ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2025

ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ACTUAL
For the Year Ending December 31,

5/5/25

	ACTUAL 2023	BUDGET 2024	ACTUAL 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -
REVENUES				
Bond issuance proceeds	-	-	-	25,000,000
Interest income	-	-	-	65,750
Total revenues	-	-	-	25,065,750
TRANSFERS IN	-	-	-	4,509,907
Total funds available	-	-	-	29,575,657
EXPENDITURES				
General Fund	-	-	-	42,000
Debt Service Fund	-	-	-	1,101,563
Capital Projects Fund	-	-	-	20,515,093
Total expenditures	-	-	-	21,658,656
TRANSFERS OUT	-	-	-	4,509,907
Total expenditures and transfers out requiring appropriation	-	-	-	26,168,563
ENDING FUND BALANCES	$ -	$ -	$ -	$ 3,407,094
WORKING CAPITAL FUND	$ -	$ -	$ -	$ 73,000
CAPITALIZED INTEREST FUND	-	-	-	1,406,250
RESERVE FUND	-	-	-	1,887,094
TOTAL RESERVE	$ -	$ -	$ -	$ 3,366,344

ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ACTUAL
For the Year Ending December 31,

5/5/25

	ACTUAL 2023	BUDGET 2024	ACTUAL 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -
REVENUES				
Interest income	-	-	-	750
Total revenues	-	-	-	750
TRANSFERS IN				
Transfers from other funds	-	-	-	115,000
Total funds available	-	-	-	115,750
EXPENDITURES				
General and administrative				
Accounting	-	-	-	15,000
Insurance	-	-	-	6,500
Legal	-	-	-	18,000
Miscellaneous	-	-	-	2,500
Total expenditures	-	-	-	42,000
Total expenditures and transfers out requiring appropriation	-	-	-	42,000
ENDING FUND BALANCES	$ -	$ -	$ -	$ 73,750
WORKING CAPITAL FUND	$ -	$ -	$ -	$ 73,000
TOTAL RESERVE	$ -	$ -	$ -	$ 73,000

ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ACTUAL
For the Year Ending December 31,

5/5/25

	ACTUAL 2023	BUDGET 2024	ACTUAL 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -
REVENUES				
Interest income	-	-	-	40,000
Total revenues	-	-	-	40,000
TRANSFERS IN				
Transfers from other funds	-	-	-	4,394,907
Total funds available	-	-	-	4,434,907
EXPENDITURES				
Debt Service				
Bond interest	-	-	-	1,101,563
Total expenditures	-	-	-	1,101,563
Total expenditures and transfers out requiring appropriation	-	-	-	1,101,563
ENDING FUND BALANCES	$ -	$ -	$ -	$ 3,333,344
CAPITALIZED INTEREST FUND	$ -	$ -	$ -	$ 1,406,250
RESERVE FUND	-	-	-	1,887,094
TOTAL RESERVE	$ -	$ -	$ -	$ 3,293,344

ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ACTUAL
For the Year Ending December 31,

5/5/25

	ACTUAL 2023	BUDGET 2024	ACTUAL 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -
REVENUES				
Bond issuance proceeds	-	-	-	25,000,000
Interest income	-	-	-	25,000
Total revenues	-	-	-	25,025,000
Total funds available	-	-	-	25,025,000
EXPENDITURES				
Capital Projects				
Capital outlay	-	-	-	19,725,320
Bond issue costs	-	-	-	789,773
Total expenditures	-	-	-	20,515,093
TRANSFERS OUT				
Transfers to other fund	-	-	-	4,509,907
Total expenditures and transfers out requiring appropriation	-	-	-	25,025,000
ENDING FUND BALANCES	$ -	$ -	$ -	$ -

No assurance provided. See summary of significant assumptions.

ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

On July 20, 2022, the City Council of Salem City, Utha (the City), acting in its capacity as the creating authority for Arrowhead Springs Public Infrastructure District No. 1 (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 on September 1, 2022, which was recorded in the real property records of the Utah County Recorder on September 21, 2022. The District is governed by its amended and restated governing document dated March 6, 2024 and the Special District Act.

The District was established to provide financing for infrastructure improvements to facilitate development within the boundaries of the District. 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 3.5%.

Bond Proceeds

On February 19, 2025, the District issued Special Assessment Revenue Bonds, Series 2025, in the par amount of $25,000,000 (discussed under debt and leases).

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 Service

Interest payments are provided based on the schedule of debt service requirements to maturity for the Series 2025 Bonds (discussed under debt and leases).

Debt and Leases

Series 2025 Special Assessment Revenue Bonds

On February 19, 2025, the District issued $25,000,000 in Series 2025 Special Assessment Revenue Bonds, which bear interest at 5.625%, payable semi-annually on June 1 and December 1. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2030.

The Series 2025 Bonds are secured by and payable solely from (i) moneys collected from the level of assessments against the properties benefited by the public improvements pursuant to the assessment ordinance, (ii) moneys collected by the District from the foreclosure of assessed properties, and (iii) any other legally available moneys of the District.

A reserve fund was established as additional security for the bonds in the amount of $1,887,094. The reserve requirement will be reduced as assessments are paid or prepaid but not to an amount less than the maximum annual debt service on the bonds.

The District has no operating or capital leases.

Reserves

Debt Service Reserves

The District holds a Reserve Fund for its Series 2025 Bonds in the amount of $1,887,094.

ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

$25,000,000 Special Assessment Bonds
Series 2025
Dated February 19, 2025
Interest Rate - 5.625%
Interest Payable June 1 and December 1
Principal Payable December 1

Year Ending December 31,	Principal	Interest	Total
2025	$ -	$ 1,101,563	$ 1,101,563
2026	-	1,406,250	1,406,250
2027	-	1,406,250	1,406,250
2028	-	1,406,250	1,406,250
2029	-	1,406,250	1,406,250
2030	480,000	1,406,250	1,886,250
2031	507,000	1,379,250	1,886,250
2032	536,000	1,350,731	1,886,731
2033	566,000	1,320,581	1,886,581
2034	598,000	1,288,744	1,886,744
2035	631,000	1,255,106	1,886,106
2036	667,000	1,219,613	1,886,613
2037	705,000	1,182,094	1,887,094
2038	744,000	1,142,438	1,886,438
2039	786,000	1,100,587	1,886,587
2040	830,000	1,056,375	1,886,375
2041	877,000	1,009,687	1,886,687
2042	926,000	960,356	1,886,356
2043	978,000	908,269	1,886,269
2044	1,033,000	853,256	1,886,256
2045	1,091,000	795,150	1,886,150
2046	1,153,000	733,781	1,886,781
2047	1,218,000	668,925	1,886,925
2048	1,286,000	600,413	1,886,413
2049	1,359,000	528,075	1,887,075
2050	1,435,000	451,631	1,886,631
2051	1,516,000	370,913	1,886,913
2052	1,601,000	285,638	1,886,638
2053	1,691,000	195,581	1,886,581
2054	1,786,000	100,462	1,886,462
Total	$ 25,000,000	$ 28,890,469	$ 53,890,469