

**CORAL JUNCTION PUBLIC INFRASTRUCTURE DISTRICT NO. 1
FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Coral Junction Public Infrastructure District No. 1
Balance Sheet - Governmental Funds
September 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets				
Checking Account	\$ -	\$ 48,996.62	\$ -	\$ 48,996.62
UMB Bond Fund	-	200,646.36	-	200,646.36
UMB Bond Fund 2022A-2	-	986,203.98	-	986,203.98
UMB Pledged Revenue Fund	-	762.29	-	762.29
UMB Reserve Fund	-	425,876.24	-	425,876.24
UMB Mandatory Redemption Fund 2022A-1	-	557.70	-	557.70
UMB Surplus Fund	-	460,958.93	-	460,958.93
UMB Project Fund	-	-	91,755.77	91,755.77
UMB Construction Fund 2022A-2	-	-	149,745.71	149,745.71
UMB Assess Fund 2022A-2	-	804,198.21	-	804,198.21
UMB Administrative Costs 2022A-2	20,536.82	-	-	20,536.82
Total Assets	<u>\$ 20,536.82</u>	<u>\$ 2,928,200.33</u>	<u>\$ 241,501.48</u>	<u>\$ 3,190,238.63</u>
Liabilities				
Accounts Payable	\$ 5,311.62	\$ -	\$ -	\$ 5,311.62
Total Liabilities	<u>5,311.62</u>	<u>-</u>	<u>-</u>	<u>5,311.62</u>
Fund Balances	<u>15,225.20</u>	<u>2,928,200.33</u>	<u>241,501.48</u>	<u>3,184,927.01</u>
Liabilities and Fund Balances	<u>\$ 20,536.82</u>	<u>\$ 2,928,200.33</u>	<u>\$ 241,501.48</u>	<u>\$ 3,190,238.63</u>

Coral Junction Public Infrastructure District No. 1
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2025

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest Income	\$ -	\$ 622.19	\$ (622.19)
Total Revenue	<u>-</u>	<u>622.19</u>	<u>(622.19)</u>
Expenditures			
Accounting	19,400.00	16,235.63	3,164.37
Auditing	9,000.00	-	9,000.00
Insurance	4,275.00	4,400.00	(125.00)
Legal	19,000.00	4,839.90	14,160.10
Miscellaneous	1,325.00	-	1,325.00
Banking fees	-	20.00	(20.00)
Total Expenditures	<u>53,000.00</u>	<u>25,495.53</u>	<u>27,504.47</u>
Other Financing Sources (Uses)			
Transfers from other funds	53,000.00	9,829.81	43,170.19
Total Other Financing Sources (Uses)	<u>53,000.00</u>	<u>9,829.81</u>	<u>43,170.19</u>
Net Change in Fund Balances	-	(15,043.53)	15,043.53
Fund Balance - Beginning	-	30,268.73	(30,268.73)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 15,225.20</u>	<u>\$ (15,225.20)</u>

SUPPLEMENTARY INFORMATION

Coral Junction Public Infrastructure District No. 1
Debt Service Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2025

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 57,909.00	\$ 58,826.43	\$ (917.43)
Interest Income	72,000.00	87,619.22	(15,619.22)
Assessment fee revenue	444,282.00	790,807.77	(346,525.77)
Total Revenue	<u>574,191.00</u>	<u>937,253.42</u>	<u>(363,062.42)</u>
Expenditures			
Paying agent fees	7,000.00	-	7,000.00
Bond interest 2022A-1	288,275.00	288,275.00	-
Bond interest 2022A-2	262,433.00	133,430.00	129,003.00
Bond principal 2022A-2	161,000.00	161,000.00	-
Bond principal 2022A-1	-	16,000.00	(16,000.00)
Total Expenditures	<u>718,708.00</u>	<u>598,705.00</u>	<u>120,003.00</u>
Other Financing Sources (Uses)			
Transfers to other fund	(53,000.00)	(9,829.81)	(43,170.19)
Transfers from other funds	-	9,257.66	(9,257.66)
Total Other Financing Sources (Uses)	<u>(53,000.00)</u>	<u>(572.15)</u>	<u>(52,427.85)</u>
Net Change in Fund Balances	(197,517.00)	337,976.27	(535,493.27)
Fund Balance - Beginning	1,850,222.00	2,590,224.06	1,369,071.94
Fund Balance - Ending	<u>\$ 1,652,705.00</u>	<u>\$ 2,928,200.33</u>	<u>\$ 833,578.67</u>

See selected information and the summary of significant assumptions.

Coral Junction Public Infrastructure District No. 1
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending September 30, 2025

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest Income	\$ 25,000.00	\$ 7,532.00	\$ 17,468.00
Total Revenue	<u>25,000.00</u>	<u>7,532.00</u>	<u>17,468.00</u>
Expenditures			
Capital outlay	1,295,237.00	-	1,295,237.00
Total Expenditures	<u>1,295,237.00</u>	<u>-</u>	<u>1,295,237.00</u>
Other Financing Sources (Uses)			
Transfers to other fund	-	(9,257.66)	9,257.66
Total Other Financing Sources (Uses)	<u>-</u>	<u>(9,257.66)</u>	<u>9,257.66</u>
Net Change in Fund Balances	(1,270,237.00)	(1,725.66)	(1,268,511.34)
Fund Balance - Beginning	1,270,237.00	243,227.14	2,608,154.86
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 241,501.48</u>	<u>\$ 1,339,643.52</u>

CORAL JUNCTION PUBLIC INFRASTRUCTURE DISTRICT NO. 1
SELECTED INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2025

Notes to the Reader:

The financial statements of the District have been prepared in accordance with the criteria established by the Governmental Accounting Standards Board ("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 11, 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.

CORAL JUNCTION PUBLIC INFRASTRUCTURE DISTRICT NO. 1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

On May 20, 2021, the City Council of Hurricane City, Utah (the City), adopted a creation resolution authorizing the creation of Coral Junction Public Infrastructure District No. 1 (the District). The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the District on January 3, 2022 and recorded in the real property records of the Washington County Recorder on February 25, 2022.

The District was established to provide financing for public 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 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

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.

Assessment Revenue

Pursuant to the Assessment Ordinance, the District levies assessments against the assessed properties. Assessment revenue is budgeted for \$444,282 in 2025 and will be applied to the Series 2022A-2 Bonds as described below.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.25%.

CORAL JUNCTION PUBLIC INFRASTRUCTURE DISTRICT NO. 1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

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.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the 2022A-1 and the 2022A-2 Bonds (discussed under Debt and Leases).

Capital Outlay

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

Debt and Leases

The District issued Limited Tax General Obligations Bonds – Series 2022A-1 and Special Assessment Bonds – Series 2022A-2 on June 2, 2022, in the par amount of \$4,435,000 and \$5,005,000, respectively. The Series 2022A-1 Bonds were issued to (a) pay Project Costs; (b) fund a Surplus Fund; (c) fund capitalized interest on the Bonds; and (d) pay the costs of issuance of the Bonds. The Series 2022A-2 Bonds were issued to (a) pay Project Costs; (b) fund a Reserve Fund; (c) fund capitalized interest on the Bonds; and (d) pay the costs of issuance of the Bonds.

The Series 2022A-1 Bonds bear interest at 6.50% payable annually to the extent of pledged revenues available on March 1, beginning on March 1, 2023. Annual mandatory sinking fund principal payments are due on March 1, beginning on March 1, 2029. The Bonds mature on March 1, 2023 and are subject to discharge on March 1, 2063.

The Series 2022A-2 Bonds bear interest at 5.50% payable semi-annually to the extent of pledged revenues available on June 1 and December 1 beginning on December 1, 2022. Annual mandatory sinking fund principal payments are due on June 1, beginning on June 1, 2023. The Bonds mature on June 1, 2041.

CORAL JUNCTION PUBLIC INFRASTRUCTURE DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$4,435,000 Limited Tax General Obligation Bonds
Series 2022A-1
Dated June 2, 2022
Interest Rate - 6.50%
Principal and Interest Payment - March 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 288,275	\$ 288,275
2026	-	288,275	288,275
2027	-	288,275	288,275
2028	-	288,275	288,275
2029	10,000	288,275	298,275
2030	15,000	287,625	302,625
2031	20,000	286,650	306,650
2032	30,000	285,350	315,350
2033	35,000	283,400	318,400
2034	45,000	281,125	326,125
2035	55,000	278,200	333,200
2036	65,000	274,625	339,625
2037	75,000	270,400	345,400
2038	90,000	265,525	355,525
2039	100,000	259,675	359,675
2040	115,000	253,175	368,175
2041	130,000	245,700	375,700
2042	145,000	237,250	382,250
2043	165,000	227,825	392,825
2044	180,000	217,100	397,100
2045	200,000	205,400	405,400
2046	220,000	192,400	412,400
2047	245,000	178,100	423,100
2048	270,000	162,175	432,175
2049	295,000	144,625	439,625
2050	325,000	125,450	450,450
2051	355,000	104,325	459,325
2052	385,000	81,250	466,250
2053	865,000	56,225	921,225
Total	4,435,000	6,644,950	11,079,950

See selected information and the summary of significant assumptions.

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

\$5,005,000 Special Assessment Bonds
Series 2022A-2
Dated June 2, 2022
Interest Rate - 5.50%
Interest Payable June 1 and December 1
Principal Due June 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 161,000	\$ 262,433	\$ 423,433
2026	171,000	253,303	424,303
2027	180,000	243,650	423,650
2028	190,000	233,475	423,475
2029	201,000	222,723	423,723
2030	212,000	211,365	423,365
2031	224,000	199,375	423,375
2032	237,000	186,698	423,698
2033	251,000	173,278	424,278
2034	265,000	159,088	424,088
2035	280,000	144,100	424,100
2036	296,000	128,260	424,260
2037	312,000	111,540	423,540
2038	330,000	93,885	423,885
2039	349,000	75,213	424,213
2040	368,000	55,495	423,495
2041	825,000	22,688	847,688
Total	4,852,000	2,776,569	7,628,569

See selected information and the summary of significant assumptions.