AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

11/2/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 9/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 11,628,416	$ 4,416,585	$ 5,407,533	$ 5,407,533	$ 4,479,964
REVENUES					
Property taxes	-	462,476	248,050	836,412	-
Property taxes to be applied next year	-	-	-	(342,698)	342,698
Interest Income	401,778	120,000	141,478	165,000	75,000
Developer advance	36,666	2,275	65,168	92,635	-
Other Revenue	-	-	130,357	130,357	-
Total revenues	438,444	584,751	585,053	881,706	417,698
TRANSFERS IN	13,831	51,000	-	51,000	52,020
Total funds available	12,080,691	5,052,336	5,992,586	6,340,239	4,949,682
EXPENDITURES					
General Fund	36,497	53,275	29,476	52,275	55,000
Debt Service Fund	7,000	7,000	-	7,000	7,000
Capital Projects Fund	6,615,830	2,962,412	1,358,622	1,750,000	2,445,724
Total expenditures	6,659,327	3,022,687	1,388,098	1,809,275	2,507,724
TRANSFERS OUT	13,831	51,000	-	51,000	52,020
Total expenditures and transfers out requiring appropriation	6,673,158	3,073,687	1,388,098	1,860,275	2,559,744
ENDING FUND BALANCES	$ 5,407,533	$ 1,978,649	$ 4,604,488	$ 4,479,964	$ 2,389,938
DEBT SERVICE RESERVE FUND	1,400,195	1,400,195	1,400,195	1,400,195	1,400,195
DEBT SERVICE SURPLUS FUND	97,382	578,454	101,628	598,045	941,723
TOTAL RESERVE	$ 1,497,577	$ 1,978,649	$ 1,501,823	$ 1,998,240	$ 2,341,918

See summary of significant assumptions.

AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

11/2/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 9/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ 51,000
REVENUES					
Developer advance	36,666	2,275	24,808	52,275	-
Total revenues	36,666	2,275	24,808	52,275	-
TRANSFERS IN					
Transfers from other funds	6,831	51,000	-	51,000	52,020
Total funds available	43,497	53,275	24,808	103,275	103,020
EXPENDITURES					
General and administrative					
Accounting	9,315	20,000	13,462	19,000	20,000
Auditing	8,000	9,000	500	9,000	9,500
Insurance	1,375	4,275	-	4,275	5,500
Legal	17,807	20,000	15,514	20,000	20,000
Total expenditures	36,497	53,275	29,476	52,275	55,000
TRANSFERS OUT					
Transfers to other fund	7,000	-	-	-	-
Total expenditures and transfers out requiring appropriation	43,497	53,275	29,476	52,275	55,000
ENDING FUND BALANCES	$ -	$ -	$ (4,668)	$ 51,000	$ 48,020

See summary of significant assumptions.

AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

11/2/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 9/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 1,439,173	$ 1,504,173	$ 1,507,526	$ 1,507,526	$ 1,998,240
REVENUES					
Property taxes	-	462,476	248,050	836,412	-
Property taxes to be applied next year	-	-	-	(342,698)	342,698
Interest Income	68,353	70,000	43,280	55,000	60,000
Total revenues	68,353	532,476	291,330	548,714	402,698
TRANSFERS IN					
Transfers from other funds	7,000	-	-	-	-
Total funds available	1,514,526	2,036,649	1,798,856	2,056,240	2,400,938
EXPENDITURES					
Debt Service					
Paying agent fees	7,000	7,000	-	7,000	7,000
Total expenditures	7,000	7,000	-	7,000	7,000
TRANSFERS OUT					
Transfers to other fund	-	51,000	-	51,000	52,020
Total expenditures and transfers out requiring appropriation	7,000	58,000	-	58,000	59,020
ENDING FUND BALANCES	$ 1,507,526	$ 1,978,649	$ 1,798,856	$ 1,998,240	$ 2,341,918
DEBT SERVICE RESERVE FUND	$ 1,400,195	$ 1,400,195	$ 1,400,195	$ 1,400,195	$ 1,400,195
DEBT SERVICE SURPLUS FUND	97,382	578,454	101,628	598,045	941,723
TOTAL RESERVE	$ 1,497,577	$ 1,978,649	$ 1,501,823	$ 1,998,240	$ 2,341,918

See summary of significant assumptions.

AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

11/2/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 9/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 10,189,243	$ 2,912,412	$ 3,900,007	$ 3,900,007	$ 2,430,724
REVENUES					
Interest Income	333,425	50,000	98,198	110,000	15,000
Developer advance	-	-	40,360	40,360	-
Other Revenue	-	-	130,357	130,357	-
Total revenues	333,425	50,000	268,915	280,717	15,000
TRANSFERS IN					
Total funds available	10,522,668	2,962,412	4,168,922	4,180,724	2,445,724
EXPENDITURES					
Capital Projects					
Capital outlay	6,615,830	2,962,412	1,358,622	1,750,000	2,445,724
Total expenditures	6,615,830	2,962,412	1,358,622	1,750,000	2,445,724
TRANSFERS OUT					
Transfers to other fund	6,831	-	-	-	-
Total expenditures and transfers out requiring appropriation	6,622,661	2,962,412	1,358,622	1,750,000	2,445,724
ENDING FUND BALANCES	$ 3,900,007	$ -	$ 2,810,300	$ 2,430,724	$ -

See summary of significant assumptions.

Services Provided

On October 12, 2022 the City Council of Herriman City, Utah (the City), acting in its capacity as the creating authority for the Auto Mall and Retail Public Infrastructure District (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, which was recorded in the real property records of the County on November 9, 2022.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

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.

The District anticipates imposing a debt service mill levy in 2025 of 10.000 mills.

Interest Income

Interest earned on the District’s available funds has been estimated based on an average interest rate of approximately 3.5%.

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 and Leases

The District issued its Series 2023A(2) Bonds (the Senior Bonds) and Series 2023B(2) Bonds (the Subordinate Bonds on May 2, 2023. The Bonds were issued for the purposes of (a) financing a portion of public improvements of the development, (b) funding the Reserve Fund to the Reserve Requirement, and (c) paying other costs in connection with the issuance of the Bonds.

The Senior Bonds were issued in the amount of $14,001,946.70 (value at issuance) and $18,700,000 (value at maturity). The 2023B(2) Subordinate Bonds were issued in the amount of $2,100,000. The Senior Bonds were issued as appreciation bonds that automatically convert to current interest bonds on March 1, 2027. Prior to conversion to current interest bonds, the Senior Bonds do not pay current interest; instead they accrete in value at an annual yield equal to 8.250%. The accreted amount compounds annually on March 1, beginning on March 1, 2024, to and including March 1, 2027. Such accreted amount, together with the original principal amount of the Bonds, bears additional interest at the interest rate borne by the Bonds upon conversion to current interest bonds. The accreted Bond principal balance at conversion on March 1, 2027 will be $18,700,000. The Senior Bonds were subject to Extraordinary Mandatory Redemption as soon as practicable after the closing date in the amount of $199,289.70 of original principal amount.

The Subordinate Bonds were issued at a rate of 9.75% per annum and are payable annually on March 15, beginning March 15, 2024, but only to the extent of available pledged revenue. The Bonds mature on March 15, 2053 and are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to their maturity date. The Subordinate Bonds were subject to Extraordinary Mandatory Redemption as soon as practicable after the closing date in the amount of $35,000 of original principal amount.

Reserves

Debt Service Reserve Fund

The District maintains a reserve fund as required by its Series 2023A(2) Bonds.

Debt Service Surplus Fund

The Senior Bonds are further secured by the Senior Surplus Fund. The Surplus Fund has a maximum amount of $1,870,000.

This information is an integral part of the accompanying budget.

AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

$14,001,947 (Value at Issuance)
$18,899,419 (Value at CB Conversion Date)
Senior Convertible Capital Appreciation Bonds
Series 2023A(2)
Dated May 2, 2023
Interest Rate 8.250
Interest and Principal Payable March 1

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ -	$ -
2027	-	-	-
2028	-	1,542,750	1,542,750
2029	-	1,542,750	1,542,750
2030	-	1,542,750	1,542,750
2031	-	1,542,750	1,542,750
2032	30,000	1,542,750	1,572,750
2033	70,000	1,540,275	1,610,275
2034	105,000	1,534,500	1,639,500
2035	150,000	1,525,838	1,675,838
2036	195,000	1,513,464	1,708,464
2037	250,000	1,497,375	1,747,375
2038	300,000	1,476,750	1,776,750
2039	360,000	1,452,000	1,812,000
2040	430,000	1,422,300	1,852,300
2041	500,000	1,386,825	1,886,825
2042	585,000	1,345,575	1,930,575
2043	665,000	1,297,314	1,962,314
2044	765,000	1,242,450	2,007,450
2045	870,000	1,179,338	2,049,338
2046	985,000	1,107,564	2,092,564
2047	1,105,000	1,026,300	2,131,300
2048	1,245,000	935,139	2,180,139
2049	1,390,000	832,425	2,222,425
2050	1,550,000	717,750	2,267,750
2051	1,725,000	589,875	2,314,875
2052	1,920,000	447,564	2,367,564
2053	3,505,000	289,164	3,794,164
Total	$ 18,700,000.00	$ 32,073,535.00	$ 50,773,535.00

See summary of significant assumptions.