RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NOS. 1 & 2

6955 S. Union Park Center, Suite 300
Cottonwood Heights, UT 84047

NOTICE OF JOINT SPECIAL MEETING AND AGENDA

DATE: Monday, December 18, 2023

TIME: 11:00 a.m.

LOCATION: 6955 S. Union Park Center, Suite 300
Cottonwood Heights, UT 84047
And via Microsoft Teams

ACCESS: You can also attend the meeting in the following ways:

To join online, use the link below:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZGZhZjIwZmEtNDAzMi00NzU4LTk4ZGUtMTM2OWMyMDRkN2U1%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%225b9f6fa2-e9dd-42cc-bfd8-f7dd2ed196a6%22%7d

To join by phone, call 720-547-5281 and enter phone conference ID: 670 498 14#

PUBLIC NOTICE is hereby given that the Boards of Trustees (the "Boards"), of Red Bridge Public Infrastructure District Nos. 1 & 2 (the "Districts"), will hold a joint meeting of the Boards on Monday, December 18, 2023, commencing at 11:00 a.m., at 6955 S Union Park Center, Suite 300, Cottonwood Heights, UT 84047 and via Microsoft Teams, at which time the Board shall proceed according to the following agenda.

I. ADMINISTRATIVE MATTERS

A. Call to order.

B. Review and consider approval of November 29, 2023 Minutes (enclosure).

C. Consider approval of CliftonLarsonAllen LLP Master Services Agreement and statement(s) of work for 2024 (enclosure).

D. Discuss 2024 meeting dates.

II. FINANCIAL MATTERS

A. Public hearing on the operating and capital budget for calendar year 2024 and consider adoption of the same (enclosure).

III. OTHER BUSINESS

A. Discuss Trustees and positions.

IV. ADJOURNMENT

[This notice to be posted at the District office, published on the Utah Public Notice Website at least 7 days prior to the meeting.]

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF TRUSTEES OF RED BRIDGE PUBLIC
IMPROVEMENT DISTRICT NO. 1 (THE "DISTRICT")
HELD
NOVEMBER 29, 2023

A special meeting of the Board of Trustees of the Red Bridge Public Infrastructure District No. 1 (referred to hereafter as the "Board") was convened on Wednesday, November 29, 2023, at 3:00 p.m., at 6955 S. Union Park Center, Suite 300, Cottonwood Heights, UT 84047. This District Board meeting was also held via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Trustees In Attendance Were:
Sheila Michaelis

Blaine Turner was absent and excused.

Also, In Attendance Were:
Shelby Clymer, Chad Nelson and Josh Miller, CliftonLarsonAllen LLP ("CLA") (via Microsoft Teams)
Mike Crandall; Member of the Public (via Microsoft Teams)

ADMINISTRATIVE MATTERS

Call to Order: Trustee Michaelis made a motion to call the meeting to order at 3:08 p.m., who recited the following:

> *"As the Chair of the Board of Trustees of the Red Bridge Public Improvement District No. 1, I hereby call this regular meeting of the Board to order at 3:08 P.M. on November 29, 2023, at 6955 S. Union Park Center, Suite 300, Cottonwood Heights, UT, 84047. In compliance with the requirements of Utah's Open and Public Meetings Law: (i) notice of this meeting has been duly posted and published, and (ii) this meeting is being recorded and minutes of the meeting, in its entirety, are being kept."*

The motion passed unanimously.

FINANCIAL MATTERS

Tentative Operating and Capital Budget for Calendar Year 2024 and Set a Public Hearing to Take Public Comment on the Same: Ms. Clymer reviewed the tentative operating and capital budget for calendar year 2024 with the Board. Discussion ensued regarding tax revenue and variances. It was noted that Ms. Clymer will seek clarity from Salt Lake County.

Following review, Trustee Michaelis made a motion to approve the tentative operating and capital budget for calendar year 2024 and set a public hearing for December 18, 2023 at 11:00 a.m. The motion passed unanimously.

OTHER BUSINESS

None.

ADJOURNMENT Trustee Michaelis made a motion to adjourn the meeting to order at 3:20 p.m. The motion passed unanimously.

Respectfully submitted,

By ________________________________
District Chair

Attest:

____
District Clerk/Manager

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF TRUSTEES OF RED BRIDGE PUBLIC
IMPROVEMENT DISTRICT NO. 2 (THE "DISTRICT")
HELD
NOVEMBER 29, 2023

A special meeting of the Board of Trustees of the Red Bridge Public Infrastructure District No. 2 (referred to hereafter as the "Board") was convened on Wednesday, November 29, 2023, at 3:00 p.m., at 6955 S. Union Park Center, Suite 300, Cottonwood Heights, UT 84047. This District Board meeting was also held via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Trustees In Attendance Were:
Sheila Michaelis

Blaine Turner was absent and excused.

Also, In Attendance Were:
Shelby Clymer, Chad Nelson and Josh Miller, CliftonLarsonAllen LLP ("CLA") (via Microsoft Teams)
Mike Crandall; Member of the Public (via Microsoft Teams)

ADMINISTRATIVE MATTERS

Call to Order: Trustee Michaelis made a motion to call the meeting to order at 3:08 p.m., who recited the following:

> *"As the Chair of the Board of Trustees of the Red Bridge Public Improvement District No. 2, I hereby call this regular meeting of the Board to order at 3:08 P.M. on November 29, 2023, at 6955 S. Union Park Center, Suite 300, Cottonwood Heights, UT, 84047. In compliance with the requirements of Utah's Open and Public Meetings Law: (i) notice of this meeting has been duly posted and published, and (ii) this meeting is being recorded and minutes of the meeting, in its entirety, are being kept."*

The motion passed unanimously.

FINANCIAL MATTERS

Tentative Operating and Capital Budget for Calendar Year 2024 and Set a Public Hearing to Take Public Comment on the Same: Ms. Clymer reviewed the tentative operating and capital budget for calendar year 2024 with the Board. Discussion ensued regarding tax revenue and variances. It was noted that Ms. Clymer will seek clarity from Salt Lake County.

Following review, Trustee Michaelis made a motion to approve the tentative operating and capital budget for calendar year 2024 and set a public hearing for December 18, 2023 at 11:00 a.m. The motion passed unanimously.

OTHER BUSINESS

None.

<u>ADJOURNMENT</u> Trustee Michaelis made a motion to adjourn the meeting to order at 3:20 p.m. The motion passed unanimously.

Respectfully submitted,

By ________________________________
District Chair

Attest:

____
District Clerk/Manager

CliftonLarsonAllen LLP
https://www.claconnect.com

Special Districts Master Services Agreement

Red Bridge Public Infrastructure District No. 1
6955 South Union Park Ctr., Ste. 300, Salt Lake City, UT, 84047
MSA Date: October 15, 2023

This master service agreement ("MSA") documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") will provide for Red Bridge Public Infrastructure District No. 1 ("you," "your," "board of trustees" or "the district"). The terms of this MSA will apply to the initial and each subsequent statement of work ("SOW"), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

Scope of professional services

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA's performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal control as part of any services.

Board of trustee responsibilities

The board of trustees of the district acknowledge and understand that our role is to provide the services identified in one or more SOWs issued per this MSA and that the board of trustees of the district has certain responsibilities that are fundamental to our undertaking to perform the identified services. The district may engage CLA to perform management functions to help the board of trustees of the district to meet your responsibilities, but the board of directors of the district acknowledges its role in management of the district.

Responsibilities and limitations related to nonattest services

For all nonattest services we may provide to you, you agree to oversee all management services; evaluate the adequacy and results of the services; ensure that your data and records are complete; and accept responsibility for the results of the services. CLA and the district agree that the foregoing sentence is not intended and shall not be construed to be a limitation of liability for the benefit of CLA nor an exculpatory clause for the benefit of CLA. CLA is and will remain liable to the district for CLA's negligence and gross negligence in the work that it performs under this MSA or under any SOW.

Fees and terms
See the applicable SOW for the fees for the services.

Work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagements will be deemed to have been completed even if we have not completed the services. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures permitted by this MSA through the date of termination.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client initiated payment method approved by CLA. CLA's electronic online bill pay platform claconnect.com/billpay accepts credit card and Automated Clearing House (ACH) payments. Instructions for making direct bank to bank wire transfers or ACH payments will be provided upon request.

Other Fees
You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses
You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one percent (1.00%), which is an annual percentage rate of 12%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable if and as provided by Utah law.

Limitation of remedies
Each party agrees that in no event shall the other party be liable for any indirect, special, incidental, consequential, punitive or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages related to CLA's acts or omissions in performance of our duties under the terms of this MSA or any SOW issued under this MSA.

Time limitation
The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. Any legal or equitable action brought by the district to recover on a dispute shall be commenced within the applicable statute of limitations under Utah state statutes and case law.

CLA shall be authorized to the following cash access services:

- Using any or a combination of the following methods and approval processes, we may pay your vendors and service providers based upon invoices that you have reviewed and approved:

  - Paper checks – we will prepare the checks for your approval and wet ink signature

  - Payments using Bill.com – we will only release payments after you have electronically approved and authorized such payments

  - ACH/Wire – we will use this method as needed/as requested, with your approval

We understand that you will designate one or more members of the board of trustees to approve disbursements using the above methods.

- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above

- Take deposits to the bank that include cash

Board of Trustees' responsibilities relevant to CLA's access to your cash

All members of your board of trustees are responsible for the processes below; however, we understand that you will designate one or more board of trustees to review and give approvals for disbursements. All approvals must be documented in writing, either electronically or manually, then formally ratified in board meetings and documented in the meeting minutes.

- Approve all invoices and check payments

- Approve all new vendors and customers added to the accounting system

- Approve non-recurring wires to external parties

- Pre-approve for recurring wires, then board of trustees will ratify approval

- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system

- Approve all credit card statements prior to those expenses being processed in the accounting system and subsequently paid

- Approve (or delegate to the CLA controller if applicable) all customer and vendor credit memos and accounts receivable amounts written off

- Review and approve (or delegate to the CLA controller if applicable) all bank statements and affiliated monthly reconciliations

Other provisions

Except as expressly permitted by the "Consent" section of this agreement, CLA shall not disclose any confidential, proprietary, or privileged information of the district or you to any person or party, unless the district or you authorizes us to do so, it is published or released by the district, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Insurance:

CLA shall acquire and maintain in full force and effect, during the entire term of the MSA, the insurance coverages set forth in below in order to protect the district including its board of trustees and CLA from claims that arise out of or result from the operations under this MSA by the CLA or its affiliates or by anyone acting on their behalf or for which they may be liable. Failure to maintain the insurance policies shall be a material breach of this MSA and the district may request certificates of insurance reflecting the coverages outlined below.

- **A.** Workers' Compensation Insurance
- **B.** Commercial General Liability Insurance
- **C.** Commercial Automobile Liability Insurance
- **D.** General Professional Liability
- **E.** Network Security (Cyber) Liability Insurance
- **F.** Excess/Umbrella Liability Coverage

The relationship of CLA with the district shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested that are consistent with those normally utilized in a district of your size and nature. Internal controls may be recommended relating to the safeguarding of the district's assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The district agrees that CLA will assume fiduciary responsibility on the district's behalf during the course of this agreement only if provided in SOWs issued under this MSA; and the parties, in entering into this MSA, do not intend to create an overarching fiduciary relationship.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

Annual Appropriation and Budget

The district does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. CLA expressly understands and agrees that the district's obligations under this MSA shall extend only to monies appropriated for the purposes of this MSA by the board of trustees and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this MSA shall be construed or interpreted as a delegation of governmental powers by the district, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the district or statutory debt limitation. No provision of this MSA shall be construed to pledge or to create a lien on any class or source of district funds. The district's obligations under this MSA exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this MSA.

Governmental Immunity

Nothing in this MSA shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the district, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the district and, in particular, governmental immunity afforded or available to the district pursuant to the Utah law.

No Third-Party Beneficiaries

It is expressly understood and agreed that enforcement of the terms and conditions of this MSA, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this MSA shall give or allow any such claim or right of action by any third party. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this MSA shall be deemed to be an incidental beneficiary only.

Personal Identifying Information

During the performance of this MSA, the district may disclose Personal Identifying Information to CLA. "Personal Identifying Information" means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver's license or identification card number; a government passport number; biometric data; an employer, student, or military identification number; or a financial transaction device. CLA agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to CLA; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

CLA agrees to report within twenty-four (24) hours to the district's board of trustees any Data Security Incidents that may result in the unauthorized disclosure of Personal Identifying Information. For the purposes of this MSA "Data Security Incident" is defined to mean any actual or reasonably suspected: (a) unauthorized use of, or unauthorized access to, CLA systems; (b) inability to access business and other proprietary information, data, or the CLA systems due to a malicious use, attack, or exploit of such business and other proprietary information or systems; (c) unauthorized access to, theft of, or loss of business and other proprietary information, or of storage devices that could reasonably contain such information; (d) unauthorized use of business and other proprietary information or data for purposes of actual or reasonably suspected theft, fraud, or identity theft; (e) unauthorized disclosure of business and other proprietary information or data.

Consent to use financial information
Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this MSA will serve as your consent to use of Red Bridge Public Infrastructure District No. 1 information, excluding Personal Identifying Information, in these cost comparison, performance indicator, and/or benchmarking reports.

Technology
CLA may, at times, use third-party software applications to perform services under this agreement. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data.

Counterpart Execution
This MSA may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Electronic Signatures
The parties consent to the use of electronic signatures pursuant to Utah law, as may be amended from time to time. The MSA, and any other documents requiring a signature hereunder, may be signed electronically by the parties in a manner acceptable to the district. The parties agree not to deny the legal effect or enforceability of the MSA solely because it is in electronic form or because an electronic record was used in its formation. The parties agree not to object to the admissibility of the MSA in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

MSA Modification
The MSA may not be amended, altered, or otherwise changed except by a written agreement signed by authorized representatives of the parties.

Termination of MSA

Either party may terminate this MSA at any time by giving 30 days written notice to the other party. In that event, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

Agreement
We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

CliftonLarsonAllen LLP
Shelby Clymer
Principal
303-265-7812
shelby.clymer@CLAconnect.com

Response
This MSA correctly sets forth the understanding of Red Bridge Public Infrastructure District No. 1 and is accepted by:

CLA
CliftonLarsonAllen LLP

Shelby Clymer

Shelby Clymer, Principal
SIGNED 12/14/2023, 12:55:02 PM MST

Client
Red Bridge Public Infrastructure District No. 1

SIGN: ______________________

Sheila Michaelis, Board Trustee

DATE: ______________________

CliftonLarsonAllen LLP
https://www.claconnect.com

Special Districts Preparation Statement of Work

Date: December 14, 2023

This agreement constitutes a Statement of Work ("SOW") to the Master Service Agreement ("MSA") made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Red Bridge Public Infrastructure District No. 1 ("you," "your," "board of trustees" or "the district") dated October 15, 2023 or any superseding MSA. The purpose of this SOW is to outline certain services you wish us to perform through December 31, 2024 in connection with that agreement.

Scope of professional services
Shelby Clymer is responsible for the performance of the preparation engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the preparation engagement.

Ongoing normal accounting services:

- Outsourced accounting activities
    - For each fund of the district, CLA will generally prepare and maintain the following accounting records:
        - Cash receipts journal
        - Cash disbursements journal
        - General ledger
        - Accounts receivable journals and ledgers
        - Deposits with banks and financial institutions
        - Schedule of disbursements
        - Bank account reconciliations
        - Investment records
        - Detailed development fee records

- Process accounts payable including the preparation and issuance of checks for approval by the board of trustees
- Prepare billings, record billings, enter cash receipts, and track revenues
- Reconcile certain accounts regularly and prepare journal entries
- Prepare depreciation schedules
- Prepare quarterly financial statements and supplementary information, but not perform a compilation with respect to those financial statements; additional information is provided below
- Prepare a schedule of cash position to monitor the district's cash deposits, funding for disbursements, and investment programs in accordance with policies established by the district's board of trustees and in accordance with state law
- At the direction of the board of trustees, assist with the coordination and execution of banking and investment transactions and documentation
- Prepare the annual budget and assist with the filing of the annual budget
- Assist the district's board of trustees in monitoring actual expenditures against appropriation/budget
- If an audit or agreed-upon-procedures is required, prepare the year-end financial statements (additional information is provided below) and related audit schedules for use by the district's auditors
- If an audit is not required, prepare a Small Entity Report
- Monitor compliance with bond indentures and trust agreements, including preparation of continuing disclosure reports to the secondary market as required
- Review claims for reimbursement from related parties prior to the board of trustees' review and approval
- Read supporting documentation related to the district's acquisition of infrastructure or other capital assets completed by related parties for overall reasonableness and completeness
    - Procedures in excess of providing overall reasonableness and completeness will be subject to a separate SOW
    - These procedures may not satisfy district policies, procedures, and agreements' requirements

- Note: our procedures should not be relied upon as the final authorization for this transaction

- Attend board meetings as requested
- Be available during the year to consult with you on any accounting matters related to the district
- Review and approve monthly reconciliations and journal entries prepared by staff
- Reconcile complex accounts monthly and prepare journal entries
- Analyze financial statements and present to management and the board of trustees
- Develop and track key business metrics as requested and review periodically with the board of trustees
- Document accounting processes and procedures
- Continue process and procedure improvement implementation
- Report on cash flows
- Assist with bank communications
- Perform other non-attest services

Preparation services - financial statements
We will prepare the quarterly financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable of the district, which comprise the balance sheet – governmental funds and the related statement of revenues, expenditures, and changes in fund balance – general fund. The financial statements will not include the related notes to the financial statements; the government-wide financial statements; the statement of revenues, expenditures, and changes in fund balances – governmental funds; statement of cash flows for business type activities, if applicable; and required supplementary information.

Preparation services - annual
If an audit or agreed-upon-procedures is required, we will prepare the year-end financial statements of the government wide governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable, and Management Discussion and Analysis, if applicable, which collectively comprise the basic financial statements of the district, and the related notes to the financial statements. The year-end financial statements, including the related notes to the financial statements, will be prepared for use by the district's auditors.

Preparation services – prospective financial information (i.e., unexpired budget information)

You have requested that we prepare the financial forecast, which comprises the forecasted financial statements identified below.

A financial forecast presents, to the best of management's knowledge and belief, the entity's expected financial position, results of operations, and cash flows for the forecast period. It is based on management's assumptions reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

The financial forecast will omit substantially all of the disclosures required by the guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA presentation guidelines) other than those related to the significant assumptions.

The supplementary information accompanying the financial forecast will be prepared and presented for purposes of additional analysis and is not a required part of the basic financial forecast.
References to financial statements in the remainder of this SOW are to be taken as a reference to also include the prospective financial information, where applicable.

Engagement objectives and our responsibilities

The objectives of our engagement are to:

a) Prepare quarterly financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except for the departures from U.S. GAAP identified above, based on information provided by you and information generated through our outsourced accounting services.

b) As requested, apply accounting and financial reporting expertise to assist you in the presentation of your quarterly financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

c) Prepare the annual budget in accordance with the requirements prescribed by Utah law based on information provided by you.

d) Apply accounting and financial reporting expertise to assist you in the presentation of the annual budget without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the annual budget in order for the annual budget to be in accordance with requirements prescribed by Utah law.

e) If an audit is required, prepare the year-end financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) based on information provided by you.

f) If applicable, we will complete the Small Entity Report in the form prescribed by the Utah Office of the State Auditor.

We will conduct our preparation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Engagement procedures and limitations

We are not required to, and will not, verify the accuracy or completeness of the information provided to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements, the annual budget, the Small Entity Report (if an audit is not required), the year-end financial statements (if an audit is required), and the supplementary information.

Our engagement cannot be relied upon to identify or disclose any misstatements in the quarterly financial statements, the annual budget, the Small Entity Report, and the year-end financial statements, including misstatements caused by fraud or error, or to identify or disclose any wrongdoing within the district or noncompliance with laws and regulations. However, if any of the foregoing are identified as a result of our engagement, we will promptly report this information to the board of trustees of the district. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement, but will promptly report them to the board of trustees of the district if they are identified. You agree that we shall not be responsible for any misstatements in the district's financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements that we may not identify as a result of misrepresentations made to us by you.

No assurance statements

The quarterly financial statements prepared for the district will not be accompanied by a report. However, management agrees that each page of the financial statements will include a statement clearly indicating that no assurance is provided on them.

As part of our preparation of financial statements each page of the financial statements and supplementary information will include the following statement: "No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances – governmental funds have been omitted if applicable, For business type activities, the Statement of Cash Flows has been omitted".

If an audit is required, the year-end financial statements prepared for use by the district's auditors will not be accompanied by a report. However, management agrees that each page of the year-end financial statements will include a statement clearly indicating that no assurance is provided on them.

Management responsibilities

The financial statement engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S.

GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

The annual budget engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the annual budget in accordance with the requirements prescribed by Utah law and assist management in the presentation of the annual budget in accordance with the requirements prescribed by Utah law.

The Small Entity Report engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Small Entity Report in accordance with the requirements prescribed by the Utah Office of the State Auditor and assist management in the presentation of the Small Entity Report in accordance with the requirements prescribed by the Utah Office of the State Auditor.

We are required by professional standards to identify management's responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the district's operations and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARSs:

a) The selection of the financial reporting framework to be applied in the preparation of the financial statements, the annual budget, and the Small Entity Report.

b) The preparation and fair preparation of the financial statements in accordance with U.S. GAAP, except as identified as above, the preparation and fair presentation of the annual budget in accordance with the requirements prescribed by Utah law, and the preparation and fair presentation of the Small Entity Report (if applicable) in accordance with the requirements prescribed by the Utah Office of the State Auditor.

c) The presentation of the supplementary information.

d) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, the annual budget, and the Small Entity Report (if applicable) that are free from material misstatement, whether due to fraud or error.

e) The prevention and detection of fraud.

f) To ensure that the entity complies with the laws and regulations applicable to its activities.

g) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.

h) To provide us with the following:

  i) Access to all information relevant to the preparation and fair presentation of the financial statements, and the annual budget, the Small Entity Report (if applicable) such as records, documentation, and other matters.

ii) Additional information that may be requested for the purpose of the engagement.

iii) Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements, the annual budget, and the Small Entity Report (if applicable).

For all accounting services we may provide to you, including the preparation of your financial statements, the annual budget, and the Small Entity Report (if applicable), management agrees to assume all management responsibilities; oversee the services by designating an individual (i.e., the board treasurer); evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Fees and terms

Billing rates guaranteed through December 31, 2024:

Services performed by	Rate per hour
Principal	$300-$600
Consulting CFO	$290-$400
Consulting Controller	$240-$380
Assistant Controller	$210-$290
Senior	$150-$220
Staff	$130-$190
Administrative Support	$120-$170

Subsequent to the billing rate guarantee date, the rates may be adjusted as agreed between you and CLA through a new SOW.

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed.

Use of financial statements, the annual budget, the Small Entity Report
The financial statements, the annual budget, and the Small Entity Report (if applicable) are for management's use. If you intend to reproduce and publish the financial statements, the annual budget, and the Small Entity Report (if applicable) and our report thereon, they must be reproduced in their entirety. Inclusion of the financial statements, the annual budget, and the Small Entity Report (if applicable) in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of financial statements, the annual budget, and the Small Entity Report (if applicable) that have been subjected to a compilation engagement, including financial statements, the annual budget, and the Small Entity Report (if applicable) published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Municipal advisors
For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

Agreement
We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us to indicate your acknowledgment and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP
Shelby Clymer
Principal
303-265-7812
shelby.clymer@CLAconnect.com

Response
This SOW correctly sets forth the understanding of Red Bridge Public Infrastructure District No. 1 and is

accepted by:

CLA	**Client**
CliftonLarsonAllen LLP	Red Bridge Public Infrastructure District No. 1
Shelby Clymer	SIGN:
Shelby Clymer, Principal	Sheila Michaelis, Board Trustee
SIGNED 12/14/2023, 12:55:39 PM MST	DATE:

CliftonLarsonAllen LLP
https://www.claconnect.com

Special Districts Public Management Services Statement of Work

Date: December 4, 2023

This agreement constitutes a Statement of Work ("SOW") to the Master Service Agreement ("MSA") made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Red Bridge Public Infrastructure District No. 1 ("you," "your," "board of trustees" or "the district") dated October 15, 2023 or any superseding MSA. The purpose of this SOW is to outline certain services you wish us to perform through December 31, 2024 in connection with that agreement.

Scope of professional services
Josh Miller is responsible for the performance of the engagement and other services identified in this agreement.

Scope of Management Services
CLA will perform the following services for the district:

District Board of Trustees ("Board") Meetings

- Coordination of board meetings
- Meeting attendance: district manager and/or designee will attend board meetings
- Preparation and distribution of agenda and informational materials as requested by the district
- Drafting of meeting minutes as assigned for approval by the board of trustees
- Preparation and posting of notices required in conjunction with the meetings

Recordkeeping

- Maintain directory of persons and organizations for correspondence
- Repository of district records and act as custodian of records for purposes of Utah Code 63G-2 Government Records Access and Management Act (GRAMA), addresses government records and the management of those records

Communications

- Assist with or lead the coordination of communication with municipal, county, or state governmental agencies as requested by the district

General Administration

- Coordination with district's insurance provider including insurance administration, comparison of coverage, processing claims, and completion of applications
- Coordination of insurance policy renewals and updates for approval by the district's board of trustees
- In collaboration with district counsel, ensure contractors and sub-contractors maintain the required insurance coverage as required by the district
- Under the direction of the board of trustees, supervise project processes and vendors as assigned by the board
- Coordinate with legal, accounting, engineering, auditing and other consultants retained by the district as directed by the board (CLA itself will not and cannot provide legal services)
- Assist with or lead the coordination efforts with municipal, county, or state governmental agencies as requested by the district
- Coordinate the administration of the district's rules and regulations as requested by the board

Accounts Payable Services to be Provided

- Coordinate review and approval of invoices with district accountant and board to ensure timely payment to vendors

In addition to these services, when, in the professional opinion of the district manager, other services are necessary, the district manager shall recommend the same to the board or perform such services and report to the board the nature of such services, the reason they were required, and the result achieved; provided however, with the exception of emergencies, that if such additional services are expected to cost more than $2,000, the district manager shall discuss such costs with the board and receive prior authorization to perform such services.

Fees and terms

Billing rates guaranteed through December 31, 2024:

Services performed by	Rate per hour

Principal	$320-$460
Public Manager	$190-$265
Assistant Public Manager	$150-$180
Public Management Analyst	$145-$170
District Administrator	$140-$180
Records Retention Professional	$110-$155

Subsequent to the billing rate guarantee date, the rates may be adjusted as agreed between you and CLA through a new SOW.

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed.

Municipal advisors
For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

Agreement
We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us to indicate your acknowledgment and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP
Josh Miller
Principal
7192847226
josh.miller@claconnect.com

Response

This SOW correctly sets forth the understanding of Red Bridge Public Infrastructure District No. 1 and is accepted by:

CLA
CLA

Josh Miller

Josh Miller, Principal

SIGNED 12/15/2023, 10:11:20 AM CST

Client
Red Bridge Public Infrastructure District No. 1

SIGN: ______________________

Shiela Michaelis

DATE: ______________________

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

RED BRIDGE PID NO. 1
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

11/29/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 9/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	$ 16,969,905	$ 12,126,324	$ 12,073,831	$ 12,073,831	$ 2,763,734
REVENUES					
Property taxes	-	68,169	98,278	98,278	63,486
Transfers from Red Bridge PID No. 2	-	68,078	72,332	72,332	51,829
Interest income	103,737	45,000	192,712	225,000	70,000
Developer advance	10,104	-	-	-	-
Total revenues	113,841	181,247	363,322	395,610	185,315
TRANSFERS IN	-	51,000	15,133	44,200	52,020
Total funds available	17,083,746	12,358,571	12,452,286	12,513,641	3,001,069
EXPENDITURES					
General Fund	3,104	51,000	8,133	37,200	52,020
Debt Service Fund	893,400	893,400	893,400	893,400	893,400
Capital Projects Fund	4,113,411	8,760,676	8,652,313	8,775,107	-
Total expenditures	5,009,915	9,705,076	9,553,846	9,705,707	945,420
TRANSFERS OUT	-	51,000	15,133	44,200	52,020
Total expenditures and transfers out requiring appropriation	5,009,915	9,756,076	9,568,979	9,749,907	997,440
ENDING FUND BALANCES	$ 12,073,831	$ 2,602,495	$ 2,883,307	$ 2,763,734	$ 2,003,629
SURPLUS FUND	1,693,873	1,686,175	1,740,630	1,745,000	1,860,315
TOTAL RESERVE	$ 1,693,873	$ 1,686,175	$ 1,740,630	$ 1,745,000	$ 1,860,315

No assurance provided. See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

RED BRIDGE PID NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

11/29/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 9/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ -
REVENUES					
Developer advance	3,104	-	-	-	-
Total revenues	3,104	-	-	-	-
TRANSFERS IN					
Transfers from other funds	-	51,000	8,133	37,200	52,020
Total funds available	3,104	51,000	8,133	37,200	52,020
EXPENDITURES					
General and administrative					
Accounting	-	20,000	4,933	18,000	20,000
Auditing	-	7,500	-	7,500	8,000
Insurance	3,104	3,300	3,200	3,200	3,500
District management	-	-	-	3,500	4,500
Legal	-	15,000	-	5,000	10,000
Contingency	-	5,200	-	-	6,020
Total expenditures	3,104	51,000	8,133	37,200	52,020
Total expenditures and transfers out requiring appropriation	3,104	51,000	8,133	37,200	52,020
ENDING FUND BALANCES	$ -	$ -	$ -	$ -	$ -

No assurance provided. See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

RED BRIDGE PID NO. 1
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

11/29/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 9/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	$ 4,289,048	$ 3,405,648	$ 3,418,591	$ 3,418,591	$ 2,763,734
REVENUES					
Property taxes	-	68,169	98,278	98,278	63,486
Interest income	15,943	5,000	83,031	90,000	70,000
Developer advance	7,000	-	-	-	-
Transfers from Red Bridge PID No. 2	-	68,078	72,332	72,332	51,829
Total revenues	22,943	141,247	253,641	260,610	185,315
TRANSFERS IN					
Transfers from other funds	-	-	7,000	7,000	-
Total funds available	4,311,991	3,546,895	3,679,232	3,686,201	2,949,049
EXPENDITURES					
Debt Service					
Bond interest	886,400	886,400	886,400	886,400	886,400
Paying agent fees	7,000	7,000	7,000	7,000	7,000
Total expenditures	893,400	893,400	893,400	893,400	893,400
TRANSFERS OUT					
Transfers to other fund	-	51,000	-	29,067	52,020
Total expenditures and transfers out requiring appropriation	893,400	944,400	893,400	922,467	945,420
ENDING FUND BALANCES	$ 3,418,591	$ 2,602,495	$ 2,785,832	$ 2,763,734	$ 2,003,629
SURPLUS FUND	$ 1,693,873	$ 1,686,175	$ 1,740,630	$ 1,745,000	$ 1,860,315
TOTAL RESERVE	$ 1,693,873	$ 1,686,175	$ 1,740,630	$ 1,745,000	$ 1,860,315

No assurance provided. See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

RED BRIDGE PID NO. 1
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

11/29/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 9/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	$ 12,680,857	$ 8,720,676	$ 8,655,240	$ 8,655,240	$ -
REVENUES					
Interest income	87,794	40,000	109,681	135,000	-
Total revenues	87,794	40,000	109,681	135,000	-
Total funds available	12,768,651	8,760,676	8,764,921	8,790,240	-
EXPENDITURES					
Capital Projects					
Capital outlay	4,113,411	8,760,676	8,652,313	8,775,107	-
Total expenditures	4,113,411	8,760,676	8,652,313	8,775,107	-
TRANSFERS OUT					
Transfers to other fund	-	-	15,133	15,133	-
Total expenditures and transfers out requiring appropriation	4,113,411	8,760,676	8,667,446	8,790,240	-
ENDING FUND BALANCES	$ 8,655,240	$ -	$ 97,475	$ -	$ -

No assurance provided. See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

On September 2, 2020, the City Council of Payson City, Utah (the City), authorizing the creation of the Red Bridge Public Infrastructure District No. 1 and Red Bridge Public Infrastructure District No. 2 under Title 17D, Chapter 4 (the “Public Infrastructure Act”), Utah Code Annotated 1953, as amended and relevant portions of Title 17B, Chapter 1, Utah Code (the “Local District Act” and together with “Public Infrastructure Act”) and approving the District’s Governing Document, as previously amended and supplemented as required under the Public Infrastructure District Act. On October 16, 2020, the Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for each Districts.

The Districts were established to provide financing for public infrastructure improvements (the “Public Improvements”) to facilitate development within the boundaries of the Districts. Pursuant to the Governing Documents, the Districts have the power to issue bonds for the purpose of paying all or part of the costs of acquiring, acquiring an interest in, improving, or extending certain public improvements, facilities, or property. The Districts have each entered into an interlocal agreement with the City, as previously amended and supplemented (the “City Interlocal Agreements”), each dated as of November 18, 2020, which provides, among other things, that some or all of the Improvements constructed within the Districts will be transferred to the City.

The District has no employees and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Revenues

Property Taxes

The primary source of revenue or cash receipts will be ad valorem property taxes. A tax rate is computed by dividing the amount of the taxing entity’s budgeted property tax revenue by the taxing entity’s taxable value. The tax rate or levy is based on assessed values determined by the County Assessor generally as of January 1 of each year. The State Tax Commission must assess all centrally assessed property by May 1 of each year. County assessors are required to assess all locally assessed property before May 22 of each year.

Generally, the Board of Trustees must adopt a proposed tax rate or, if the tax rate is not more than the certified rate, a final tax rate before June 22. The certified tax rate generally provides a taxing entity with the same amount of property tax revenue it received in the previous tax year plus any revenue generated by additional growth in its taxable value.

County auditors forward to the State Tax Commission a statement prepared by each taxing entity showing the amount and purpose of each levy. Upon determination by the State Tax Commission that the tax levies comply with applicable law and do not exceed maximum permitted rates, the State Tax Commission notifies county auditors to implement the levies by September 30. On or before November 1, the County Treasurer furnishes each taxpayer with the amount of the tax levied. Real property taxes are due on November 30.

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (Continued)

Pursuant to the Governing Documents, the maximum debt mill levy each District is permitted to impose for the payment of limited tax debt is 10 mills, or 0.010 per dollar of taxable value. In the event of any statutory change in the methodology of assessment or collection of property taxes in a manner that reduces the amount pledged to the repayment of the Bonds, each District may charge a rate sufficient to receive the amount of property taxes the District would have received before the statutory change in order to pay the debt service on the Bonds. The District, District No. 2, and Red Bridge Public Infrastructure District No. 3 (“District No. 3”) may not impose mill levies which, in the aggregate, exceed 10 mills on any given parcel (subject to adjustment). District No. 3 is not a participant of this financing. Neither the District nor District No. 2 levied a debt service mill levy for collection in 2021. The District expects to levy a total mill levy of 3.00 mills, or 0.0030 per dollar of taxable value and District No. 2 expects to levy a total mill levy of 5.50 mills, or 0.0055 per dollar of taxable value, for collection in 2022 and annually thereafter until such time that lesser mill levies are needed to pay Trustee fees, Administrative Expenses, and debt service.

Utah motor vehicles are subject to a 1.5% uniform fee or an age-based uniform fee and aircraft are subject to a different uniform fee. The annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and property subject to a fixed age-based fee. Motor vehicles weighing 12,000 pounds or less and certain other vehicles are subject to an age-based fee that is due each time the vehicle is registered.
The revenues collected from the various uniform fees are distributed by the County to the taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property is distributed. Any uniform fees received by the Districts from the imposition of the applicable Required Mill Levy are included as District Property Tax Revenues in the forecast.

The property taxes resultant from the above tax rates and taxable values have been reduced by 6.4% to allow for uncollectible accounts based on Utah County’s five-year average tax collection rate and have been increased by 4.4% to include estimated uniform fees. As a result, the forecast includes a property tax collection rate of 98%.

Transfers from Red Bridge PID No. 2

The District receives property tax revenue collected by Red Bridge PID No. 2 for the sole purpose of paying debt service costs and obligations of the Districts.

Interest Income

Interest earned on the District’s available funds has been estimated based on an average interest rate of approximately .10%

Expenditures

Administrative Expenditures

Administrative and operations expenditures include the estimated services necessary to maintain the District’s administrative viability such as legal, accounting, district management, insurance, and other administrative expenses.

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures (Continued)

Debt Service

The principal and interest payments are provided based on the debt amortization schedules from the General Obligation Bonds, Series 2021A (discussed under Debt and Leases). The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

The Bonds are issued under the Public Infrastructure District Act, the Local District Act, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code (the "Bond Act"), the Governing Documents and other applicable laws of the State of Utah (the "State").

The Series 2021A Senior Bonds will be issued under an Indenture of Trust (Senior) related to the Series 2021A Senior Bonds to be dated as of July 1, 2021 (the "Senior Indenture") by and between the District and UMB Bank, n.a., as trustee (the "Trustee"). The Series 2021B Subordinate Bonds will be issued under an Indenture of Trust (Subordinate) related to the Series 2021B Subordinate Bonds to be dated as of July 1, 2021 (the "Subordinate Indenture") by and between the District and the Trustee. The Senior Indenture and the Subordinate Indenture are collectively referred to herein as the "Indentures." The Bonds were authorized by separate resolutions adopted by the District's Board of Trustees (the "Board") and District No. 2's Board of Trustees (the "District No. 2 Board") on March 4, 2021 (collectively, the "Bond Resolution").

For the purpose of providing for the payment of the Bonds, the Districts are entering into an Interlocal Capital Pledge Agreement (the "Capital Pledge Agreement") to be dated as of July 1, 2021, in full conformity with the constitution and laws of the State, including the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code (the "Interlocal Act") and the Local District Act and approved by the Bond Resolution.

At public meetings of the Boards, each held on June 19, 2021, each board obtained the consent of 100% of the owners of surface property within the boundaries of the Districts and 100% of the registered voters residing within the boundaries of the Districts to the issuance of $24,000,000 of limited tax bonds (the "Property Owner Consent"). Pursuant to the provisions of the Public Infrastructure District Act, the Property Owner Consent is sufficient to meet any statutory or constitutional election requirement necessary for the issuance of limited tax bonds. The Governing Documents permit the Districts and District No. 3 to issue up to an aggregate $24,000,000 in bonds, which amount excludes any bonds issued to refund a prior issuance of bonds by the Districts or District No. 3 and excludes any pledge of property tax revenues by one district to the debt of another district. On March 4, 2021, the Board of Trustees of District No. 3 adopted a resolution consenting to the use of the entirety of the Governing Document Debt Limitation and the imposition of up to 0.010 per dollar of taxable value by the Districts.

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (Continued)

The Series 2021A Senior Bonds are limited tax general obligations of the District secured by and payable solely from the "Pledged Revenue" consisting of the following revenues: (a) all District Property Tax Revenues, generally comprised of the revenues resulting from imposition by the Districts of the applicable Required Mill Levy pursuant to the Capital Pledge Agreement (including the allocation to each District of any uniform fees related to personal property); (b) all PILOT Revenue (comprised of certain payments in lieu of taxes); (c) all Pioneering Agreement Revenue (comprised of any payments made by owners of property outside of the Districts for connection into the sewer and water improvements financed by the District); and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The Series 2021B Subordinate Bonds are "cash flow" limited tax general obligations of the District secured by and payable from the "Subordinate Pledged Revenue," generally consisting of: (a) the foregoing-described Pledged Revenue (excluding moneys credited to the Senior Bond Fund) after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations (including the Series 2021A Senior Bonds); and (b) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. Accordingly, the majority of revenues securing payment of the Series 2021B Subordinate Bonds are pledged by the Senior Indenture to the payment of the Series 2021A Senior Bonds, and the lien thereon of the Series 2021B Subordinate Bonds is junior and subordinate in all respects to the lien of the Series 2021A Senior Bonds and any other Senior Obligations which may be issued by the District in the future.
The District has entered into the Interlocal Capital Pledge Agreement (the "Capital Pledge Agreement") with District No. 2 pursuant to which each District will pledge certain revenues to issuing District for the payment of Bonds and any Additional Obligations, and covenant to take certain actions with respect to generating such revenues

This information is an integral part of the accompanying budget.

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1

RESOLUTION NO. 2023-__

A RESOLUTION ADOPTING THE CALENDAR YEAR 2024 BUDGET

WHEREAS, the provisions U.C.A. §17B-1-605, require that the budget officer of Red Bridge Public Infrastructure No. 1 (the "*District*"), prepare for each budget year a budget for the general fund and other funds of the District in conformance with the uniform system of budgeting, accounting and reporting by which it is bound pursuant to U.C.A. §17B-1-603; and

WHEREAS, pursuant to the provisions of U.C.A. §17B-1-607, Clifton Larson Allen LLP, the District's general manager, acting as the duly appointed budget officer of the District, has prepared for calendar year 2024 a tentative budget for each fund for which a budget is required by law, containing an estimate of expenditures together with specific work programs and other supporting data required by law or requested by the District's Board of Trustees (the "*Tentative Budget*"), which has been approved by the Board of Trustees (the "*Board*"); and

WHEREAS, the Tentative Budget and all supporting schedules and data have been available as public records for public inspection for a period in excess of seven (7) days in conformance with the requirements of U.C.A. §17B-1-608; and

WHEREAS, the Board has duly called and convened a public hearing in conformance with the requirements of U.C.A. §17B-1-609 and 610, at which time all interested persons in attendance, if any, were given an opportunity to be heard on the estimates of revenues and expenditures or any item in the Tentative Budget; and

WHEREAS, the Board has considered the comments made by the public at the public hearing, has made adjustments in the Tentative Budge in conformance with its authority as set forth in U.C.A. §17B-1-611, and has prepared a final budget for the District for calendar year 2024 (the "*2024 Budget*").

NOW, THEREFORE, be it hereby resolved that:

1. The 2024 Budget, a copy of which is attached hereto and incorporated by reference herein, is hereby adopted as the final budget for the District, effective for budget year 2024, subject to amendment as provided by law.

2. In conformance with the provisions of §17B-1-614, the budget officer is hereby directed to certify a copy of the 2024 Budget and file the same with the Utah State Auditor within thirty (30) days from the date hereof.

3. The budget officer is hereby further directed to file a certified copy of the 2024 Budget in the District office and to make the same available to the public for inspection during regular business hours.

4. This Resolution shall be effective immediately upon passage.

PASSED AND ADOPTED by the Board this 11th day of December, 2023.

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1

____
Board Chair

ATTEST:

____
District Clerk

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

RED BRIDGE PID NO. 2
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

11/29/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 9/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ -
REVENUES					
Property taxes	-	68,078	72,332	72,332	51,829
Total revenues	-	68,078	72,332	72,332	51,829
Total funds available	-	68,078	72,332	72,332	51,829
EXPENDITURES					
Debt Service					
Transfers to Red Bridge PID No. 1	-	68,078	72,332	72,332	51,829
Total expenditures	-	68,078	72,332	72,332	51,829
Total expenditures and transfers out requiring appropriation	-	68,078	72,332	72,332	51,829
ENDING FUND BALANCES	$ -	$ -	$ -	$ -	$ -

No assurance provided. See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

On September 2, 2020, the City Council of Payson City, Utah (the City), authorizing the creation of the Red Bridge Public Infrastructure District No. 1 and Red Bridge Public Infrastructure District No. 2 under Title 17D, Chapter 4 (the "Public Infrastructure Act"), Utah Code Annotated 1953, as amended and relevant portions of Title 17B, Chapter 1, Utah Code (the "Local District Act" and together with "Public Infrastructure Act") and approving the District's Governing Document, as previously amended and supplemented as required under the Public Infrastructure District Act. On October 16, 2020, the Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for each Districts.

The Districts were established to provide financing for public infrastructure improvements (the "Public Improvements") to facilitate development within the boundaries of the Districts. Pursuant to the Governing Documents, the Districts have the power to issue bonds for the purpose of paying all or part of the costs of acquiring, acquiring an interest in, improving, or extending certain public improvements, facilities, or property. The Districts have each entered into an interlocal agreement with the City, as previously amended and supplemented (the "City Interlocal Agreements"), each dated as of November 18, 2020, which provides, among other things, that some or all of the Improvements constructed within the Districts will be transferred to the City.

The District has no employees and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Revenues

Property Taxes

The primary source of revenue or cash receipts will be ad valorem property taxes. A tax rate is computed by dividing the amount of the taxing entity's budgeted property tax revenue by the taxing entity's taxable value. The tax rate or levy is based on assessed values determined by the County Assessor generally as of January 1 of each year. The State Tax Commission must assess all centrally assessed property by May 1 of each year. County assessors are required to assess all locally assessed property before May 22 of each year.

Generally, the Board of Trustees must adopt a proposed tax rate or, if the tax rate is not more than the certified rate, a final tax rate before June 22. The certified tax rate generally provides a taxing entity with the same amount of property tax revenue it received in the previous tax year plus any revenue generated by additional growth in its taxable value.

County auditors forward to the State Tax Commission a statement prepared by each taxing entity showing the amount and purpose of each levy. Upon determination by the State Tax Commission that the tax levies comply with applicable law and do not exceed maximum permitted rates, the State Tax Commission notifies county auditors to implement the levies by September 30. On or before November 1, the County Treasurer furnishes each taxpayer with the amount of the tax levied. Real property taxes are due on November 30.

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (Continued)

Pursuant to the Governing Documents, the maximum debt mill levy each District is permitted to impose for the payment of limited tax debt is 10 mills, or 0.010 per dollar of taxable value. In the event of any statutory change in the methodology of assessment or collection of property taxes in a manner that reduces the amount pledged to the repayment of the Bonds, each District may charge a rate sufficient to receive the amount of property taxes the District would have received before the statutory change in order to pay the debt service on the Bonds. The District, District No. 2, and Red Bridge Public Infrastructure District No. 3 ("District No. 3") may not impose mill levies which, in the aggregate, exceed 10 mills on any given parcel (subject to adjustment). District No. 3 is not a participant of this financing. Neither the District nor District No. 2 levied a debt service mill levy for collection in 2021. The District expects to levy a total mill levy of 3.00 mills, or 0.0030 per dollar of taxable value and District No. 2 expects to levy a total mill levy of 5.50 mills, or 0.0055 per dollar of taxable value, for collection in 2022 and annually thereafter until such time that lesser mill levies are needed to pay Trustee fees, Administrative Expenses, and debt service.

Utah motor vehicles are subject to a 1.5% uniform fee or an age-based uniform fee and aircraft are subject to a different uniform fee. The annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and property subject to a fixed age-based fee. Motor vehicles weighing 12,000 pounds or less and certain other vehicles are subject to an age-based fee that is due each time the vehicle is registered.
The revenues collected from the various uniform fees are distributed by the County to the taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property is distributed. Any uniform fees received by the Districts from the imposition of the applicable Required Mill Levy are included as District Property Tax Revenues in the forecast.

The property taxes resultant from the above tax rates and taxable values have been reduced by 6.4% to allow for uncollectible accounts based on Utah County's five-year average tax collection rate and have been increased by 4.4% to include estimated uniform fees. As a result, the forecast includes a property tax collection rate of 98%.

Expenditures

Transfer to Red Bridge PID No. 1

The District transfers property tax revenue collected to Red Bridge PID No. 1 for the sole purpose of paying debt service costs and obligations of the Districts.

This information is an integral part of the accompanying budget.

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 2

RESOLUTION NO. 2023-__

A RESOLUTION ADOPTING THE CALENDAR YEAR 2024 BUDGET

WHEREAS, the provisions U.C.A. §17B-1-605, require that the budget officer of Red Bridge Public Infrastructure No. 2 (the "*District*"), prepare for each budget year a budget for the general fund and other funds of the District in conformance with the uniform system of budgeting, accounting and reporting by which it is bound pursuant to U.C.A. §17B-1-603; and

WHEREAS, pursuant to the provisions of U.C.A. §17B-1-607, Clifton Larson Allen LLP, the District's general manager, acting as the duly appointed budget officer of the District, has prepared for calendar year 2024 a tentative budget for each fund for which a budget is required by law, containing an estimate of expenditures together with specific work programs and other supporting data required by law or requested by the District's Board of Trustees (the "*Tentative Budget*"), which has been approved by the Board of Trustees (the "*Board*"); and

WHEREAS, the Tentative Budget and all supporting schedules and data have been available as public records for public inspection for a period in excess of seven (7) days in conformance with the requirements of U.C.A. §17B-1-608; and

WHEREAS, the Board has duly called and convened a public hearing in conformance with the requirements of U.C.A. §17B-1-609 and 610, at which time all interested persons in attendance, if any, were given an opportunity to be heard on the estimates of revenues and expenditures or any item in the Tentative Budget; and

WHEREAS, the Board has considered the comments made by the public at the public hearing, has made adjustments in the Tentative Budge in conformance with its authority as set forth in U.C.A. §17B-1-611, and has prepared a final budget for the District for calendar year 2024 (the "*2024 Budget*").

NOW, THEREFORE, be it hereby resolved that:

1. The 2024 Budget, a copy of which is attached hereto and incorporated by reference herein, is hereby adopted as the final budget for the District, effective for budget year 2024, subject to amendment as provided by law.

2. In conformance with the provisions of §17B-1-614, the budget officer is hereby directed to certify a copy of the 2024 Budget and file the same with the Utah State Auditor within thirty (30) days from the date hereof.

3. The budget officer is hereby further directed to file a certified copy of the 2024 Budget in the District office and to make the same available to the public for inspection during regular business hours.

4. This Resolution shall be effective immediately upon passage.

PASSED AND ADOPTED by the Board this 11th day of December, 2023.

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 2

____
Board Chair

ATTEST:

____
District Clerk