VERK INDUSTRIAL REGIONAL PUBLIC INFRASTRUCTURE DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING JUNE 30, 2027

VERK INDUSTRIAL REGIONAL PUBLIC INFRASTRUCTURE DISTRICT
SUMMARY
FY 2027 BUDGET
WITH FY 2025 ACTUAL AND FY 2026 ESTIMATED
For the Years Ended and Ending June 30,

5/15/26

	ACTUAL FY 2025	BUDGET FY 2026	ACTUAL 3/31/2026	ESTIMATED FY 2026	BUDGET FY 2027
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ 31,662,844
REVENUES					
Tax Differential from Utah Inland Port Authority	-	1,750,000	2,902,031	2,902,031	1,814,087
Acceptance of reimbursable costs	-	48,900,000	32,916,252	37,000,000	16,207,062
Interest Income	-	640,000	1,214,737	1,498,895	795,000
Bond issuance proceeds	-	66,000,000	66,185,000	66,185,000	-
Assessment fee revenues	-	-	-	-	-
Total revenues	-	117,290,000	103,218,020	107,585,926	18,816,149
TRANSFERS IN	-	15,064,000	12,999,501	12,999,501	52,020
Total funds available	-	132,354,000	116,217,521	120,585,427	50,531,013
EXPENDITURES					
General Fund	-	64,000	39,726	54,085	56,050
Debt Service Fund	-	3,074,455	450,656	450,656	4,387,756
Debt Service Fund - Series 2024	-	-	-	-	-
Capital Projects Fund	-	99,250,000	67,250,845	75,418,341	32,414,124
Total expenditures	-	102,388,455	67,741,226	75,923,082	36,857,930
TRANSFERS OUT	-	15,064,000	12,999,501	12,999,501	52,020
Total expenditures and transfers out requiring appropriation	-	117,452,455	80,740,728	88,922,583	36,909,950
ENDING FUND BALANCES	$ -	$ 14,901,545	$ 35,476,793	$ 31,662,844	$ 13,621,063

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

VERK INDUSTRIAL REGIONAL PUBLIC INFRASTRUCTURE DISTRICT
GENERAL FUND
FY 2027 BUDGET
WITH FY 2025 ACTUAL AND FY 2026 ESTIMATED
For the Years Ended and Ending June 30,

5/15/26

	ACTUAL FY 2025	BUDGET FY 2026	ACTUAL 3/31/2026	ESTIMATED FY 2026	BUDGET FY 2027
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ 46,926
REVENUES					
Interest Income	-	-	1	1	-
Total revenues	-	-	1	1	-
TRANSFERS IN					
Transfers from other funds	-	64,000	101,010	101,010	52,020
Total funds available	-	64,000	101,011	101,011	98,946
EXPENDITURES					
General and administrative					
Accounting	-	25,000	17,941	25,000	20,000
Auditing	-	7,000	-	-	8,500
Insurance	-	7,000	4,035	4,035	5,500
District management	-	-	12,811	15,000	10,000
Legal	-	25,000	4,904	10,000	12,000
Banking fees	-	-	35	50	50
Total expenditures	-	64,000	39,726	54,085	56,050
Total expenditures and transfers out requiring appropriation	-	64,000	39,726	54,085	56,050
ENDING FUND BALANCES	$ -	$ -	$ 61,285	$ 46,926	$ 42,896

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

VERK INDUSTRIAL REGIONAL PUBLIC INFRASTRUCTURE DISTRICT
DEBT SERVICE FUND
FY 2027 BUDGET
WITH FY 2025 ACTUAL AND FY 2026 ESTIMATED
For the Years Ended and Ending June 30,

5/15/26

	ACTUAL FY 2025	BUDGET FY 2026	ACTUAL 3/31/2026	ESTIMATED FY 2026	BUDGET FY 2027
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ 15,688,856
REVENUES					
Tax Differential from Utah Inland Port Authority	-	1,750,000	2,902,031	2,902,031	1,814,087
Interest Income	-	290,000	329,418	440,000	515,000
Total revenues	-	2,040,000	3,231,449	3,342,031	2,329,087
TRANSFERS IN					
Transfers from other funds	-	15,000,000	12,898,491	12,898,491	-
Total funds available	-	17,040,000	16,129,940	16,240,522	18,017,943
EXPENDITURES					
Debt Service					
Bond interest	-	3,070,455	450,656	450,656	4,384,756
Paying agent fees	-	4,000	-	-	3,000
Total expenditures	-	3,074,455	450,656	450,656	4,387,756
TRANSFERS OUT					
Transfers to other fund	-	50,000	101,010	101,010	52,020
Total expenditures and transfers out requiring appropriation	-	3,124,455	551,666	551,666	4,439,776
ENDING FUND BALANCES	$ -	$ 13,915,545	$ 15,578,274	$ 15,688,856	$ 13,578,167
CAPITALIZED INTEREST	$ -	$ -	$ -	$ 12,447,835	$ 8,063,079
SURPLUS FUND	-	-	-	3,241,021	5,515,088
TOTAL RESERVE	$ -	$ -	$ -	$ 15,688,856	$ 13,578,167

See summary of significant assumptions.

VERK INDUSTRIAL REGIONAL PUBLIC INFRASTRUCTURE DISTRICT
CAPITAL PROJECTS FUND
FY 2027 BUDGET
WITH FY 2025 ACTUAL AND FY 2026 ESTIMATED
For the Years Ended and Ending June 30,

5/15/26

	ACTUAL FY 2025	BUDGET FY 2026	ACTUAL 3/31/2026	ESTIMATED FY 2026	BUDGET FY 2027
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ 15,927,062
REVENUES					
Interest Income	-	350,000	885,319	1,058,894	280,000
Acceptance of reimbursable costs	-	48,900,000	32,916,252	37,000,000	16,207,062
Bond Issue Proceeds	-	66,000,000	66,185,000	66,185,000	-
Total revenues	-	115,250,000	99,986,570	104,243,894	16,487,062
Total funds available	-	115,250,000	99,986,570	104,243,894	32,414,124
EXPENDITURES					
Capital Projects					
Recognition of reimbursable costs	-	48,900,000	32,916,252	37,000,000	16,207,062
Repayment of reimbursable costs	-	48,900,000	32,916,252	37,000,000	16,207,062
Bond issue costs	-	1,450,000	1,418,341	1,418,341	
Total expenditures	-	99,250,000	67,250,845	75,418,341	32,414,124
TRANSFERS OUT					
Transfers to other fund	-	15,014,000	12,898,491	12,898,491	-
Total expenditures and transfers out requiring appropriation	-	114,264,000	80,149,336	88,316,832	32,414,124
ENDING FUND BALANCES	$ -	$ 986,000	$ 19,837,234	$ 15,927,062	$ -

See summary of significant assumptions.

Services Provided

The Utah Inland Port Authority ("UIPA") created the District by resolution dated August 1, 2024, as an independent unit of local government, separate and distinct from UIPA. The District was created with the consent of Spanish Fork City, Utah (the "City") as the sole owner of property within the District.

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 3.50%.

Acceptance of Reimbursable Costs

The District anticipates receiving reimbursement requests from the City or other developers within the Verk project area for public infrastructure funded and constructed by the City or other developers.

Tax Differential from Utah Inland Port Authority

The District anticipates receiving a tax differential payment from UIPA pursuant to the Tax Sharing Agreement between the District and UIPA. The tax differential payment is 92.5% of the total tax differential for each calendar year. Tax differential means (i) for the City, Utah County, and Nebo School District 70% and (ii) for all other taxing entities within the project area 75%, of the difference between the amount of property tax revenues generated each year using the current assessed value and the amount of property tax revenues that would be generated using the base taxable value.

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

Interest payments are provided based upon the anticipated debt service maturity schedule for the Bonds.

Capital Outlay

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

Debt and Leases

On July 24, 2025, the District issued Tax Differential Revenue Bonds, Series 2025 (the Bonds) in the par amount of $66,185,000. The Bonds will bear interest from the delivery date at 6.625%, payables annually on September 1, beginning September 1, 2025. The Bonds are subject to annual mandatory sinking fun principal payments due on September 1, commencing on September 1, 2032. The Bonds mature on September 1, 2047.

Reserves

The District maintains a Surplus Fund as required by the Series 2025 Bonds.

This information is an integral part of the accompanying budget.

VERK INDUSTRIAL REGIONAL PUBLIC IMPROVEMENT DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Bonds and Interest Maturing in the Year Ending June 30,	$66,185,000 Tax Differential Revenue Bonds Series 2025 Interest Rate - 6.625% Dated July 24, 2025 Interest and Principal due September 1		
	Principal	Interest	Total
2027	$ -	$ 4,384,756	$ 4,384,756
2028	-	4,384,756	4,384,756
2029	-	4,384,756	4,384,756
2030	-	4,384,756	4,384,756
2031	-	4,384,756	4,384,756
2032	-	4,384,756	4,384,756
2033	150,000	4,384,756	4,534,756
2034	850,000	4,374,819	5,224,819
2035	1,520,000	4,318,506	5,838,506
2036	2,540,000	4,217,806	6,757,806
2037	3,210,000	4,049,531	7,259,531
2038	3,740,000	3,836,869	7,576,869
2039	4,280,000	3,589,094	7,869,094
2040	4,560,000	3,305,544	7,865,544
2041	4,865,000	3,003,444	7,868,444
2042	5,185,000	2,681,138	7,866,138
2043	5,530,000	2,337,631	7,867,631
2044	5,895,000	1,971,269	7,866,269
2045	6,280,000	1,580,725	7,860,725
2046	5,490,000	1,164,675	6,654,675
2047	5,850,000	800,963	6,650,963
2048	6,240,000	413,400	6,653,400
Total	$ 66,185,000	$ 72,338,706	$ 138,523,706

See summary of significant assumptions.