RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 2

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

Red Bridge Public Infrastructure District No. 2
Balance Sheet - Governmental Funds
September 30, 2025

	Debt Service	Total
Assets		
Receivable from County Treasurer	107,312.92	107,312.92
Total Assets	$ 107,312.92	$ 107,312.92
Liabilities		
Accounts Payable	$ -	$ -
Due to Other Districts	107,312.92	107,312.92
Total Liabilities	107,312.92	107,312.92
Fund Balances	-	-
Liabilities and Fund Balances	$ 107,312.92	$ 107,312.92

See selected information and the summary of significant assumptions.

Red Bridge Public Infrastructure District No. 2
Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Period Ending September 30, 2025

	Annual Budget	Actual	Variance
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ -	$ -

Notes to the Reader:

The financial statements of the District have been prepared in accordance with the criteria established by the Governmental Accounting Standards Boards (“GASB”), which is the source of authoritative accounting principles generally accepted in the United States of America (“GAAP”), as applied to governmental entities. The District’s financial statements are prepared using the modified accrual basis of accounting. The financial statements include the following departures from GAAP:

- Management’s discussion and analysis and substantially all disclosures required are omitted.
- The statement of revenues, expenditures and changes in fund balances – governmental funds has been omitted.

The financial forecasts present, to the best of management’s knowledge and belief, the District’s expected results of operations and cash flows for the forecast periods. Accordingly, the forecasts reflects its judgment as of December 16, 2024, the date these forecasts were prepared, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecasts. There will usually be differences between the forecast and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The financial statements are developed by the District to comply with GAAP, although there may be departures from GAAP not identified. These statements are primarily intended for use in managing the District’s operations and may not be suitable for other purposes. Users should be aware of these limitations when utilizing the financial statements.

RED BRIDGE PUBLIC INFRASTRUCTURE DISTRICT NO. 2
2025 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.

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

Transfers 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.