AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2025

AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

11/1/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 9/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ 11,406,243	$ 11,628,416	$ 11,628,416	$ 4,416,585
REVENUES					
Property taxes	-	-	-	462,476	-
Property taxes to be applied next year	-	-	-	(462,476)	462,476
Interest Income	327,212	180,000	337,117	395,000	120,000
Developer advance	-	-	11,817	50,169	1,500
Bond issuance proceeds	16,101,947	-	-	-	-
Total revenues	16,429,159	180,000	348,934	445,169	583,976
TRANSFERS IN	1,643,112	57,000	6,831	13,831	51,000
Total funds available	18,072,271	11,643,243	11,984,181	12,087,416	5,051,561
EXPENDITURES					
General Fund	8,317	50,000	18,648	50,000	52,500
Debt Service Fund	234,318	7,000	-	7,000	7,000
Capital Projects Fund	4,558,108	10,063,766	5,697,959	7,600,000	2,962,412
Total expenditures	4,800,743	10,120,766	5,716,607	7,657,000	3,021,912
TRANSFERS OUT	1,643,112	57,000	6,831	13,831	51,000
Total expenditures and transfers out requiring appropriation	6,443,855	10,177,766	5,723,438	7,670,831	3,072,912
ENDING FUND BALANCES	$ 11,628,416	$ 1,465,477	$ 6,260,743	$ 4,416,585	$ 1,978,649
DEBT SERVICE RESERVE FUND	1,400,195	1,400,195	1,400,195	1,400,195	1,400,195
TOTAL RESERVE	$ 1,400,195	$ 1,400,195	$ 1,400,195	$ 1,504,173	$ 1,978,649

No assurance provided. See summary of significant assumptions.

AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

11/1/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 9/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ -
REVENUES					
Developer advance	-	-	11,817	50,169	1,500
Total revenues	-	-	11,817	50,169	1,500
TRANSFERS IN					
Transfers from other funds	8,317	50,000	6,831	6,831	51,000
Total funds available	8,317	50,000	18,648	57,000	52,500
EXPENDITURES					
General and administrative					
Accounting	1,178	20,000	6,933	18,000	20,000
Auditing	-	-	-	7,000	7,500
Insurance	4,992	5,000	1,375	5,000	5,000
Legal	2,147	20,000	10,340	20,000	20,000
Miscellaneous	-	5,000	-	-	-
Total expenditures	8,317	50,000	18,648	50,000	52,500
TRANSFERS OUT					
Transfers to other fund	-	-	-	7,000	-
Total expenditures and transfers out requiring appropriation	8,317	50,000	18,648	57,000	52,500
ENDING FUND BALANCES	$ -	$ -	$ -	$ -	$ -

AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

11/1/24

			ACTUAL 2023	BUDGET 2024	ACTUAL 9/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES			$ -	$ 1,425,477	$ 1,439,173	$ 1,439,173	$ 1,504,173
REVENUES							
6320		Property taxes	-	-	-	462,476	-
6321		Property taxes to be applied next year	-	-	-	(462,476)	462,476
6360		Interest Income	38,696	40,000	52,230	65,000	70,000
		Total revenues	38,696	40,000	52,230	65,000	532,476
TRANSFERS IN							
6900	TI	Transfers from other funds	1,634,795	7,000	-	7,000	-
		Total funds available	1,673,491	1,472,477	1,491,403	1,511,173	2,036,649
EXPENDITURES							
Debt Service							
7830	DS	Bond principal	234,318	-	-	-	-
7591	DS	Paying agent fees	-	7,000	-	7,000	7,000
		Total expenditures	234,318	7,000	-	7,000	7,000
TRANSFERS OUT							
7900	TO	Transfers to other fund	-	-	-	-	51,000
		Total expenditures and transfers out requiring appropriation	234,318	7,000	-	7,000	58,000
ENDING FUND BALANCES			$ 1,439,173	$ 1,465,477	$ 1,491,403	$ 1,504,173	$ 1,978,649
DEBT SERVICE RESERVE FUND			$ 1,400,195	$ 1,400,195	$ 1,400,195	$ 1,400,195	$ 1,400,195
DEBT SERVICE SURPLUS FUND			-	-	-	103,978	578,454
TOTAL RESERVE			$ 1,400,195	$ 1,400,195	$ 1,400,195	$ 1,504,173	$ 1,978,649

No assurance provided. See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

11/1/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 9/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ 9,980,766	$ 10,189,243	$ 10,189,243	$ 2,912,412
REVENUES					
Bond issuance proceeds	16,101,947	-	-	-	-
Interest Income	288,516	140,000	284,887	330,000	50,000
Total revenues	16,390,463	140,000	284,887	330,000	50,000
Total funds available	16,390,463	10,120,766	10,474,130	10,519,243	2,962,412
EXPENDITURES					
Capital Projects					
Capital outlay	3,915,213	10,063,766	5,697,959	7,600,000	2,962,412
Bond issue costs	642,895	-	-	-	-
Total expenditures	4,558,108	10,063,766	5,697,959	7,600,000	2,962,412
TRANSFERS OUT					
Transfers to other fund	1,643,112	57,000	6,831	6,831	-
Total expenditures and transfers out requiring appropriation	6,201,220	10,120,766	5,704,790	7,606,831	2,962,412
ENDING FUND BALANCES	$ 10,189,243	$ -	$ 4,769,340	$ 2,912,412	$ -

No assurance provided. See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

Services Provided

On October 12, 2022 the City Council of Herriman City, Utah (the City), acting in its capacity as the creating authority for the Auto Mall and Retail Public Infrastructure District (the District), adopted a resolution creating the District. The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the District, which was recorded in the real property records of the County on November 9, 2022.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

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

The District prepares its budget on the modified accrual basis of accounting using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

The County assesses, bills, collects, and distributes property taxes for all taxing jurisdictions within its boundaries, including cities, school districts, and special districts, in accordance with state law. Property taxes are collected on two types of assets: 1) personal property, which represents business assets other than real estate, and 2) real estate and improvements. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through a tax sale process that is conducted when property taxes have been delinquent for five years. Accordingly, no allowance for doubtful tax accounts is necessary. Property taxes becomes a lien against the property as of January 1 in the year in which taxes are due. Property valuation notices are mailed to property owners in July.

Property owners can appeal the assessed valuation no later than September 15. Tax notices are mailed to property owners on or before November 1. Payments are due November 30.

The District anticipates imposing a debt service mill levy in 2025 of 10.000 mills.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

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.

Expenditures - continued

Capital Outlay

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

Debt and Leases

The District issued its Series 2023A(2) Bonds (the Senior Bonds) and Series 2023B(2) Bonds (the Subordinate Bonds on May 2, 2023. The Bonds were issued for the purposes of (a) financing a portion of public improvements of the development, (b) funding the Reserve Fund to the Reserve Requirement, and (c) paying other costs in connection with the issuance of the Bonds.

The Senior Bonds were issued in the amount of $14,001,946.70 (value at issuance) and $18,700,000 (value at maturity). The 2023B(2) Subordinate Bonds were issued in the amount of $2,100,000.

The Senior Bonds were issued as appreciation bonds that automatically convert to current interest bonds on March 1, 2027. Prior to conversion to current interest bonds, the Senior Bonds do not pay current interest; instead they accrete in value at an annual yield equal to 8.250%. The accreted amount compounds annually on March 1, beginning on March 1, 2024, to and including March 1, 2027. Such accreted amount, together with the original principal amount of the Bonds, bears additional interest at the interest rate borne by the Bonds upon conversion to current interest bonds. The accreted Bond principal balance at conversion on March 1, 2027 will be $18,700,000. The Senior Bonds were subject to Extraordinary Mandatory Redemption as soon as practicable after the closing date in the amount of $199,289.70 of original principal amount.

The Subordinate Bonds were issued at a rate of 9.75% per annum and are payable annually on March 15, beginning March 15, 2024, but only to the extent of available pledged revenue. The Bonds mature on March 15, 2053 and are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to their maturity date. The Subordinate Bonds were subject to Extraordinary Mandatory Redemption as soon as practicable after the closing date in the amount of $35,000 of original principal amount.

Reserves

Debt Service Reserve Fund

The District maintains a reserve fund as required by its Series 2023A(2) Bonds.

Debt Service Surplus Fund

The Senior Bonds are further secured by the Senior Surplus Fund. The Surplus Fund has a maximum amount of $1,870,000 and is anticipated to have balance of $578,454 at the end of 2025.

This information is an integral part of the accompanying budget.