NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2025

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

11/11/24

	BUDGET 2024	ACTUAL 9/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ 7,391,245
REVENUES				
Bond issuance proceeds	-	-	8,470,919	-
Interest income	-	-	1,500	105,000
Acceptance of reimbursable costs	-	-	500,000	5,580,381
Developer advance	5,000	-	-	-
Total revenues	5,000	-	8,972,419	5,685,381
TRANSFERS IN	-	-	1,860,364	11,000
Total funds available	5,000	-	10,832,783	13,087,626
EXPENDITURES				
General Fund	5,000	-	15,000	51,000
Debt Service Fund	-	-	-	113,536
Capital Projects Fund	-	-	1,566,174	11,175,762
Total expenditures	5,000	-	1,581,174	11,340,298
TRANSFERS OUT	-	-	1,860,364	11,000
Total expenditures and transfers out requiring appropriation	5,000	-	3,441,538	11,351,298
ENDING FUND BALANCES	$ -	$ -	$ 7,391,245	$ 1,736,328
WORKING CAPITAL FUND	$ -	$ -	$ 182,414	$ 125,414
CAPITALIZED INTEREST	-	-	1,015,950	913,414
RESERVE FUND	-	-	647,000	647,000
TOTAL RESERVE	$ -	$ -	$ 1,845,364	$ 1,685,828

No assurance provided. See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
GENERAL FUND
2025 BUDGET
WITH 2024 ESTIMATED
For the Years Ended and Ending December 31,

11/11/24

	BUDGET 2024	ACTUAL 9/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ 182,414
REVENUES				
Interest income	-	-	-	5,000
Developer advance	5,000	-	-	-
Total revenues	5,000	-	-	5,000
TRANSFERS IN				
Transfers from other funds	-	-	197,414	-
Total funds available	5,000	-	197,414	187,414
EXPENDITURES				
General and administrative				
Accounting	2,500	-	5,000	20,000
Auditing	-	-	-	7,000
Insurance	-	-	-	4,000
Legal	2,500	-	10,000	20,000
Total expenditures	5,000	-	15,000	51,000
TRANSFERS OUT				
Transfers to other fund	-	-	-	11,000
Total expenditures and transfers out requiring appropriation	5,000	-	15,000	62,000
ENDING FUND BALANCES	$ -	$ -	$ 182,414	$ 125,414
WORKING CAPITAL FUND	$ -	$ -	$ 182,414	$ 125,414
TOTAL RESERVE	$ -	$ -	$ 182,414	$ 125,414

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
DEBT SERVICE FUND
2025 BUDGET
WITH 2024 ESTIMATED
For the Years Ended and Ending December 31,

11/11/24

	BUDGET 2024	ACTUAL 9/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ 1,663,450
REVENUES				
Interest income	-	-	500	50,000
Total revenues	-	-	500	50,000
TRANSFERS IN				
Transfers from other funds	-	-	1,662,950	11,000
Total funds available	-	-	1,663,450	1,724,450
EXPENDITURES				
Debt Service				
Bond interest - Series 2024A-1(2)	-	-	-	102,536
Paying agent fees	-	-	-	11,000
Total expenditures	-	-	-	113,536
Total expenditures and transfers out requiring appropriation	-	-	-	113,536
ENDING FUND BALANCES	$ -	$ -	$ 1,663,450	$ 1,610,914
CAPITALIZED INTEREST	$ -	$ -	$ 1,015,950	$ 913,414
RESERVE FUND	-	-	647,000	647,000
TOTAL RESERVE	$ -	$ -	$ 1,662,950	$ 1,560,414

No assurance provided. See summary of significant assumptions.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

11/11/24

	BUDGET 2024	ACTUAL 9/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ 5,545,381
REVENUES				
Bond issuance proceeds	-	-	8,470,919	-
Acceptance of reimbursable costs	-	-	500,000	5,580,381
Interest income	-	-	1,000	50,000
Total revenues	-	-	8,971,919	5,630,381
Total funds available	-	-	8,971,919	11,175,762
EXPENDITURES				
Capital Projects				
Recognition of costs	-	-	500,000	5,580,381
Repayment of reimbursable costs	-	-	500,000	5,580,381
Engineering	-	-	7,500	15,000
Bond issue costs	-	-	558,674	-
Total expenditures	-	-	1,566,174	11,175,762
TRANSFERS OUT				
Transfers to other fund	-	-	1,860,364	-
Total expenditures and transfers out requiring appropriation	-	-	3,426,538	11,175,762
ENDING FUND BALANCES	$ -	$ -	$ 5,545,381	$ -

No assurance provided. See summary of significant assumptions.

Services Provided

On April 3, 2024, the City Council of Salem City, Utah (the City), acting in its capacity as the creating authority for the NS Public Infrastructure District No. 1 (the District) and Nos. 2-5 (together with the District, the Districts), adopted a resolution creating the Districts. The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the Districts on May 2, 2024, which was recorded in the real property records of the Utah County Recorder on June 12, 2024.

The District was established to provide financing for infrastructure improvements to facilitate development within the boundaries of the Districts. The District has 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 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

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.

Capital Outlay

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

Debt Service

Interest payments are provided based on the schedule of debt service requirements to maturity for the Series 2024A-1(2) Bonds (discussed under debt and leases).

Debt and Leases

On November 12, 2024, the District issued Series 2024A-1(2) Limited Tax General Obligation Bonds, Series 2024 A-2(2) Limited Tax General Obligation Convertible Capital Appreciation Bonds, and Series 2024B Subordinate Limited Tax General Obligation Bonds.

The 2024A-1(2) Bonds were issued in the par amount of $5,210,000 and bear interest at a rate 6.50% payable annually on March 1 beginning on March 1, 2025. Annual mandatory sinking fund principal payments are due on March 1 beginning on March 1, 2032. The 2024A-2(2) Bonds were issued in the original par amount of $1,622,919.20, accreting to a principal amount of $2,660,000, converting to current interest bonds on March 1, 2032. Prior to conversion, the 2024A-2(2) Bonds accrete in value at an assumed annual yield of 7.00% from the date of issuance. Upon conversion, interest and principal is payable annually on March 1 beginning on March 1, 2033. The 2024B Bonds were issued in the par amount of $1,638,000 and bear interest at a rate of 9.0%. The 2024B Bonds are payable annually on March 15 beginning on March 15, 2025. The 2024B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to maturity and are payable annually only to the extent of available pledged revenues.

This information is an integral part of the accompanying budget.