,593,651	7.1
2024.....	235,000	1,593,651	6.8
2025.....	245,000	1,593,651	6.5
2026.....	250,000	1,593,651	6.4
2027.....	265,000	1,593,651	6.0
2028.....	280,000	1,593,651	5.7
2029.....	290,000	1,593,651	5.5
2030.....	305,000	1,593,651	5.2
2031.....	320,000	1,593,651	5.0
2032.....	330,000	1,593,651	4.8
2033.....	340,000	1,593,651	4.7
2034.....	350,000	1,593,651	4.6
2035.....	365,000	1,593,651	4.4
2036.....	375,000	1,593,651	4.2
2037.....	385,000	1,593,651	4.1
2038.....	395,000	1,593,651	4.0
2039.....	410,000	1,593,651	3.9
2040.....	<u>420,000</u>	1,593,651	3.8
Totals.....	<u>\$6,245,000</u>		

(1) Projected Pledged Taxes are held constant after Fiscal Year 2021.

(2) Preliminary Fiscal Year 2021 estimate based on a 15% reduction of the FY 2019-20 Pledged Taxes for Fiscal Year 2020 (of \$1,669,001*.85 = \$1,418,651) plus estimated revenues of \$175,00 from the opening of the new Macey's Grocery Store and the Arctic Circle opening in June 2020.

(3) Multiple by which Pledged Taxes exceed Total Debt Service.

(Source: Information from the City, compiled by the Municipal Advisor.)

THE 2020 PROJECT

Santaquin City will be constructing a New City Hall approximately 20,000 square feet in size, which will be built upon City owned property in the heart of the City. It will be built adjacent to the City's museum, which was once a schoolhouse, and the historic fort, from which the City of Santaquin was settled. The new City Hall will be modeled in similar fashion to the City Hall of Santa Clara, Utah.

The first floor of the of the building will include City Council Chambers, Administrative Offices and a large multi-use community gathering room that will double as the community's Senior Citizens Hall and Veterans Area during designated times. The upper floor of the City Hall will house the City's Community Development and Engineering Departments as well as provide future expansion space. The basement will be partially finished with a training room and breakroom as well as provide additional expansion space which will be finished in the future as the City continues to grow.

The 2020 project will begin construction in _____ and is estimated to be completed in _____. The cost of the 2020 project is approximately \$7,100,000.

SANTAQUIN CITY, UTAH

General

The City, incorporated in 1932, covers an area of approximately 10 square miles. The majority of the City is located in the southernmost portion of the County, approximately 70 miles south of Salt Lake City, Utah. A small portion of the City is located in northeastern Juab County. The City had 12,865 residents per the 2019 U.S. Census Bureau estimates. The County is situated in the north central portion of the State. Incorporated in 1850, Utah County is bordered on the north by Salt Lake County, Utah and encompasses approximately 2,000 square miles of land. Utah County had 636,235 residents in 2019 according to the estimates by the U.S. Census Bureau, ranking Utah County as the second largest populated county in the State

The City estimates it has reached _____% of its full residential "built out" and _____% of commercial build-out.

The City maintains a website that may be accessed at <http://santaquin.org>.

Form Of Government

[Cities of the fourth class, such as the City, are those with fewer than 30,000 and more than 10,000 inhabitants. The City is organized under general law and governed by a six-member council consisting of the Mayor (the "Mayor") and five councilmembers who are each elected to serve four-year terms (collectively, the "City Council"). The Mayor presides over all City Council meetings but may not vote, except in the case of a tie vote by the councilmembers and certain other circumstances specified under State law. The City Council has appointed a City Manager to perform executive and administrative duties and functions delegated by the City Council to the City Manager.]

The principal powers and duties of State municipalities are generally set forth in Utah Code Title 10, Chapter 8 and include the authority to pass all ordinances and rules, and make all regulations necessary for the safety and preserve the health, and promote the prosperity, improve the morals, peace and good order, comfort, and convenience of the city and its inhabitants, and for the protection of property in the city. Municipalities construct public improvements and maintain streets, sidewalks, and waterworks. Municipalities also regulate commercial and residential development within their boundaries by means of zoning ordinances, building codes and licensing procedures. Fire protection and water reclamation/sewers are provided by separate special service districts of Summit County.

Organizations which are related to the City and are controlled by or financially accountable to the City's governing body, the City Council, are: The Santaquin Special Service District and the Community Development & Review Agency. The City Council is the appointed board for the two agencies.

The current members of the City Council, the Mayor and the City administration have the following respective terms in office:

<u>Office/District</u>	<u>Person</u>	<u>Years of Service</u>	<u>Expiration of Term</u>
Mayor (1).....	Kirk Hunsaker	—	December 2021
Council Member	Nicholas Miller	—	December 2021
Council Member	Betsy Montoya	—	December 2021
Council Member	Lynn Mecham	—	December 2023
Council Member	Jennifer Bowman	—	December 2023
Council Member	Dave Hathaway	—	December 2023
City Manager	Benjamin Reeves	—	Appointed
City Attorney	—	—	Appointed
City Recorder/Finance Director.....	Aaron Shirley	—	Appointed
City Treasurer	Shannon Hoffman	—	Appointed

(Source: The City, compiled by the Municipal Advisor)

Employee Workforce And Retirement System; No Post–Employment Benefits

Employee Workforce and Retirement System. The City employed approximately ___ full-time equivalent employees as of Fiscal Year 2019. The City participates in cost-sharing multiple employer defined benefit pension plans covering public employees of the State and employees of participating local government entities administered by the Utah State Retirement Systems (“URS”). The retirement system provides retirement benefits, a deferred compensation plan, annual cost of living adjustment and death benefits to plan members and beneficiaries in accordance with retirement statutes.

For a detailed discussion regarding retirement benefits and contributions See APPENDIX A—BASIC FINANCIAL STATEMENTS OF SANTAQUIN CITY, UTAH FOR FISCAL YEAR 2019—Notes to the Financial Basic Statements— Note 1-E” (audit page __).

No Post–Employment Benefits. The City has not provided past or present post–employment benefits to its employees.

Risk Management; Cybersecurity

Risk Management. [The City insures its comprehensive general liability risks with insurance policies. The City has various deductible amounts with various insurance policies at replacement cost. As of the date of this OFFICIAL STATEMENT, all policies are current and in force. The City believes its risk management policies and coverages are normal and within acceptable coverage limits for the type of services the City provides. See APPENDIX A—BASIC FINANCIAL STATEMENTS OF SANTAQUIN CITY, UTAH FOR FISCAL YEAR 2019—Notes to the Financial Basic Statements Note 4-A. (audit page __).]

Cybersecurity. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City’s systems technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage by cybersecurity incidents or cyberattacks, the City invests in multiple forms of cybersecurity and operational safeguards. Operational safeguards include Advanced Firewall/Routers with extensive Access Control Lists (ACLs), cloud managed, and cloud updates continuously. There are separate internal networks, protection of wireless access to City networks, two factor authentications for all remote access with NO VPN access, and anti-virus programs. Additionally, the City has a cybersecurity insurance policy which has a \$2,000,000 aggregate and \$2,000,000 per-occurrence limit. Coverage extends to breach response costs, business interruption from security breach or system failure, dependent business loss from security breach or system failure, cyber extortion, data recovery, data and network liability, regulatory defense and penalties, payment card liabilities and costs, media liability, eCrime, criminal reward, consequential loss of reputation, and computer hardware replacement.

Investment Of Funds

The State Money Management Act. The State Money Management Act, Title 51, Chapter 7 of the Utah Code (the “Money Management Act”), governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including

qualified in-state and permitted out-of-state financial institutions, obligations of the State and political subdivisions of the State, U.S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. The Money Management Act establishes the State Money Management Council (the “Money Management Council”) to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The City is currently complying with all the provisions of the Money Management Act for all City operating funds.

The Utah Public Treasurers’ Investment Fund. A significant portion of City funds may be invested in the Utah Public Treasurers Investment Fund (“PTIF”). The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, and obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer’s safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor. The PTIF is not rated.

See “APPENDIX A—BASIC FINANCIAL STATEMENTS OF SANTAQUIN CITY, UTAH FOR FISCAL YEAR 2019—Notes to the Financial Statements—Note 3-A (audit page __).

Investment of 2020 Bond Proceeds. Proceeds of the 2020 Bonds for the 2020 Project will be held by the Trustee and invested to be readily available. The 2020 Bond proceeds may also be invested in the PTIF or other available investment funds authorized under the Money Management Act.

Population

	<u>City</u>	<u>% Change</u>	<u>County</u>	<u>% Change</u>
2019 Estimate	12,865	40.2	636,235	23.1
2010 Census	9,175	89.8	516,639	40.2
2000 Census	4,834	102.6	368,536	39.8
1990 Census	2,386	9.7	263,590	20.9
1980 Census	2,175	76.0	218,106	58.3
1970 Census	1,236	4.48	137,776	28.8

(Source: U.S. Census Bureau)

Employment, Income, Construction, And Sales Taxes Within Utah County, Santaquin City And The State Of Utah

Labor Force, Nonfarm Jobs and Wages within Utah County

	Calendar Year (1)						% change from prior year				
	2019	2018	2017	2016	2015	2014	2018-19	2017-18	2015-16	2014-15	2013-14
Civilian labor force.....	307,609	299,036	292,474	279,993	266,645	255,288	2.9	2.2	4.5	5.0	4.4
Employed persons.....	300,283	290,741	283,950	271,355	257,951	246,367	3.3	2.4	4.6	5.2	4.7
Unemployed persons.....	7,326	8,295	8,524	8,638	8,694	8,921	(11.7)	(2.7)	(1.3)	(0.6)	(2.5)
Total private sector (average).....	234,594	227,528	215,105	204,381	192,948	180,028	3.1	5.8	5.2	5.9	7.2
Agriculture, forestry, fishing and hunting...	1,229	1,189	1,169	1,209	1,166	1,159	3.4	1.7	(3.3)	3.7	0.6
Mining.....	151	133	100	72	88	111	13.5	33.0	38.9	(18.2)	(20.7)
Utilities.....	285	291	326	350	289	289	(2.1)	(10.7)	(6.9)	21.1	0.0
Construction.....	24,939	24,611	22,769	21,151	18,587	16,320	1.3	8.1	7.6	13.8	13.9
Manufacturing.....	19,694	19,134	18,313	17,611	17,646	17,773	2.9	4.5	4.0	(0.2)	(0.7)
Wholesale trade.....	7,114	7,152	6,748	6,408	6,716	6,222	(0.5)	6.0	5.3	(4.6)	7.9
Retail trade.....	33,151	32,931	31,761	29,879	28,105	25,411	0.7	3.7	6.3	6.3	10.6
Transportation and warehousing.....	3,629	3,519	3,339	3,085	2,899	2,607	3.1	5.4	8.2	6.4	11.2
Information.....	13,810	12,786	12,643	12,462	11,190	9,995	8.0	1.1	1.5	11.4	12.0
Finance and insurance.....	6,097	5,808	5,413	5,003	4,873	4,499	5.0	7.3	8.2	2.7	8.3
Real estate and rental and leasing.....	3,162	3,006	2,819	2,618	2,356	2,306	5.2	6.6	7.7	11.1	2.2
Professional, scientific and technical.....	21,828	21,332	18,472	17,256	16,409	15,217	2.3	15.5	7.0	5.2	7.8
Management of companies/enterprises.....	1,713	1,559	1,373	1,409	1,191	1,239	9.9	13.5	(2.6)	18.3	(3.9)
Administrative/support/waste/remediation..	15,453	15,106	13,922	13,228	12,299	11,159	2.3	8.5	5.2	7.6	10.2
Education services.....	25,499	24,972	25,218	24,019	23,096	22,575	2.1	(1.0)	5.0	4.0	2.3
Health care and social assistance.....	29,972	28,590	26,648	25,540	24,316	22,958	4.8	7.3	4.3	5.0	5.9
Arts, entertainment and recreation.....	3,005	2,636	2,472	2,369	2,166	1,833	14.0	6.6	4.3	9.4	18.2
Accommodation and food services.....	19,338	18,502	17,394	16,770	15,799	14,793	4.5	6.4	3.7	6.1	6.8
Other services.....	5,754	5,462	5,375	5,146	4,913	4,710	5.3	1.6	4.5	4.7	4.3
Unclassified establishments.....	5	0	0	6	1	1	4900.0	0.0	(98.3)	500.0	0.0
Total public sector (average).....	32,241	31,313	30,748	13,168	29,289	28,809	3.0	1.8	133.5	(55.0)	1.7
Federal.....	1,073	1,051	1,012	970	919	903	2.1	3.9	4.3	5.5	1.8
State.....	9,112	8,960	8,919	8,687	8,439	8,213	1.7	0.5	2.7	2.9	2.8
Local.....	22,056	21,302	20,818	20,511	19,931	19,693	3.5	2.3	1.5	2.9	1.2
Total payroll (in \$1,000's) (4).....	\$ 12,356,702	\$ 11,463,725	\$ 10,255,670	\$ 9,514,645	\$ 8,779,965	\$ 7,936,307	480.2	11.8	7.8	8.4	10.6
Average monthly wage.....	\$ 3,859	\$ 3,691	\$ 3,476	\$ 3,380	\$ 3,292	\$ 3,167	4.6	6.2	2.8	2.7	3.9
Average employment.....	266,834	258,841	245,853	234,548	222,236	208,836	3.1	5.3	4.8	5.5	6.4
Establishments.....	17,698	16,718	15,719	14,955	14,298	13,687	5.9	6.4	5.1	4.6	4.5

(1) Utah Department of Workforce Services.

Employment, Income, Construction, And Sales Taxes Within Utah County, Santaquin City And The State Of Utah—continued

Personal Income; Per Capital Persona Income; Median Household Income within Utah County and State of Utah (1)

	Calendar Year						% change from prior year				
	2019	2018	2017	2016	2015	2014	2018–19	2017–18	2016–17	2015–16	2013–14
Total Personal Income (in \$1,000's):											
Utah County.....	N/A	\$ 25,460,130	\$ 23,581,109	\$ 22,100,713	\$ 20,434,016	\$ 18,655,654	N/A	8.0	6.7	8.2	9.5
State of Utah.....	155,153,000	146,422,529	134,803,819	128,407,025	121,876,444	113,230,001	6.0	8.6	5.0	5.4	7.6
Total Per Capita Personal Income:											
Utah County.....	N/A	\$ 40,919	\$ 38,880	\$ 37,454	\$ 35,683	\$ 33,269	N/A	5.2	3.8	5.0	7.3
State of Utah.....	48,395	46,320	43,459	42,176	40,831	38,531	4.5	6.6	3.0	3.3	6.0
Median Household Income:											
Utah County.....	N/A	\$ 75,296	\$ 69,568	\$ 65,425	\$ 60,957	\$ 60,069	N/A	8.2	6.3	7.3	1.5
State of Utah.....	76,613	71,381	68,395	65,931	62,961	60,943	7.3	4.4	3.7	4.7	3.3

Construction within Santaquin City (2)

	Calendar Year						% change from prior year				
	2020 (3)	2019	2018	2017	2016	2015	2019–20 (3)	2018–19	2017–18	2016–17	2015–16
Number new dwelling units.....	79.0	231.0	214.0	208.0	180.0	128.0	2.6	7.9	2.9	15.6	40.6
New (in \$1,000's):											
Residential value.....	\$ 23,199.2	\$ 57,689.2	\$ 58,268.3	\$ 50,506.8	\$ 46,961.1	\$ 35,419.0	11.2	(1.0)	15.4	7.6	32.6
Non-residential value.....	1,215.4	8,390.7	4,137.2	2,609.3	4,483.6	397.8	1,700.6	102.8	58.6	(41.8)	1,027.1
Additions, alterations, repairs (in \$1,000's):											
Residential value.....	684.8	3,070.5	2,416.8	753.5	1,854.8	988.3	(17.7)	27.0	220.7	(59.4)	87.7
Non-residential value.....	0.0	0.0	0.0	170.8	142.3	0.1	(100.0)	(100.0)	(100.0)	20.0	142,200.0
Total construction value (in \$1,000's).....	\$ 25,099.4	\$ 69,150.4	\$ 64,822.3	\$ 54,040.4	\$ 53,441.8	\$ 36,805.2	15.3	6.7	20.0	1.1	45.2

Sales Taxes Within Santaquin City, Utah County and the State of Utah (4)

	Calendar Year						% change from prior year				
	2019	2018	2017	2016	2015	2014	2018–19	2017–18	2016–17	2015–16	2013–14
Gross Taxable Sales (in \$1,000's):											
Utah County.....	\$ 11,237,374	\$ 10,173,905	\$ 9,556,494	\$ 8,679,093	\$ 8,151,075	\$ 7,555,120	10.5	6.5	10.1	6.5	7.9
Santaquin City (5).....	60,450	51,599	47,625	41,580	38,975	37,152	17.2	8.3	14.5	6.7	4.9
State of Utah.....	68,910,384	64,982,524	61,031,692	56,502,434	53,933,277	51,709,163	6.0	6.5	8.0	4.8	4.3
	Fiscal Year						% change from prior year				
	2019	2018	2017	2016	2015	2014	2018–19	2017–18	2016–17	2015–16	2013–14
Local Sales and Use Tax Distribution:											
Utah County (and all cities).....	\$ 111,924,060	\$ 106,806,800	\$ 97,501,537	\$ 90,870,169	\$ 86,391,946	\$ 81,280,075	4.8	9.5	7.3	5.2	6.3
Santaquin City.....	1,466,725	1,345,017	1,209,363	1,109,606	1,059,084	984,764	9.0	11.2	9.0	4.8	7.5

- (1) Source: U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.
(2) Source: University of Utah Kem C. Gardner Policy Institute, Ivory-Boyer Utah Report and Database.
(3) First quarter only; comparison made to first quarter data of 2019.

Largest Employers In The County

The City is an integral part of the economy of the County. In reviewing the economic conditions of the City, the economy of the entire County must be considered. The City is primarily a residential community in the southern portion of the County. The following is a list of the largest employers in the County.

<u>Employer (Location)</u>	<u>Business</u>	<u>Approximate Range of Employees</u>
<i>Major employers in the County</i>		
Brigham Young University (Provo).....	Education Services	15,000 – 19,999
Alpine School District (northern county-wide).....	Education Services	7,000 – 9,999
Utah Valley University (Orem).....	Education Services	7,000 – 9,999
State of Utah	State Government	5,000 – 6,999
Vivent, Inc.	Construction	3,000 – 4,000
Nebo School District (Spanish Fork).....	Education Services	3,000 – 3,999
Utah Valley Regional Medical Center (Provo).....	Health Care	3,000 – 3,999
Wal-Mart (county-wide).....	Retail Trade	3,000 – 3,999
Sykes Enterprises (Provo).....	Technical Services	2,000 – 2,999
Young Living Essential Oils (Lehi).....	Direct Selling	2,000 – 2,999
Doterra International (Pleasant Grove).....	Direct Selling	2,000 – 2,999
Provo City School District (Provo).....	Education Services	1,000 – 1,999

(Source: Utah Department of Workforce Services. Updated September 2018, reflecting information as of September 2018.)

Rate Of Unemployment—Annual Average

<u>Year</u>	<u>Utah County (%)</u>	<u>State of Utah (%)</u>	<u>United States (%)</u>
2020(1)	7.8	9.7	14.7
2019	2.5	3.0	3.8
2018	2.7	3.1	3.9
2017	2.9	3.2	4.4
2016	3.5	3.4	4.9

(1) Preliminary, subject to change. As of April 2020 (seasonally adjusted).
 (Source: Bureau of Labor Statistics)

DEBT STRUCTURE OF SANTAQUIN CITY, UTAH

Outstanding Sales Tax Revenue Bonded Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2020 (1)	Sales Tax Revenue	\$6,245,000*	June 15, 2040*	<u>\$6,245,000*</u>

* Preliminary; subject to change.

(1) For purposes of this OFFICIAL STATEMENT the 2020 Bonds will be considered issued and outstanding. [Rated “___” underlying by Standard & Poor’s Global Ratings (“S&P”), as of the date of this OFFICIAL STATEMENT.]

(Source: Zions Public Finance, Inc.)

Outstanding Excise Tax Revenue Bonded Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2018 (1)	Roads	\$4,300,000	July 15, 2028	<u>\$3,911,000</u>

(1) Not rated; no rating applied for. Purchased through a private placement at average interest rate of 3.2% per annum.

(Source: Zions Public Finance, Inc.)

Outstanding Water Revenue Bonded Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2018 (1)	Water Pump/Tank	\$3,441,000	January 1, 2039	<u>[\$3,324,000]</u>

(1) Not rated; no rating applied for. Financed through the State Board of Water Resources at 2.00% per annum.

(Source: Zions Public Finance, Inc.)

Outstanding LBA Lease Revenue Bonded Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2015 (1)	Lease Revenue	\$2,500,000	July 1, 2036	<u>\$2,151,000.00</u>

(1) Not rated; no rating applied for. Purchased through a private placement at 4.17% per annum

(Source: Zions Public Finance, Inc.)

Outstanding Sewer Revenue Bonded Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2011A-1 (1)	Sewer	\$6,034,000	January 1, 2030	\$3,428,000]
2011A-2, (2) ...	Sewer	\$2,912,000	February 15, 2052	\$2,673,000
2011B (3)	Sewer	\$900,000	January 1, 2032	\$900,000
2012 (3)	Sewer/Refunding	\$670,000	June 1, 2021	\$0
Total principal amount of outstanding debt				<u>\$7,001,600</u>

(1) Not rated; no rating applied for. The 2011A-1 bonds are financed through the Division of Water Quality. The 2011A-1 Bonds have an interest rate of 1% per annum.

(Source: Zions Public Finance, Inc.)

(2) Not rated; no rating applied for. The 2011A-2 Bonds are USDA Bonds. The 201A-2 Bonds have an interest rate of 3% per annum.

(Source: Zions Public Finance, Inc.)

(3) The 2011B Bonds are financed through the Division of Water Quality. The 2011 Bonds have an interest rate of 1% per annum.

(Source: Zions Public Finance, Inc.)

(4) Not rated; no rating applied for. Purchased through a private placement at 2.52% per annum. This bond was paid off early in [FY 2018.]

(Source: Zions Public Finance, Inc.)

Outstanding Pressurized Irrigation Revenue Refunding Bonded Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2012.....(1)	PI/Refunding	\$6,130,000	September 1, 2026	<u>\$3,421,000</u>

(1) Not rated; no rating applied for. Purchased through a private placement at 3.5% per annum
(Source: Zions Public Finance, Inc.)

Other Financial Considerations

Future issuance of debt. Other than the issuance of the 2020 Bonds (and any refunding opportunities) the City does not anticipate the issuance of any other debt within the next _____ years.

Equipment Leases. The City has an equipment leases outstanding. As of Fiscal Year 2019, the present value of net minimum lease payments is \$629,081, with payments extending through Fiscal Year 2024. See APPENDIX A—BASIC FINANCIAL STATEMENTS OF SANTAQUIN CITY, UTAH FOR FISCAL YEAR 2019—Notes to the Financial Statements—Note 3-D. (page 42)

Other Considerations. _____

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Overlapping And Underlying General Obligation Debt

<u>Taxing Entity</u>	<u>2020 Taxable Value (1)</u>	<u>City's Portion of Taxable Value</u>	<u>City's Percentage</u>	<u>Entity's General Obligation Debt</u>	<u>City's Portion of G.O. Debt</u>
<i>Overlapping:</i>					
State of Utah.....	\$340,706,436,091	\$694,262,604	0.2%	\$2,452,055,000	\$4,904,110
CUWCD (2)	201,846,624,177	694,262,604	0.3	193,690,000	658,546
Nebo School District	11,331,181,528	694,262,604	6.1	174,580,000	<u>10,701,754</u>
Total overlapping.....					<u>\$16,264,410</u>
<i>Underlying:</i>					
Total underlying.....					<u>0</u>
Total overlapping and underlying general obligation debt.....					<u>\$16,264,410</u>
Total <i>overlapping</i> general obligation debt (excluding the State) (3).....					\$11,360,300
Total <i>direct</i> general obligation bonded indebtedness					<u>0</u>
Total <i>direct and overlapping</i> general obligation debt (excluding the State) (3).....					<u>\$11,360,300</u>

This table excludes any additional principal amounts attributable to unamortized original issue bond premium.

- (1) Preliminary; subject to change. Taxable value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (2) Central Utah Water Conservancy District ("CUWCD") outstanding general obligation bonds are limited ad valorem tax bonds. Certain portions of the principal of and interest on CUWCD's general obligation bonds are paid from revenues received from the sales of water.
- (3) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

(Source: Municipal Advisor.)

Debt Ratios Regarding General Obligation Debt

The following table sets forth the ratios of general obligation debt (excluding any additional principal amounts attributable to unamortized original issue bond premium) that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the taxable value of property within the City, the estimated market value of such property and the population of the City. *The State's general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.*

	<u>To 2020 Estimated Taxable Value (1)</u>	<u>To 2020 Estimated Market Value (2)</u>	<u>To 2019 Population Estimate Per Capita (3)</u>
<i>Direct</i> general obligation debt.....	0.00%	0.00%	\$ 0
<i>Direct and overlapping</i> general obligation debt.....	1.64	0.98	883

- (1) Based on an estimated 2020 Taxable Value of \$694,262,604, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (2) Based on an estimated 2020 Market Value of \$1,156,965,907, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (3) Based on 2019 population estimate of 12,865 by the U.S. Census Bureau.

(Source: Municipal Advisor.)

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

2019 "Fair Market Value"	\$1,007,423,558
2019 Valuation from Uniform Fees (1)	<u>156,523,664</u>
2019 "Fair Market Value for Debt Incurring Capacity"	<u>\$1,163,947,222</u>

	8% Sewer, Water and Electric	4% Other Purposes	12% Total
“Fair Market Value” x 8%.....	\$80,593,885	\$ 0	\$ 80,593,885
“Fair Market Value” x 4%.....	<u>0</u>	<u>40,296,942</u>	<u>40,296,942</u>
Total debt incurring capacity	80,593,885	40,296,942	120,890,827
Less: current outstanding general obligation debt.....	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>
Additional debt incurring capacity	<u>\$80,593,885</u>	<u>\$40,296,942</u>	<u>\$120,890,827</u>

(1) For debt incurring capacity only, in computing the fair market value of taxable property in the City, the value of all motor vehicles and state-assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) will be included as a part of the fair market value of the taxable property in the City.

(Source: Records from the State Tax Commission, compiled by the Municipal Advisor.)

No Defaulted Obligations

The City has never failed to pay principal of and interest on its bond obligations when due.

FINANCIAL INFORMATION REGARDING SANTAQUIN CITY, UTAH

Potential Impact Of The Coronavirus (COVID-19)

The recent outbreak of the novel strain of the coronavirus and spread of coronavirus disease 2019 (“COVID-19”), which has been designated a global pandemic by the World Health Organization, is negatively impacting local, state and global economies as governments, business and citizens react to, plan for, and try to prevent or slow further transmission of the virus. Financial markets, including the stock markets in the United States and globally, have seen significant recent volatility and declines that have been attributed to COVID-19 concerns. On March 6, 2020, as part of the State’s response to address the global disease outbreak, the Governor declared a state of emergency. On March 13, 2020, a national emergency was declared in the United States.

On March 24, 2020 the Governor of the State, in coordination with the State legislature, local governments, public health experts, and business and community leaders, released a comprehensive plan for the State’s health and economic recovery. This plan included three phases of response: urgent, stabilization, and recovery. On April 17, 2020, the Governor released an updated version of the plan, which addresses transitioning to the stabilization phase, including a color-coded health guidance system for business to follow as the economy is reactivated. On May 1, 2020, The Governor moved the State from the “red” or high-risk phase to the “orange” or moderate phase category. On May 23, 2020 the Governor moved the State from “orange” to “yellow” or low risk phase with the exception of two cities and three counties. Developments regarding COVID-19 continue to occur and the extent to which COVID-19 will impact the State and the City in the future is uncertain and cannot be predicted. Public health data and other information related to the State’s response is published at coronavirus.utah.gov. This information is prepared by parties other than the City and the City makes no representation as to its accuracy.

[Add City information here....]

Fund Structure; Accounting Basis

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

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

ing governmental and enterprise funds are combined into a single column and reported as other (nonmajor) funds. Internal service funds are aggregated and reported in single column on the proprietary fund financial statements.

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

In the proprietary fund statements and the government–wide statements, revenues and expenses are recognized using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred. Budget And Budgetary Accounting

The budget and appropriation process of the City is governed by the Uniform Fiscal Procedures Act for Cities, Title 10, Chapter 6, Utah Code (the “Fiscal Procedures Act”). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the general fund, special revenue funds, debt service funds, capital project funds and proprietary funds. These budgets are to provide a complete financial plan for the budget (ensuing fiscal) year. Each budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures. Under the Fiscal Procedures Act, the total of anticipated revenues must equal the total of appropriated expenditures.

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

Prior to June 22 of each year, the final budgets for all funds are adopted by the City Council. The Fiscal Procedures Act prohibits the City Council from making any appropriation in the final budget of any fund more than the estimated expendable revenue of such fund. The adopted final budget is subject to amendment by the City Council during the fiscal year. However, to increase the budget total of any fund, public notice and hearing must be provided. Intra– and inter–department transfers of appropriation balances are permitted upon compliance with the Fiscal Procedures Act. The amount set forth in the final budget as the total amount of estimated revenue from property taxes constitutes the basis for determining the property tax levy to be set by the City Council for the succeeding tax year.

Also, see “APPENDIX A— BASIC FINANCIAL STATEMENTS OF SANTAQUIN CITY, UTAH FOR FISCAL YEAR 2019–Notes to the Financial Statements–Note 1. Summary of Significant Accounting Policies”

Financial Controls

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

Sources Of General Fund Revenues

Set forth below are brief descriptions of the various sources of revenues available to the City’s general fund. The percentage of total general fund revenues represented by each source is based on the City’s Fiscal Year 2019 annual financial report (total general fund revenues were \$6,849,841).

Taxes and special assessments—Approximately 43% (or \$2,941,724) of general fund revenues are from taxes and special assessments.

Charges for services—Approximately 25% (or \$1,688,941) of general fund revenues are from charges for services.

Licenses and permits—Approximately 15% (or \$997,462) of general fund revenues are collected from licenses and permits.

Intergovernmental revenue—Approximately 8% (or \$577,550) of general fund revenues are from State and federal shared grant revenues or grants.

Fines and forfeitures—Approximately 4% (or \$306,517) of general fund revenues are from fines and forfeitures.

Investment income—Approximately 2% (or \$150,931) of general fund revenues are collected from investment income.

Miscellaneous—Approximately 3% (or \$186,716) of general fund revenues are collected from other miscellaneous items.

(Source: Compiled by the Municipal Advisor from information taken from the Fiscal Year 2019 CAFR.)

Five-Year Financial Summaries

The summaries contained herein were extracted from the City's CAFR reports. The summaries themselves have not been audited.

The City's annual financial report for Fiscal Year 2019 must be completed under State law by December 31, 2019.

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Santaquin City
Statement of Net Position - Primary Government

(This summary has not been audited)

	As of June 30				
	2019	2018	2017	2016	2015
Assets and deferred outflows of resources					
Assets:					
Current assets:					
Cash and cash equivalents.....	\$ 6,568,730	\$ 5,208,031	\$ 3,437,795	\$ 757,666	\$ 1,340,081
Accounts receivable, net.....	722,937	510,620	497,600	486,025	399,470
Internal Balances.....	-	-	(130,560)	-	-
Other current assets.....	26,230	23,458	20,259	16,682	13,153
Total current assets.....	<u>7,317,897</u>	<u>5,742,109</u>	<u>3,825,094</u>	<u>1,260,373</u>	<u>1,752,704</u>
Non-current assets:					
Restricted cash and cash equivalents.....	6,396,227	3,371,543	3,598,422	4,006,847	3,269,951
Capital assets:					
Not being depreciated.....	20,212,092	14,559,318	13,028,526	15,531,772	12,519,460
Net of accumulated depreciation.....	30,021,052	31,988,406	34,227,270	33,130,557	35,393,622
Net pension assets.....	-	573	110	63	978
Total non-current assets.....	<u>56,629,371</u>	<u>49,919,840</u>	<u>50,854,328</u>	<u>52,669,239</u>	<u>51,184,011</u>
Total assets.....	<u>63,947,268</u>	<u>55,661,949</u>	<u>54,679,422</u>	<u>53,929,612</u>	<u>52,936,715</u>
Deferred outflows of resources - pension.....	905,439	903,934	876,886	717,259	211,721
Total assets and deferred outflows of resources.....	<u><u>64,852,707</u></u>	<u><u>56,565,883</u></u>	<u><u>55,556,308</u></u>	<u><u>54,646,871</u></u>	<u><u>53,148,436</u></u>
Liabilities and deferred inflows of resources					
Liabilities:					
Current liabilities					
Accounts payable and accrued liabilities.....	\$ 4,085,641.00	3,546,714	2,527,391	1,193,348	1,394,298
Accrued interest payable.....	149,503	73,339	72,683	129,943	81,881
Customer security deposits.....	40,300	42,200	36,585	37,505	35,680
Long-term debt due within one year.....	1,476,206	1,096,909	1,137,653	1,153,673	1,256,996
Total current liabilities.....	<u>5,751,650</u>	<u>4,759,162</u>	<u>3,774,312</u>	<u>2,514,469</u>	<u>2,768,855</u>
Non-current liabilities					
Compensated absences.....	628,824	559,730	530,706	499,768	467,159
Long-term debt due after one year.....	19,115,109	14,560,462	15,722,004	31,174	31,174
Closure and post closure costs.....	40,551	\$ 36,972	31,174.00	\$ 16,547,101	\$ 15,101,948
Net pension liability.....	1,904,561	1,092,821	1,534,260	1,307,946	869,743
Total non-current liabilities.....	<u>21,689,045</u>	<u>16,249,985</u>	<u>17,818,144</u>	<u>18,385,989</u>	<u>16,470,024</u>
Total liabilities.....	<u>27,440,695</u>	<u>21,009,147</u>	<u>21,592,456</u>	<u>20,900,458</u>	<u>19,238,879</u>
Deferred inflows of resources.....	8,417	3,119	2,015	2,612	4,720
Deferred inflows of resources - pensions.....	77,956	719,317	234,233	176,647	152,716
Total liabilities and deferred inflows of resources.....	<u>27,527,068</u>	<u>21,731,583</u>	<u>21,828,704</u>	<u>21,079,717</u>	<u>19,396,315</u>
Net position					
Net investment in capital assets.....	29,641,829	30,890,352	30,396,139	30,781,555	31,554,138
Restricted for:					
Debt Service.....	1,430,130	1,430,130	1,430,130	2,118,147	19,073
Parks and recreation.....	-	-	-	2,986	1,592,054
Transportation SSD.....	-	-	-	144,446	600,166
Capital projects and impact fees.....	3,918,458	1,101,796	1,238,696	922,058	251,217
Money in lieu of water.....	1,005,160	756,988	701,508	644,763	635,316
Other restrictions/liabilities.....	76,377	63,380	152,855	45,178	45,178
Unrestricted.....	1,253,685	591,652	(191,724)	(1,271,982)	(945,024)
Total net position.....	<u>37,325,639</u>	<u>34,834,298</u>	<u>33,727,604</u>	<u>33,387,151</u>	<u>33,752,118</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 64,852,707</u></u>	<u><u>\$ 56,565,881</u></u>	<u><u>\$ 55,556,308</u></u>	<u><u>\$ 54,466,868</u></u>	<u><u>\$ 53,148,433</u></u>

Santaquin City

Statement of Activities - Primary Government

(This summary has not been audited)

	Net (Expense) Revenues and Changes in Net Assets				
	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Primary government:					
General government.....	\$ (439,347)	\$ (635,062)	(454,999)	\$ (639,720)	\$ (608,399)
Public safety.....	(2,092,978)	(1,460,057)	\$ (1,460,503)	(1,672,302)	(1,553,070)
Highways and public improvements.....	(74,984)	(945,426)	(796,456)	(252,648)	(519,365)
Sanitation.....	222,100	175,490	181,799	177,685	181,206
Parks, recreation and public property.....	(34,134)	(222,122)	(270,724)	(464,671)	(421,094)
Cemetery.....	(22,195)	(237)	(27,818)	(11,322)	(24,436)
Interest on long-term debt.....	(201,542)	(121,354)	(128,547)	(129,495)	(37,930)
Total governmental activities.....	(2,643,080)	(3,208,768)	(2,957,248)	(2,992,473)	(2,983,088)
Business-type activities:					
Water and irrigation.....	1,135,954	895,643	631,492	207,529	(213,349)
Sewer.....	422,529	371,719	119,778	70,069	(194,609)
Irrigation.....	-	-	-	417,904	402,755
Storm drain.....	47,738	(3,997)	913	10,103	-
Total business-type activities.....	1,606,221	1,263,365	752,183	150,409	(5,203)
Total primary government.....	(1,036,859)	(1,945,403)	(2,205,065)	(2,842,064)	(2,988,291)
Changes in net position:					
General revenues:					
Property taxes.....	974,629	875,489	859,261	734,291	716,939
Sales tax.....	1,466,725	1,345,017	1,209,363	1,109,606	1,059,084
Other taxes.....	500,370	439,560	438,669	522,313	517,437
Unrestricted investment earnings.....	358,757	142,001	59,753	27,424	15,503
Gain on sale of capital assets.....	34,600	-	109,031	-	-
Miscellaneous.....	193,117	119,471	-	83,464	427,341
Transfers in (out).....	-	-	-	-	-
Total general revenues and transfers.....	3,528,198	2,921,538	2,676,077	2,477,098	2,736,304
Change in net position.....	2,491,339	976,135	471,012	(364,966)	(251,987)
Net position - beginning.....	34,834,299	33,858,164	33,387,152	33,752,119	34,004,106
Net position - ending.....	\$ 37,325,638	\$ 34,834,299	\$ 33,858,164	\$ 33,387,153	\$ 33,752,119

Fiscal Year Ended June 30

	2019	2018	2017	2016	2015
Assets					
Cash and cash equivalents.....	\$ 6,186,436	\$ 4,857,918	\$ 3,437,795	\$ 757,666	\$ 1,340,081
Accounts receivable, net of allowances.....	396,514	166,864	173,122	195,451	93,438
Due from other funds.....	-	55,910	201,496	1,333,936	1,042,163
Restricted cash and cash equivalents.....	3,960,972	1,184,460	1,466,819	1,243,937	1,042,580
Total assets.....	10,543,922	6,265,152	5,279,232	3,530,990	3,518,262
Liabilities and deferred inflows of resources					
Liabilities					
Accounts payable.....	115,358	158,803	35,163	1,178,304	1,377,053
Accrued liabilities.....	3,543,098	3,323,299	2,487,844		
Due to other funds.....	-	55,910	124,391	124,391	124,391
Total liabilities.....	3,658,456	3,538,012	2,647,398	1,302,695	1,501,444
Deferred inflows of resources.....	8,417	3,119	2,015	2,612	4,720
Total liabilities and deferred inflows of resources.....	\$ 3,666,873	\$ 3,541,131	\$ 2,649,413	\$ 1,305,307	\$ 1,506,164
Fund balances:					
Restricted for:					
Parks and recreation.....	\$ 9,057	\$ 10,741	\$ 6,868	\$ 2,986	\$ 19,073
Liabilities.....	42,078	42,365	50,063	45,178	45,178
Capital projects.....	2,225,445				
Impact fees and grants.....	1,693,013	1,101,796	1,238,696	922,058	600,166
Transportation SSD.....	-	-	85,639	136,403	251,217
Community development and RDA.....	10,261	10,269	10,285		
Local building authority.....	35	35	35		
Santaquin SSD.....	14,980	5	-	-	
Committed for:					
Senior citizens.....	8,866	5,843	4,941	7,977	7,826
Assigned for:					
Capital projects.....	1,425,488	507,435	275,244	265,573	102,634
Events.....	52,123	54,850	54,753		
Museum.....	5,745	2,463	2,644		
Royalty.....	14,919	9,583	10,320		
Library.....	18,328	13,292	16,672		
Fire department.....	220,186	133,411	101,216	49,396	57,902
Other.....	0	0	0	105,479	94,730
Unassigned.....	1,136,526	831,934	772,443	690,632	833,371
Total fund balances.....	6,877,050	2,724,022	2,629,819	2,225,682	2,012,097
Total liabilities, deferred inflows of resources, and fund balances.....	\$ 10,543,923	\$ 6,265,153	\$ 5,279,232	\$ 3,530,989	\$ 3,518,261

Santaquin City

Statement of Revenues, Expenditures, And Changes in Fund Balances - Governmental Funds

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Revenues:					
Taxes:					
Property.....	\$ 974,629	\$ 875,489	\$ 859,261	\$ 734,291	\$ 716,939
Sales.....	1,466,725	1,345,017	1,209,363	1,109,606	1,059,084
Other Taxes.....	500,370	439,560	438,669	522,313	517,437
License and permits.....	997,462	831,075	825,534	527,625	441,196
Intergovernmental revenues.....	1,287,406	530,233	504,925	1,349,721	1,046,799
Charges for services.....	1,755,768	1,655,417	1,208,123	1,181,595	1,072,474
Fines and forfeitures.....	306,517	245,127	256,760	224,854	217,785
Interest.....	234,900	75,905	28,673	12,004	5,792
Miscellaneous revenue.....	193,117	119,471	108,431	83,464	427,341
Total revenue.....	7,716,894	6,117,294	5,439,739	5,745,473	5,504,847
Expenditures:					
General Government.....	1,644,288	1,689,330	1,497,283	1,396,760	1,202,730
Public safety.....	2,446,667	2,059,997	1,835,088	1,865,768	1,759,953
Highways and public improvements.....	3,679,840	1,451,133	1,828,700	1,617,671	1,496,153
Sanitation.....	499,446	476,993	428,787	389,633	318,414
Parks, recreation and public property.....	1,789,353	1,893,451	1,283,263	923,274	781,196
Cemetery.....	99,587	113,307	71,678	58,462	71,893
Capital outlay.....	-	-	-	3,041,037	559,680
Debt service:					
Principal.....	296,197	326,062	465,349	512,240	410,696
Interest.....	148,562	122,083	178,718	81,432	41,773
Total expenditures.....	10,603,940	8,132,356	7,588,866	9,886,277	6,642,488
Excess (deficiency) of Revenues over (under)					
Expenditures.....	(2,887,046)	(2,015,062)	(2,149,127)	(4,140,804)	(1,137,641)
Other Financing Sources and (Uses):					
Proceeds from capital leases.....	0	0	482,477	2,697,009	220,781
Impact fees.....	1,258,045	854,665	806,872	528,248	340,261
Sale of fixed assets.....	0	0	600		
Bond issuance.....	4,300,000				
Gain on sale of capital assets.....	34,600				
Transfers in.....	2,906,481	2,826,648	2,669,719	2,281,528	1,734,474
Transfers (out).....	(1,459,049)	(1,572,048)	(1,406,404)	(1,152,398)	(782,309)
Total other financing sources and (uses).....	7,040,077	2,109,265	2,553,264	4,354,387	1,513,207
Net change in fund balances.....	4,153,031	94,203	404,137	213,583	375,566
Fund balances - beginning of year.....	2,724,021	2,629,819	2,225,682	2,012,099	1,636,535
Fund balances - end of year.....	\$ 6,877,052	\$ 2,724,022	\$ 2,629,819	\$ 2,225,682	\$ 2,012,101

Taxable And Fair Market/Market Value Of Property

Calendar Year	Taxable Value (1)	% Change Over Prior Year	Fair Market/Market Value (2)	% Change Over Prior Year
2020 *	\$ 694,262,604	14.0	\$ 1,156,965,907	14.8
2019	608,845,632	17.6	1,007,423,558	18.2
2018	517,814,434	11.9	852,481,510	13.1
2017	462,883,488	15.1	753,951,549	15.7
2016	402,034,071	12.2	651,916,948	13.2

* Preliminary; subject to change. Fair Market/Market Value calculated by Zions Public Finance, Inc.

(1) There are no redevelopment agencies within the City.

(2) Estimated fair market values were calculated by dividing the taxable value of primary residential property by 55%, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act. Does not include market valuation for SCME.

(Source: Information taken from reports of the State Tax Commission. Compiled by Zions Public Finance, Inc.)

Historical Summaries Of Taxable Values Of Property

	Calendar Year					
	2020		2019	2018	2017	2016
	Taxable Value*	% of T.V.	Taxable Value	Taxable Value	Taxable Value	Taxable Value
Set by State Tax Commission (centrally assessed)						
Total centrally assessed.....	\$ 24,994,804	3.6 %	\$ 21,414,455	\$ 18,348,422	\$ 14,028,259	\$ 13,183,805
Set by County Assessor (locally assessed)						
Real property (land and buildings)						
Primary residential.....	564,901,509	81.4	486,526,048	408,463,605	355,175,920	304,838,380
Secondary residential.....	1,500,000	0.2	1,454,671	1,436,271	1,497,671	984,196
Commercial and industrial.....	33,000,000	4.8	29,704,786	26,375,900	23,944,500	23,114,700
FAA (greenbelt).....	750,000	0.1	770,611	804,749	821,619	773,722
Unimproved non FAA (vacant)....	61,000,000	8.8	60,890,470	56,151,170	60,048,670	51,747,674
Agricultural.....	2,000,000	0.3	1,968,300	534,200	458,700	459,100
Total real property.....	663,151,509	95.5	581,314,886	493,765,895	441,947,080	381,917,772
Personal property						
Primary mobile homes.....	624,750	0.1	624,750	573,932	573,932	574,025
Secondary mobile homes.....	0	0.0	0	0	0	0
Other business.....	5,491,541	0.8	5,491,541	5,126,185	6,334,217	6,358,469
SCME.....	0	0.0	0	0	0	0
Total personal property.....	6,116,291	0.9	6,116,291	5,700,117	6,908,149	6,932,494
Total locally assessed.....	669,267,800	96.4	587,431,177	499,466,012	448,855,229	388,850,266
Total taxable value.....	\$ 694,262,604	100.0 %	\$ 608,845,632	\$ 517,814,434	\$ 462,883,488	\$ 402,034,071
Total taxable value (1).....	\$ 694,262,604		\$ 608,845,632	\$ 517,814,434	\$ 462,883,488	\$ 402,034,071

* Preliminary; subject to change.

(1) Not including taxable valuation associated with SCME.

(Source: Information taken from reports of the State Tax Commission. Compiled by Zions Public Finance, Inc.)

LEGAL MATTERS

Absence Of Litigation Concerning The 2020 Bonds

There is no litigation pending or threatened questioning or in any manner relating to or affecting the validity of the 2020 Bonds.

On the date of the execution and delivery of the 2020 Bonds, certificates will be delivered by the City to the effect that to the knowledge of the City, there is no action, suit, proceeding or litigation pending or threatened against the City, which in any way materially questions or affects the validity or enforceability of the 2020 Bonds or any proceedings or transactions relating to their authorization, execution, authentication, marketing, sale or delivery or which materially adversely affects the existence or powers of the City.

A non-litigation opinion issued by _____, City Attorney, dated the date of closing, will be provided stating, among other things, that there is not pending, or to his knowledge threatened, any action, suit, proceeding, inquiry, or any other litigation or investigation, at law or in equity, before or by any court, public board or body, challenging the creation, organization or existence of the City, or the ability of the City, or their respective officers to authenticate, execute or deliver the 2020 Bonds or such other documents as may be required in connection with the issuance and sale of the 2020 Bonds, or to comply with or perform its respective obligations thereunder, or seeking to restrain or enjoin the issuance, sale or delivery of the 2020 Bonds, or directly or indirectly contesting or affecting the proceedings or the authority by which the 2020 Bonds are issued, the legality of the purpose for which the 2020 Bonds are issued, or the validity of the 2020 Bonds or the issuance and sale thereof.

General

Certain legal matters incident to the authorization, issuance and sale of the 2020 Bonds are subject to the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel to the City. Certain legal matters will be passed upon for the City by _____, City Attorney. Certain matters regarding this OFFICIAL STATEMENT will be passed on for the City by Gilmore & Bell, P.C., Disclosure Counsel to the City. The approving opinion of Bond Counsel will be delivered with the 2020 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in "APPENDIX C—PROPOSED FORM OF OPINION OF BOND COUNSEL" of this OFFICIAL STATEMENT will be made available upon request from the contact persons as indicated under "INTRODUCTION—Contact Persons" above.

The various legal opinions to be delivered concurrently with the delivery of the 2020 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the 2020 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the 2020 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the 2020 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the 2020 Bonds.

Opinion Of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law currently existing as of the issue date of the 2020 Bonds:

Federal Tax Exemption. The interest on the 2020 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the 2020 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The 2020 Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986 (the “Code”).

State of Utah Tax Exemption. The interest on the 2020 Bonds is exempt from State of Utah individual income taxes.

Bond counsel’s opinions are provided as of the date of the original issue of the 2020 Bonds, subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the 2020 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the 2020 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the 2020 Bonds.

No Other Opinion. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the 2020 Bonds, except as expressly provided herein. Purchasers of the 2020 Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the 2020 Bonds, including the possible application of state, local, foreign and other tax laws.

Other Tax Consequences

[*Original Issue Discount.* For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a 2020 Bond over its issue price. The issue price of a 2020 Bond is generally the first price at which a substantial amount of the 2020 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a 2020 Bond during any accrual period generally equals (1) the issue price of that 2020 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that 2020 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that 2020 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that 2020 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[*Original Issue Premium.* For federal income tax purposes, premium is the excess of the issue price of a 2020 Bond over its stated redemption price at maturity. The issue price of a 2020 Bond is generally the first price at which a substantial amount of the 2020 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the 2020 Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the 2020 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the 2020 Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a 2020 Bond, an owner of the 2020 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the 2020 Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the 2020 Bond. To the extent a 2020 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the 2020 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the 2020 Bonds, and to the proceeds paid on the sale of the 2020 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the 2020 Bonds should be aware that ownership of the 2020 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the 2020 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of 2020 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the 2020 Bonds, including the possible application of state, local, foreign and other tax laws.

CERTAIN INVESTMENT CONSIDERATIONS

This section contains a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this OFFICIAL STATEMENT, in evaluating an investment in the 2020 Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the 2020 Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the 2020 Bonds are advised to consider the following factors, among others, and to review this entire OFFICIAL STATEMENT to obtain information essential to making of an informed investment decision. Any one or more of the investment considerations discussed below, among others, could adversely affect the financial condition of the City or its ability to make scheduled debt service payment on Bonds. There can be no assurance that other risks not discussed herein will not become material in the future.

Uncertainty Of Economic Activity And Sales Taxes

The amount of Pledged Taxes to be collected by the City is dependent on several factors beyond the control of the City, including, but not limited to, the state of the United States economy and the economy of the State and the City. Any one or more of these factors could result in the City receiving less Pledged Taxes than anticipated. During periods in which economic activity declines, Pledged Taxes are likely to fall as compared to an earlier year. In addition, Pledged Taxes are dependent on the volume of the transactions subject to the tax. From time to time, proposals have been made by the Utah State Legislature (the "State Legislature") to add or remove certain types of purchases from the sales tax and the State (like many other states) has recognized the potential reduction in sales tax revenues because of purchases made through the internet and other non-traditional means. In addition, the State Legislature has, from time to time, considered legislation to revise the amount of sales tax to be levied or to adjust the method of allocating sales tax to local governmental entities. The City cannot predict what impact these items may have on the Pledged Taxes it receives.

The 2020 Bonds Are Limited Obligations

The 2020 Bonds are special limited obligations of the City, payable solely from the Revenues, moneys, securities and funds pledged. Therefore, no assurance can be given that the amount of Pledged Taxes received by the City will remain sufficient for the payment of the principal or interest on the 2020 Bonds and the City is limited by State law in its ability to increase the rate of such taxes. The 2020 Bonds do not constitute general obligation indebtedness or a pledge of the ad valorem taxing power or the full faith and credit of the City and are not obligations of the State or any other agency or other political subdivision or entity of the State. The City will not mortgage or grant any security interest in any of the projects financed with the proceeds of the 2020 Bonds to secure payment of the 2020 Bonds.

Also, see "SECURITY AND SOURCES OF PAYMENT—State Pledge Of Nonimpairment" below.

Limitation On Increasing Rates For Pledged Taxes

The City currently levies the maximum rate allowed under State law for all taxes making up the Pledged Taxes. No assurance can be given that the Pledged Taxes will remain sufficient for the payment of the principal of or interest on the 2020 Bonds and the City is limited by State law in its ability to increase the rate of such taxes.

No Reserve Fund Requirement For The 2020 Bonds

Pursuant to the Indenture, each Series of Bonds may be secured by a separate subaccount in the Debt Service Reserve Fund. Upon the issuance of the 2020 Bonds there will be no funding of a subaccount of the Debt Service Reserve Fund with respect to the 2020 Bonds.

Legislative Changes To Sales Tax Statutes

The State Legislature has authority to alter the statutes under which the City derives its various sales and use tax revenues, including specifically the Pledged Taxes. From time to time proposals are discussed and introduced to change these statutes, including changes that could significantly reduce the amount of Pledged Taxes the City receives. This can be done by, among other things, expanding or diminishing the sales tax base or, in the case of the Pledged Sales and Use Taxes (as described herein) altering the formula by which the tax revenues are allocated among the counties, cities and towns within the State. The City cannot predict whether the State Legislature will change sales and use tax base and/or distributions, including changes that could affect Pledged Taxes at some point in the future.

MISCELLANEOUS

Bond Rating

As of the date of this OFFICIAL STATEMENT, the 2020 Bonds have been rated “___” by S&P. An explanation of the above rating may be obtained from S&P. The City has not directly applied to Moody’s Investor Service, Inc. or Fitch Ratings for a rating on the 2020 Bonds.

Such rating does not constitute a recommendation by the rating agencies to buy, sell or hold the 2020 Bonds. Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P at the following address: 55 Water St, New York, NY 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance that the rating given to the 2020 Bonds will continue for any given period or that the rating will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2020 Bonds.

Trustee

The obligations and duties of the Trustee are described in the Indenture and the Trustee has undertaken only those obligations and duties that are expressly set out in the Indenture. The Trustee has not independently passed upon the validity of the 2020 Bonds, the security therefor, the adequacy of the provisions for payment thereof or the exclusion from gross income for federal tax purposes of the interest on the 2020 Bonds. The Trustee may resign or be removed or replaced as provided in the Indenture. See “APPENDIX B—THE GENERAL INDENTURE OF TRUST.”

Municipal Advisor

The City has entered an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the 2020 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2020 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information

available to the City, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty or warranty respecting the accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The basic financial statements of the City as of June 30, 2019, included in this OFFICIAL STATEMENT, has been audited by Larson & Company, PC, Certified Public Accountants, Spanish Fork City, Utah (“Larson & Company”), as stated in their report. See “APPENDIX A—BASIC FINANCIAL STATEMENTS OF SPANISH FORK CITY, UTAH FOR FISCAL YEAR 2019.”

Larson & Company has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non-participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

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

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether expressly so stated, are intended as such and not as a representation of fact.

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

This PRELIMINARY OFFICIAL STATEMENT is in a form deemed final by the City for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the City.

Santaquin City, Utah

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APPENDIX A

**BASIC FINANCIAL STATEMENTS OF SANTAQUIN CITY, UTAH
FOR FISCAL YEAR 2019**

The Annual Financial Report for Fiscal Year 2019 is contained herein. Copies of current and prior comprehensive annual financial reports are available upon request from the City's contact person as indicated under "INTRODUCTION—Contact Persons" above.

The City's Annual Financial Report for Fiscal Year 2020 must be completed under State law by December 31, 2020.

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APPENDIX B

THE GENERAL INDENTURE OF TRUST

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APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the 2020 Bonds, Gilmore & Bell, P.C., Bond Counsel, proposes to issue its approving opinion in substantially the following form:

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APPENDIX D

PROPOSED FORM OF LIMITED CONTINUING DISCLOSURE UNDERTAKING

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APPENDIX E

BOOK-ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2020 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered the transaction. Transfers of ownership interests in the 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2020 Bonds, except if use of the book-entry system for the 2020 Bonds is discontinued.

To facilitate subsequent transfers, all 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2020 Bond documents. For example, Beneficial Owners of 2020 Bonds may wish to ascertain that the nominee holding the 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all the 2020 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC

mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2020 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, if a successor depository is not obtained, 2020 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2020 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

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