

Subject: SLCMAD S20 Arbitrage Report/Invoice
From: "Gregory Ichel" <gichel@thearbitragegroup.com>
Sent: 11/8/2025 8:47:05 AM
To: "Ary Faraji" <ary@slcmad.org>; "Aleta" <aleta@slcmad.org>
CC: "H. Troy Merrill" <tmerrill@thearbitragegroup.com>
Attachments: Report 6-24-25.pdf; 88632 SaltLake20.pdf; _ W9.pdf

Morning Aleta and Ary: Attached please find your arbitrage report, invoice, and our W9. Updated ACH and regular mail payment instructions are directly on the invoice, which we appreciate payment on at your earliest convenience (ACH preferred to our Chase Bank); kindly share timing/method of payment.

No current IRS payment or filing is required with respect to this Installment Final cumulative arbitrage report. We will separately send a copy of the report to your trustee/paying agent (Laurel at US Bank), counsel or other parties on the distribution list to demonstrate current compliance on your behalf. While the Bonds remain outstanding, future arbitrage reporting will continue to be required for both minimum IRS and bond document compliance purposes. Unless you prefer otherwise, we have scheduled the Bonds for a subsequent cumulative update to next 6/24/30, which coincides with the next expected IRS Installment computation date (same rate). If there are any actual or anticipated changes to these Bonds beforehand (including refinancing or additional bond issuances), please let us know as it may impact future analyses.

Also, we are happy to provide arbitrage assessments for any other of your bond issues. Our no-cost independent assessment process helps determine arbitrage requirements, including key timing related to ongoing IRS and bond document contractual compliance. Yearly cumulative arbitrage analyses (at reduced prorated fees) assists with post-issuance arbitrage, disclosure and annual audit requirements.

We greatly appreciate being of service for your arbitrage compliance needs. Should you have any questions or feedback regarding our services, please do not hesitate to let us know.

Sincerely,
Gregory A. Ichel, CPA, Principal
[The Arbitrage Group, Inc.](#)
PO Box 82 | Hudson, WI 54016
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Subject: RE: SLCMAD S20 Arbitrage Report/Invoice



The Arbitrage Group, Inc.

PO Box 82
Hudson, Wisconsin 54016

Telephone 715 386 8044

www.thearbitragegroup.com

November 7, 2025

Aleta Fairbanks, MPrA, CPA
Chief Financial Officer
Salt Lake City Mosquito Abatement District
2215 North 2200 West
Salt Lake City, UT 84116

\$7,995,000
Local Building Authority of Salt Lake City
Mosquito Abatement District, Utah
Lease Revenue Refunding Bonds, Series 2020
Installment Rebate Calculation for the Period
June 24, 2020 to June 24, 2025

Dear Ms. Fairbanks:

Attached please find an electronic copy of our rebate report for the above noted issue along with our agreed-upon invoice. The report indicates there is no rebate liability as of the June 24, 2025 Installment Rebate Computation Date. Based upon the report and underlying assumptions, no IRS payment or filing is otherwise currently required.

While the Bonds remain outstanding, future arbitrage reporting will continue to be required for minimum IRS and bond document compliance. Unless you prefer otherwise, we have scheduled the Bonds for a subsequent cumulative update to next June 24, 2030, which coincides with the next anticipated IRS Installment Computation Date. If there are any actual (or anticipated) changes to the Bonds beforehand, please let us know as it may impact the timing and substance of future analyses.

If you have any questions, please do not hesitate to contact either Troy Merrill at (713) 522-8527; tmerrill@thearbitragegroup.com or myself at (715) 386-8044; gichel@thearbitragegroup.com. It has been our pleasure working with your team and we look forward to being of service again in the very near future regarding any other arbitrage rebate compliance or verification service needs.

Very truly yours,
The Arbitrage Group, Inc.

Gregory A. Ichel
Principal



The Arbitrage Group, Inc.

\$7,995,000

**Local Building Authority of Salt Lake City
Mosquito Abatement District, Utah
Lease Revenue Refunding Bonds, Series 2020**

**Rebate Computation for the Period
June 24, 2020 to June 24, 2025**



The Arbitrage Group, Inc.

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November 7, 2025

Salt Lake City Mosquito Abatement District
Salt Lake City, Utah

\$7,995,000
Local Building Authority of Salt Lake City
Mosquito Abatement District, Utah
Lease Revenue Refunding Bonds, Series 2020

The Local Building Authority of Salt Lake City Mosquito Abatement District, Utah ("Issuer") issued the above referenced bonds ("Bonds") dated and delivered on June 24, 2020. At the request of the Salt Lake City Mosquito Abatement District as engaging party on behalf of the Issuer (collectively, the "Borrower"), we have performed the procedures enumerated below for the period June 24, 2020 to June 24, 2025 ("Computation Period"). These procedures, which were agreed to by the Borrower were performed solely to assist the Borrower in evaluating compliance with the requirements of Section 148(f)(2) of the Internal Revenue Code of 1986, as amended ("Code"). This engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants for consulting services. The sufficiency of these procedures is solely the responsibility of the specified users of the report. This report is intended solely for your information and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report is not to be quoted or referred to without our prior written consent.

Our procedures and findings are as follows:

- (1) We read the IRS Form 8038-G ("8038"), Tax Matters Certificate ("Certificate"), excerpts from the Official Statement ("OS"), and bank statements, each provided to us by or on behalf of the Borrower.
- (2) A schedule of the sources and uses of funds (Exhibit A) was assembled based upon the 8038, Certificate, and bank statements.
- (3) Schedules of the debt service requirements of the Bonds to maturity and early redemption, as well as the net original issue premium (Exhibits B-1 through B-3) were assembled based on the OS.
- (4) The yield on the Bonds was computed to be the discount rate that causes the present value of all principal and interest payments on the Bonds to equal the Issue Price to the Public. The yield on the Bonds to early redemption was computed to be 1.612882% (Exhibit B-1).



Salt Lake City Mosquito Abatement District

November 7, 2025

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- (5) Pursuant to the Income Tax Regulations ("Regulations"), gross proceeds of the Bonds subject to the rebate requirements of the Code, are defined as sale proceeds, investment proceeds, transferred proceeds, and replacement proceeds.
- (6) As represented by the Borrower and as shown in the bank statements, all sale and investment proceeds were allocated for allowable costs in satisfaction of the six-month exception to the rebate requirements. No arbitrage earnings are attributable to sale or investment proceeds.
- (7) Consistent with the Certificate and as represented by the Borrower, there were no unspent proceeds of an issue refunded that could become transferred proceeds of the Bonds. No arbitrage earnings are attributable to transferred proceeds.
- (8) Consistent with the Certificate and as represented by the Borrower, there are no invested reserve or similar pledged funds constituting replacement proceeds. No arbitrage earnings are attributable to replacement proceeds.
- (9) The assumptions and computational information employed in the above calculations are explained in Exhibit C.
- (10) Based on the information provided to us by the Borrower and the assumptions employed, this report shows there is no rebate liability for the Bonds as of the June 24, 2025 Installment Rebate Computation Date. This amount is subject to change due to future investment activity, if any, subsequent to the end of the Computation Period.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the information referred to above. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The terms of our engagement are such that we have no obligation to update this report because of events and transactions occurring subsequent to the date of this report.

Very truly yours,

The Arbitrage Group, Inc.

Exhibits

- A. Sources and Uses of Funds
- B. Computation of Yield on the Bonds
 - B-1. Debt Service Requirements to Early Redemption and Proof of Yield on the Bonds
 - B-2. Debt Service Requirements of the Bonds to Maturity
 - B-3. Computation of Net Original Issue Premium
- C. Assumptions and Computational Information

Sources and Uses of Funds

*Local Building Authority of Salt Lake City
Mosquito Abatement District, Utah
Lease Revenue Refunding Bonds, Series 2020*

SOURCES	Sale Proceeds
Principal Amount of the Bonds	\$7,995,000.00
Net Original Issue Premium	486,292.30
	<hr/>
	\$8,481,292.30
	<hr/> <hr/>
USES	
Payoff Prior 2018 Bonds	\$8,251,340.22
Costs of Issuance	153,811.57
Underwriter's Discount	76,140.51
	<hr/>
	\$8,481,292.30
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Debt Service Requirements to Early Redemption and Proof of Yield on the Bonds

*Local Building Authority of Salt Lake City
Mosquito Abatement District, Utah
Lease Revenue Refunding Bonds, Series 2020*

Date	\$7,995,000 Serial Bonds			Debt Service Requirements of the Bonds	Present Value of Future Payments at 06/24/20 Using a Rate of 1.612882%
	Principal	Coupon Rate	Interest		
08/15/20			\$29,813.76	\$29,813.76	\$29,745.99
02/15/21	\$340,000.00	4.000%	105,225.00	445,225.00	440,659.27
08/15/21			98,425.00	98,425.00	96,636.35
02/15/22	355,000.00	4.000%	98,425.00	453,425.00	441,623.59
08/15/22			91,325.00	91,325.00	88,236.49
02/15/23	370,000.00	4.000%	91,325.00	461,325.00	442,157.74
08/15/23			83,925.00	83,925.00	79,794.56
02/15/24	380,000.00	3.000%	83,925.00	463,925.00	437,563.86
08/15/24			78,225.00	78,225.00	73,189.87
02/15/25	395,000.00	3.000%	78,225.00	473,225.00	439,222.71
08/15/25			72,300.00	72,300.00	66,568.25
02/15/26	405,000.00	3.000%	72,300.00	477,300.00	435,945.28
08/15/26			66,225.00	66,225.00	60,003.17
02/15/27	415,000.00	3.000%	66,225.00	481,225.00	432,525.94
08/15/27			60,000.00	60,000.00	53,496.69
02/15/28	430,000.00	3.000%	60,000.00	490,000.00	433,394.59
08/15/28			53,550.00	53,550.00	46,984.93
02/15/29	445,000.00	3.000%	53,550.00	498,550.00	433,929.89
08/15/29			46,875.00	46,875.00	40,472.85
02/15/30	1,880,000.00	*	46,875.00	1,926,875.00	1,650,394.70
08/15/30			25,800.00	25,800.00	21,921.27
02/15/31			25,800.00	25,800.00	21,745.90
08/15/31			25,800.00	25,800.00	21,571.94
02/15/32			25,800.00	25,800.00	21,399.36
08/15/32			25,800.00	25,800.00	21,228.17
02/15/33			25,800.00	25,800.00	21,058.35
08/15/33			25,800.00	25,800.00	20,889.88
02/15/34	495,000.00	2.000%	25,800.00	520,800.00	418,310.72
08/15/34			20,850.00	20,850.00	16,612.91
02/15/35	505,000.00	2.000%	20,850.00	525,850.00	415,636.16

Debt Service Requirements to Early Redemption and Proof of Yield on the Bonds

*Local Building Authority of Salt Lake City
Mosquito Abatement District, Utah
Lease Revenue Refunding Bonds, Series 2020*

Date	\$7,995,000 Serial Bonds			Debt Service Requirements of the Bonds	Present Value of Future Payments at 06/24/20 Using a Rate of 1.612882%
	Principal	Coupon Rate	Interest		
08/15/35			15,800.00	15,800.00	12,388.54
02/15/36	515,000.00	2.000%	15,800.00	530,800.00	412,862.84
08/15/36			10,650.00	10,650.00	8,217.43
02/15/37	525,000.00	2.000%	10,650.00	535,650.00	409,995.82
08/15/37			5,400.00	5,400.00	4,100.19
02/15/38	540,000.00	2.000%	5,400.00	545,400.00	410,806.10
	<u>\$7,995,000.00</u>		<u>\$1,748,538.76</u>	<u>\$9,743,538.76</u>	<u>\$8,481,292.30</u>
			Principal Amount of the Bonds		\$7,995,000.00
			Net Original Issue Premium		486,292.30
					<u>\$8,481,292.30</u>

* Certain Bonds are treated as being redeemed on 02/15/30, at par, for yield computation purposes. See Exhibit B-2 for scheduled maturity information.

Debt Service Requirements of the Bonds to Maturity

*Local Building Authority of Salt Lake City
Mosquito Abatement District, Utah
Lease Revenue Refunding Bonds, Series 2020*

Date	\$7,995,000 Serial Bonds			Debt Service Requirements of the Bonds to Maturity
	Principal	Coupon Rate	Interest	
08/15/20			\$29,813.75	\$29,813.75
02/15/21	\$340,000.00	4.000%	105,225.00	445,225.00
08/15/21			98,425.00	98,425.00
02/15/22	355,000.00	4.000%	98,425.00	453,425.00
08/15/22			91,325.00	91,325.00
02/15/23	370,000.00	4.000%	91,325.00	461,325.00
08/15/23			83,925.00	83,925.00
02/15/24	380,000.00	3.000%	83,925.00	463,925.00
08/15/24			78,225.00	78,225.00
02/15/25	395,000.00	3.000%	78,225.00	473,225.00
08/15/25			72,300.00	72,300.00
02/15/26	405,000.00	3.000%	72,300.00	477,300.00
08/15/26			66,225.00	66,225.00
02/15/27	415,000.00	3.000%	66,225.00	481,225.00
08/15/27			60,000.00	60,000.00
02/15/28	430,000.00	3.000%	60,000.00	490,000.00
08/15/28			53,550.00	53,550.00
02/15/29	445,000.00	3.000%	53,550.00	498,550.00
08/15/29			46,875.00	46,875.00
02/15/30	455,000.00	3.000%	46,875.00	501,875.00
08/15/30			40,050.00	40,050.00
02/15/31	465,000.00	2.000%	40,050.00	505,050.00
08/15/31			35,400.00	35,400.00
02/15/32	475,000.00	2.000%	35,400.00	510,400.00
08/15/32			30,650.00	30,650.00
02/15/33	485,000.00	2.000%	30,650.00	515,650.00
08/15/33			25,800.00	25,800.00
02/15/34	495,000.00	2.000%	25,800.00	520,800.00
08/15/34			20,850.00	20,850.00
02/15/35	505,000.00	2.000%	20,850.00	525,850.00
08/15/35			15,800.00	15,800.00
02/15/36	515,000.00	2.000%	15,800.00	530,800.00

Debt Service Requirements of the Bonds to Maturity

*Local Building Authority of Salt Lake City
Mosquito Abatement District, Utah
Lease Revenue Refunding Bonds, Series 2020*

Date	\$7,995,000 Serial Bonds			Debt Service Requirements of the Bonds to Maturity
	Principal	Coupon Rate	Interest	
08/15/36			10,650.00	10,650.00
02/15/37	525,000.00	2.000%	10,650.00	535,650.00
08/15/37			5,400.00	5,400.00
02/15/38	540,000.00	2.000%	5,400.00	545,400.00
	<u>\$7,995,000.00</u>		<u>\$1,805,938.75</u>	<u>\$9,800,938.75</u>

Computation of Net Original Issue Premium

*Local Building Authority of Salt Lake City
Mosquito Abatement District, Utah
Lease Revenue Refunding Bonds, Series 2020*

Date	Principal	Coupon Rate	Yield	Price	Purchase Price	Accrued Interest	Original Issue Premium/(Discount)
02/15/21	\$340,000.00	4.000%	0.450%	102.271%	\$347,721.40	\$0.00	\$7,721.40
02/15/22	355,000.00	4.000%	0.550%	105.629%	374,982.95	0.00	19,982.95
02/15/23	370,000.00	4.000%	0.600%	108.897%	402,918.90	0.00	32,918.90
02/15/24	380,000.00	3.000%	0.700%	108.255%	411,369.00	0.00	31,369.00
02/15/25	395,000.00	3.000%	0.800%	110.004%	434,515.80	0.00	39,515.80
02/15/26	405,000.00	3.000%	0.950%	111.234%	450,497.70	0.00	45,497.70
02/15/27	415,000.00	3.000%	1.100%	112.136%	465,364.40	0.00	50,364.40
02/15/28	430,000.00	3.000%	1.200%	113.104%	486,347.20	0.00	56,347.20
02/15/29	445,000.00	3.000%	1.300%	113.852%	506,641.40	0.00	61,641.40
02/15/30	455,000.00	3.000%	1.400%	114.382%	520,438.10	0.00	65,438.10
02/15/31	465,000.00	2.000%	1.543%	104.472%	485,794.80	0.00	20,794.80
02/15/32	475,000.00	2.000%	1.662%	103.559%	491,905.25	0.00	16,905.25
02/15/33	485,000.00	2.000%	1.765%	102.656%	497,881.60	0.00	12,881.60
02/15/34	495,000.00	2.000%	1.816%	102.208%	505,929.60	0.00	10,929.60
02/15/35	505,000.00	2.000%	1.862%	101.762%	513,898.10	0.00	8,898.10
02/15/36	515,000.00	2.000%	1.902%	101.318%	521,787.70	0.00	6,787.70
02/15/37	525,000.00	2.000%	1.969%	100.436%	527,289.00	0.00	2,289.00
02/15/38	540,000.00	2.000%	2.050%	99.261%	536,009.40	0.00	(3,990.60)
	<u>\$7,995,000.00</u>				<u>\$8,481,292.30</u>	<u>\$0.00</u>	<u>\$486,292.30</u>
	<u><u> </u></u>				<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

Assumptions and Computational Information

*Local Building Authority of Salt Lake City
Mosquito Abatement District, Utah
Lease Revenue Refunding Bonds, Series 2020*

Unless otherwise noted, the following computational assumptions are based upon Borrower-provided representations, Certificate, bank statement, or investment activity details.

- (1) Present value and future value computations were made on the basis of a 30/360 day year and semiannual compounding. The Bonds constitute one issue for arbitrage purposes and remain outstanding through the end of the Computation Period ("Computation Date").
- (2) A bond year ending on June 24th has been assumed for arbitrage computation purposes. June 24, 2025 was the first IRS Installment Computation Date.
- (3) In calculating the bond yield (Exhibit B-1), we have assumed: (i) there are no includable qualified guarantee or hedge amounts; (ii) in calculating the net original issue premium, we utilized applicable prices or yields as detailed in the OS; and, (iii) certain bonds were called earlier at their optional redemption date as detailed therein.
- (4) It was assumed that the only funds which were funded and contained gross proceeds of the Bonds were the Costs of Issuance Fund and Bond Fund. As detailed in the bank statements provided, we noted that all sale and investment proceeds for refunding and issuance costs (Exhibit A) (along with investment earnings, if any) were allocated for allowable costs no later than September 30, 2020, in satisfaction of the six-month exception to the rebate requirements.
- (5) There were no unspent prior issue proceeds that constitute transferred proceeds.
- (6) Other than the Bond Fund (as detailed below), there are no other amounts or accounts (including reserve or similar funds) pledged with respect to debt service on the Bonds to otherwise constitute replacement proceeds.
- (7) All amounts withdrawn from the bond accounts were assumed to be allocated for the purpose of the bond issue on the day they were withdrawn.
- (8) The Income Tax Regulations are silent as to the treatment of imputed earnings for uninvested bond proceeds. No interest earnings were imputed on uninvested amounts, if any.
- (9) As detailed in the bank statements, the Bond Fund was not subject to arbitrage because it operated as a bona fide debt service fund, which also satisfied the applicable yearly \$100,000 limitation.