# NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1

# ANNUAL BUDGET

# FOR THE YEAR ENDING DECEMBER 31, 2026

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1**
**SUMMARY**
**2026 BUDGET**
**WITH 2024 ACTUAL AND 2025 ESTIMATED**
**For the Years Ended and Ending December 31,**

10/21/25

| | ACTUAL 2024 | BUDGET 2025 | ACTUAL 6/30/2025 | ESTIMATED 2025 | BUDGET 2026 |
|---|---|---|---|---|---|
| BEGINNING FUND BALANCES | $ - | $ 6,514,900 | $ 6,473,549 | $ 6,473,549 | $ 1,024,104 |
| REVENUES | | | | | |
| Bond issuance proceeds | 7,280,000 | - | - | - | - |
| Bond discount | (206,242) | | | | |
| Interest income | - | 75,000 | 98,722 | 108,400 | 4,150 |
| Acceptance of reimbursable costs | 134,928 | 4,790,800 | 1,762,752 | 5,065,558 | - |
| Assessment revenues | - | - | - | - | 245,600 |
| Total revenues | 7,208,686 | 4,865,800 | 1,861,474 | 5,173,958 | 249,750 |
| TRANSFERS IN | 1,421,109 | - | - | 60,020 | 28,971 |
| Total funds available | 8,629,795 | 11,380,700 | 8,335,023 | 11,707,527 | 1,302,825 |
| EXPENDITURES | | | | | |
| General Fund | 14,009 | 51,000 | 19,174 | 51,000 | 52,020 |
| Debt Service Fund | - | 437,160 | - | 421,387 | 440,800 |
| Capital Projects Fund | 721,128 | 9,593,600 | 3,533,842 | 10,151,016 | - |
| Total expenditures | 735,137 | 10,081,760 | 3,553,016 | 10,623,403 | 492,820 |
| TRANSFERS OUT | 1,421,109 | - | - | 60,020 | 28,971 |
| Total expenditures and transfers out requiring appropriation | 2,156,246 | 10,081,760 | 3,553,016 | 10,683,423 | 521,791 |
| ENDING FUND BALANCES | $ 6,473,549 | $ 1,298,940 | $ 4,782,007 | $ 1,024,104 | $ 781,034 |
| WORKING CAPITAL FUND | $ 55,000 | $ 84,000 | $ 38,405 | $ 60,520 | $ 29,871 |
| CAPITALIZED INTEREST | 655,200 | 440,440 | 655,200 | 237,813 | - |
| RESERVE FUND | 696,900 | 728,000 | 696,900 | 696,900 | 696,900 |
| TOTAL RESERVE | $ 1,407,100 | $ 1,252,440 | $ 1,390,505 | $ 995,233 | $ 726,771 |

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1**
**GENERAL FUND**
**2026 BUDGET**
**WITH 2024 ESTIMATED**
**For the Years Ended and Ending December 31,**

10/21/25

| | ACTUAL 2024 | BUDGET 2025 | ACTUAL 6/30/2025 | ESTIMATED 2025 | BUDGET 2026 |
|---|---|---|---|---|---|
| BEGINNING FUND BALANCES | $ - | $ 135,000 | $ 55,000 | $ 55,000 | $ 60,520 |
| REVENUES | | | | | |
| Interest income | - | - | 2,579 | 4,500 | 400 |
| Developer advance | - | - | - | - | - |
| Total revenues | - | - | 2,579 | 4,500 | 400 |
| TRANSFERS IN | | | | | |
| Transfers from other funds | 69,009 | - | - | 56,020 | 24,971 |
| Total funds available | 69,009 | 135,000 | 57,579 | 115,520 | 85,891 |
| EXPENDITURES | | | | | |
| General and administrative | | | | | |
| Accounting | 369 | 20,000 | 9,551 | 20,000 | 20,520 |
| Auditing | - | 7,000 | - | 8,500 | 8,500 |
| Insurance | - | 4,000 | 2,584 | 3,000 | 4,000 |
| Legal | 13,640 | 20,000 | 7,039 | 19,500 | 19,000 |
| Total expenditures | 14,009 | 51,000 | 19,174 | 51,000 | 52,020 |
| TRANSFERS OUT | | | | | |
| Transfers to other fund | - | - | - | 4,000 | 4,000 |
| Total expenditures and transfers out requiring appropriation | 14,009 | 51,000 | 19,174 | 55,000 | 56,020 |
| ENDING FUND BALANCES | $ 55,000 | $ 84,000 | $ 38,405 | $ 60,520 | $ 29,871 |
| WORKING CAPITAL FUND | $ 55,000 | $ 84,000 | $ 38,405 | $ 60,520 | $ 29,871 |
| TOTAL RESERVE | $ 55,000 | $ 84,000 | $ 38,405 | $ 60,520 | $ 29,871 |

See summary of significant assumptions.

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1**
**DEBT SERVICE FUND**
**2026 BUDGET**
**WITH 2024 ESTIMATED**
**For the Years Ended and Ending December 31,**

10/21/25

| | ACTUAL 2024 | BUDGET 2025 | ACTUAL 6/30/2025 | ESTIMATED 2025 | BUDGET 2026 |
|---|---|---|---|---|---|
| BEGINNING FUND BALANCES | $ - | $ 1,602,100 | $ 1,352,100 | $ 1,352,100 | $ 938,613 |
| REVENUES | | | | | |
| Assessment revenues | - | - | - | - | 245,600 |
| Interest income | - | 50,000 | 23,407 | 3,900 | 3,750 |
| Total revenues | - | 50,000 | 23,407 | 3,900 | 249,350 |
| TRANSFERS IN | | | | | |
| Transfers from other funds | 1,352,100 | - | - | 4,000 | 4,000 |
| Total funds available | 1,352,100 | 1,652,100 | 1,375,507 | 1,360,000 | 1,191,963 |
| EXPENDITURES | | | | | |
| Debt Service | | | | | |
| Bond interest | - | 433,160 | - | 417,387 | 436,800 |
| Paying agent fees | - | 4,000 | - | 4,000 | 4,000 |
| Total expenditures | - | 437,160 | - | 421,387 | 440,800 |
| Total expenditures and transfers out requiring appropriation | - | 437,160 | - | 421,387 | 440,800 |
| ENDING FUND BALANCES | $ 1,352,100 | $ 1,214,940 | $ 1,375,507 | $ 938,613 | $ 751,163 |
| CAPITALIZED INTEREST | $ 655,200 | $ 440,440 | $ 655,200 | $ 237,813 | $ - |
| RESERVE FUND | 696,900 | 728,000 | 696,900 | 696,900 | 696,900 |
| TOTAL RESERVE | $ 1,352,100 | $ 1,168,440 | $ 1,352,100 | $ 934,713 | $ 696,900 |

See summary of significant assumptions.



PRELIMINARY DRAFT - SUBJECT TO REVISION

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1**
**CAPITAL PROJECTS FUND**
**2026 BUDGET**
**WITH 2024 ACTUAL AND 2025 ESTIMATED**
**For the Years Ended and Ending December 31,**

10/21/25

| | ACTUAL 2024 | BUDGET 2025 | ACTUAL 6/30/2025 | ESTIMATED 2025 | BUDGET 2026 |
|---|---|---|---|---|---|
| BEGINNING FUND BALANCES | $ - | $4,777,800 | $ 5,066,449 | $ 5,066,449 | $ 24,971 |
| REVENUES | | | | | |
| Bond issuance proceeds | 7,280,000 | - | - | - | - |
| Bond discount | (206,242) | - | - | - | - |
| Acceptance of reimbursable costs | 134,928 | 4,790,800 | 1,762,752 | 5,065,558 | - |
| Interest income | - | 25,000 | 72,736 | 100,000 | - |
| Total revenues | 7,208,686 | 4,815,800 | 1,835,488 | 5,165,558 | - |
| Total funds available | 7,208,686 | 9,593,600 | 6,901,937 | 10,232,007 | 24,971 |
| EXPENDITURES | | | | | |
| Capital Projects | | | | | |
| Legal | 6,606 | - | 5,401 | 8,900 | - |
| Accounting | 966 | - | 662 | 3,500 | - |
| Recognition of costs | 134,928 | 4,790,800 | 1,762,752 | 5,065,558 | - |
| Repayment of reimbursable costs | 134,928 | 4,790,800 | 1,762,752 | 5,065,558 | - |
| Engineering | - | 12,000 | 2,275 | 7,500 | - |
| Bond issue costs | 443,700 | - | - | - | - |
| Total expenditures | 721,128 | 9,593,600 | 3,533,842 | 10,151,016 | - |
| TRANSFERS OUT | | | | | |
| Transfers to other fund | 1,421,109 | - | - | 56,020 | 24,971 |
| Total expenditures and transfers out requiring appropriation | 2,142,237 | 9,593,600 | 3,533,842 | 10,207,036 | 24,971 |
| ENDING FUND BALANCES | $5,066,449 | $ - | $ 3,368,095 | $ 24,971 | $ - |

See summary of significant assumptions.

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1**
**2026 BUDGET**
**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 202 Bonds (discussed under debt and leases).

**Debt and Leases**

The District issued the Bonds on December 17, 2024, with a par amount of $7,280,000. The Bonds were sold at a discount of $206,242.

The Bonds are being issued for the purposes of: (a) financing a portion of public improvements of the development, (b) funding the Reserve Fund to the Reserve Requirement, (c) paying capitalized interest on the Bonds, and (d) paying other costs in connection with the issuance of the Bonds. The Assessment Bonds are secured by and payable from Assessments levied and received under the Assessment Ordinance against certain properties within the District's Assessment Area benefited by the improvements.

**This information is an integral part of the accompanying budget.**

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1**
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

$7,280,000 Special Assessment Bonds
Series 2024
Dated December 17, 2024
Interest Rate - 6.000%
Interest Payable June 1 and December 1
Principal Payable December 1

| Year Ending December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ - | $ 436,800 | $ 436,800 |
| 2027 | - | 436,800 | 436,800 |
| 2028 | 260,000 | 436,800 | 696,800 |
| 2029 | 275,000 | 421,200 | 696,200 |
| 2030 | 290,000 | 404,700 | 694,700 |
| 2031 | 305,000 | 387,300 | 692,300 |
| 2032 | 325,000 | 369,000 | 694,000 |
| 2033 | 345,000 | 349,500 | 694,500 |
| 2034 | 365,000 | 328,800 | 693,800 |
| 2035 | 390,000 | 306,900 | 696,900 |
| 2036 | 410,000 | 283,500 | 693,500 |
| 2037 | 435,000 | 258,900 | 693,900 |
| 2038 | 460,000 | 232,800 | 692,800 |
| 2039 | 490,000 | 205,200 | 695,200 |
| 2040 | 520,000 | 175,800 | 695,800 |
| 2041 | 550,000 | 144,600 | 694,600 |
| 2042 | 585,000 | 111,600 | 696,600 |
| 2043 | 620,000 | 76,500 | 696,500 |
| 2044 | 655,000 | 39,300 | 694,300 |
| Total | ######### | ######### | ########## |

See summary of significant assumptions.