THREE BRIDGES PUBLIC INFRASTRUCTURE DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2027

THREE BRIDGES PUBLIC INFRASTRUCTURE DISTRICT NO. 1
SUMMARY
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/26/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 9/30/2026	ESTIMATED 2026	BUDGET 2027
BEGINNING FUND BALANCES	$ 38,636,601	$ 26,679,490	$ 28,385,578	$ 28,385,578	$ 12,925,698
REVENUES					
Assessment revenue - interest and fees	819,184	1,015,770	977,348	1,015,770	1,016,810
Assessment revenue - prepayments	-	-	-	-	1,614,919
Interest income	1,164,724	235,000	605,522	740,000	170,000
Developer advance	35,418	-	14,657	6,277,029	-
Total revenues	2,019,326	1,250,770	1,597,527	8,032,799	2,801,729
TRANSFERS IN	-	51,000	-	51,000	52,020
Total funds available	40,655,927	27,981,260	29,983,105	36,469,377	15,779,447
EXPENDITURES					
General Fund	35,418	51,000	40,159	69,675	53,225
Debt Service Fund	1,595,302	2,215,650	7,311,679	8,423,004	3,830,569
Capital Projects Fund	10,639,629	20,424,010	12,385,606	15,000,000	7,370,096
Total expenditures	12,270,349	22,690,660	19,737,444	23,492,679	11,253,890
TRANSFERS OUT	-	51,000	-	51,000	52,020
Total expenditures and transfers out requiring appropriation	12,270,349	22,741,660	19,737,444	23,543,679	11,305,910
ENDING FUND BALANCES	$ 28,385,578	$ 5,239,600	$ 10,245,661	$ 12,925,698	$ 4,473,537
CAPITALIZED INTEREST	$ 2,503,800	$ 1,251,900	$ -	$ 1,251,900	$ -
RESERVE FUND 2024-1	1,913,500	1,913,500	-	1,913,500	1,913,500
RESERVE FUND 2024-2	1,605,180	1,605,180	-	1,605,180	1,605,180
TOTAL RESERVE	$ 6,022,480	$ 4,770,580	$ -	$ 4,770,580	$ 3,518,680

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

THREE BRIDGES PUBLIC INFRASTRUCTURE DISTRICT NO. 1
GENERAL FUND
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/26/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 9/30/2026	ESTIMATED 2026	BUDGET 2027
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ 51,000
REVENUES					
Developer advance	35,418	-	14,657	69,675	-
Total revenues	35,418	-	14,657	69,675	-
TRANSFERS IN					
Transfers from other funds	-	51,000	-	51,000	52,020
Total funds available	35,418	51,000	14,657	120,675	103,020
EXPENDITURES					
General and administrative					
Accounting	10,254	18,000	13,781	18,375	18,925
Auditing	8,500	9,000	-	8,800	9,100
Insurance	-	4,500	-	4,500	5,000
Legal	16,664	19,500	26,378	38,000	20,200
Total expenditures	35,418	51,000	40,159	69,675	53,225
Total expenditures and transfers out requiring appropriation	35,418	51,000	40,159	69,675	53,225
ENDING FUND BALANCES	$ -	$ -	$ (25,502)	$ 51,000	$ 49,795

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

THREE BRIDGES PUBLIC INFRASTRUCTURE DISTRICT NO. 1
DEBT SERVICE FUND
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/26/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 9/30/2026	ESTIMATED 2026	BUDGET 2027
BEGINNING FUND BALANCES	$ 7,197,875	$ 6,305,480	$ 6,670,482	$ 6,670,482	$ 5,549,602
REVENUES					
Assessment revenue - interest and fees	819,184	1,015,770	977,348	1,015,770	1,016,810
Assessment revenue - prepayments	-	-	-	-	1,614,919
Interest income	248,725	185,000	127,099	130,000	125,000
Return of funds for bondholder direction	-	-	-	6,207,354	-
Total revenues	1,067,909	1,200,770	1,104,447	7,353,124	2,756,729
Total funds available	8,265,784	7,506,250	7,774,929	14,023,606	8,306,331
EXPENDITURES					
Debt Service					
Bond interest 2024-1	419,907	956,750	478,375	956,750	956,750
Bond interest 2024-2	1,175,395	1,251,900	625,950	1,251,900	1,251,900
Bond principal 2024-1	-	-	-	-	1,614,919
Paying agent fees	-	7,000	-	7,000	7,000
Transfer of funds for bondholder direction	-	-	6,207,354	6,207,354	-
Total expenditures	1,595,302	2,215,650	7,311,679	8,423,004	3,830,569
TRANSFERS OUT					
Transfers to other fund	-	51,000	-	51,000	52,020
Total expenditures and transfers out requiring appropriation	1,595,302	2,266,650	7,311,679	8,474,004	3,882,589
ENDING FUND BALANCES	$ 6,670,482	$ 5,239,600	$ 463,250	$ 5,549,602	$ 4,423,742
CAPITALIZED INTEREST	$ 2,503,800	$ 1,251,900	$ -	$ 1,251,900	$ -
RESERVE FUND 2024-1	1,913,500	1,913,500	-	1,913,500	1,913,500
RESERVE FUND 2024-2	1,605,180	1,605,180	-	1,605,180	1,605,180
TOTAL RESERVE	$ 6,022,480	$ 4,770,580	$ -	$ 4,770,580	$ 3,518,680

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

THREE BRIDGES PUBLIC INFRASTRUCTURE DISTRICT NO. 1
CAPITAL PROJECTS FUND
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/26/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 9/30/2026	ESTIMATED 2026	BUDGET 2027
BEGINNING FUND BALANCES	$ 31,438,726	$ 20,374,010	$ 21,715,096	$ 21,715,096	$ 7,325,096
REVENUES					
Interest income	915,999	50,000	478,423	610,000	45,000
Total revenues	915,999	50,000	478,423	610,000	45,000
Total funds available	32,354,725	20,424,010	22,193,519	22,325,096	7,370,096
EXPENDITURES					
Capital Projects					
Capital outlay	10,639,629	20,424,010	12,385,606	15,000,000	7,370,096
Total expenditures	10,639,629	20,424,010	12,385,606	15,000,000	7,370,096
Total expenditures and transfers out requiring appropriation	10,639,629	20,424,010	12,385,606	15,000,000	7,370,096
ENDING FUND BALANCES	$ 21,715,096	$ -	$ 9,807,913	$ 7,325,096	$ -

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

THREE BRIDGES PUBLIC INFRASTRUCTURE DISTRICT NO. 1
2027 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

On February 21, 2024, the City Council of Salem City, Utah (the City), acting in its capacity as the creating authority for the Three Bridges Public Infrastructure District No. 1 (the District) and Nos. 2-4 (District Nos. 2-4 and 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 Incorporation for the District on April 3, 2024, which was recorded in the real property records of the Utah County Recorder on June 12, 2024. Pursuant to a resolution of the Board of Directors of the District adopted on September 20, 2024, the District's boundaries were expanded. The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Annexation for the District on October 30, 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 3.5%.

Assessment Revenue

The District anticipates billing and collecting assessment lien revenues pursuant to the Assessment Ordinance. The assessments are levied against the assessed properties benefited by the improvements within the District.

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 in 2027 are provided based on the debt amortization schedule from the 2024-1 and 2024-2 Bonds (discussed under Debt and Leases).

PRELIMINARY DRAFT - SUBJECT TO REVISION

Expenditures (continued)

Capital Outlay

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

Debt and Leases

Series 2024-1 and Series 2024-2 Bonds

On December 20, 2024, the District issued Series 2024-1 and Series 2024-2 Special Assessment Bonds in the amount of $19,135,000 and $20,865,000, respectively. The Bonds are secured and payable from pledged revenues, consisting of assessment revenues and any other legally available moneys which the District determines. The 2024-1 Bonds bear interest at 5.00% and the 2024-2 Bonds bear interest at 6.00% payable semiannually on June 1 and December 1 and are subject to mandatory sinking fund redemption beginning December 1, 2028. The Bonds mature on December 1, 2053.

Reserves

Debt Service Reserve

The Bonds are secured by the 2024-1 and 2024-2 Reserve Funds which was funded with proceeds of the 2024 Bonds. The required Reserve Fund held by the District is $1,913,500 for the Series 2024-1 Bonds and $1,605,180 for the Series 2024-2 Bonds.

THREE BRIDGES PUBLIC INFRASTRUCTURE DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

$19,135,000 Special Assessment Bonds
Series 2024-1
Dated December 23, 2024
Interest Rate - 5.000%
Interest Payable June 1 and December 1
Principal Payable December 1

Year Ending December 31,	Principal	Interest	Total
2027	$ -	$ 956,750	$ 956,750
2028	-	956,750	956,750
2029	-	956,750	956,750
2030	-	956,750	956,750
2031	-	956,750	956,750
2032	3,463,000	956,750	4,419,750
2033	3,636,000	783,600	4,419,600
2034	3,818,000	601,800	4,419,800
2035	4,009,000	410,900	4,419,900
2036	4,209,000	210,450	4,419,450
Total	$ 19,135,000	$ 7,747,250	$ 26,882,250

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

THREE BRIDGES PUBLIC INFRASTRUCTURE DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

$20,865,000 Special Assessment Bonds
Series 2024-2
Dated December 23, 2024
Interest Rate - 6.000%
Interest Payable June 1 and December 1
Principal Payable December 1

Year Ending December 31,	Principal	Interest	Total
2027	$ -	$ 1,251,900	$ 1,251,900
2028	353,000	1,251,900	1,604,900
2029	374,000	1,230,720	1,604,720
2030	396,000	1,208,280	1,604,280
2031	420,000	1,184,520	1,604,520
2032	445,000	1,159,320	1,604,320
2033	472,000	1,132,620	1,604,620
2034	500,000	1,104,300	1,604,300
2035	530,000	1,074,300	1,604,300
2036	562,000	1,042,500	1,604,500
2037	596,000	1,008,780	1,604,780
2038	632,000	973,020	1,605,020
2039	670,000	935,100	1,605,100
2040	710,000	894,900	1,604,900
2041	752,000	852,300	1,604,300
2042	798,000	807,180	1,605,180
2043	845,000	759,300	1,604,300
2044	896,000	708,600	1,604,600
2045	950,000	654,840	1,604,840
2046	1,007,000	597,840	1,604,840
2047	1,067,000	537,420	1,604,420
2048	1,131,000	473,400	1,604,400
2049	1,199,000	405,540	1,604,540
2050	1,271,000	333,600	1,604,600
2051	1,347,000	257,340	1,604,340
2052	1,428,000	176,520	1,604,520
2053	1,514,000	90,840	1,604,840
Total	$ 20,865,000	$ 22,106,880	$ 42,971,880

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION