AMENDED OFFICIAL NOTICE OF BOND SALE

THE FOLLOWING OFFICIAL NOTICE OF BOND SALE HAS BEEN AMENDED FROM A PREVIOUS NOTICE DATED AUGUST 2, 2019 SOLELY TO REVISE PARAGRAPH 2, UNDER "INTEREST RATES" BELOW

Board of Education of
Nebo School District, Utah

$59,750,000*
General Obligation School Building and Refunding Bonds, Series 2019

Bids will be received electronically (as described under "Procedures Regarding Electronic Bidding" below) by the Business Administrator of the Board of Education (the "Board") of the Nebo School District, Utah (the "District"), at the office of Lewis Young Robertson & Burningham, Inc., Salt Lake City, Utah, the Financial Advisor to the Board (the "Financial Advisor") on the *PARITY*® bidding system ("*PARITY*®") at 9:30:00 a.m., Mountain Daylight Time ("M.D.T."), on Tuesday, August 13, 2019, for the purchase all or none ("AON") of $59,750,000* aggregate principal amount of the Board's General Obligation School Building and Refunding Bonds, Series 2019 (the "2019 Bonds").

The bids will be reviewed and considered by the Designated Officer (as defined in the resolution previously adopted by the Board on July 10, 2019 (the "Bond Resolution")) of the Board on Tuesday, August 13, 2019.

Description of 2019 Bonds

The 2019 Bonds will be dated the date of delivery thereof, will be fully–registered bonds, in book–entry form, in denominations of $5,000 or integral multiples thereof, and will mature on July 1 of the years and in the principal amounts as follows:

Maturity (July 1)	Amount*	Maturity (July 1)	Amount*
2020	$8,210,000	2028	$3,470,000
2021	3,905,000	2029	3,550,000
2022	4,015,000	2030	3,660,000
2023	3,760,000	2031	4,485,000
2024	3,310,000	2032	4,485,000
2025	1,770,000	2033	4,485,000
2026	2,770,000	2034	4,485,000
2027	3,390,000		

Total $59,750,000*

---

*Preliminary; subject to change. See "Adjustment of Principal Amount of the 2019 Bonds" in this OFFICIAL NOTICE OF BOND SALE.

The 2019 Bonds will be issued in registered form and, when issued, will be registered in the name of The Depository Trust Company, New York, New York, or its nominee. The Depository Trust Company will act as securities depositary for the 2019 Bonds. Purchases of beneficial interests in the 2019 Bonds will be made in book–entry form in the denomination of $5,000 or any integral multiple thereof.

Term Bonds and Mandatory Sinking Fund Redemption at Bidder's Option

The 2019 Bonds scheduled to mature on two or more of the above–designated maturity dates may be rescheduled, at bidder's option, to mature as term bonds on one or more dates within that period, in which event the 2019 Bonds will mature and be subject to mandatory sinking fund redemption in such amounts and on such dates as will correspond to the above–designated maturity dates and principal amounts maturing on those dates, as adjusted.

Adjustment of Principal Amount of the 2019 Bonds

The Designated Officer, on behalf of the Board, may adjust the amount of the 2019 Bonds maturing on one or more of the maturity dates by the amount necessary to properly size each maturity of the 2019 Bonds so that the annual debt service on the 2019 Bonds better matches the anticipated revenues and existing debt service obligations of the Board; provided, however the adjustment of maturities will not reduce or increase the amount of the 2019 Bonds maturing in any year by more than twenty percent (20%) and, with respect to Bonds maturing in any year in the principal amount of $1,000,000 or more, will not reduce such principal amount to an amount less than $1,000,000. The dollar amount of the price bid by the successful bidder may be changed as described below, but none of the interest rates specified by the successful bidder will change. A successful bidder may not withdraw its bid as a result of any changes made within these limits, and the Board will consider the bid as having been made for the adjusted amount of the 2019 Bonds. The dollar amount of the price bid will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (a) the aggregate difference between the offering price of the 2019 Bonds to the public and the price to be paid to the Board, by (b) the principal amount of the 2019 Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown above.

If the Board elects to make such an adjustment, the amount of such adjustment will be allocated to increase or decrease the principal amount of the 2019 Bonds maturing on one or more of the maturity dates for the 2019 Bonds as described above, all as determined by the Designated Officer, on behalf of the Board, with the advice of the Financial Advisor. The Board expects to advise the successful bidder as soon as possible, but expects no later than 2:00 p.m., M.D.T., on the date of sale, of the amount, if any, by which the aggregate principal amount of the 2019 Bonds will be adjusted and the corresponding changes to the principal amount of the 2019 Bonds maturing on one or more of the above-designated maturity dates for the 2019 Bonds. Any such adjustment will be in an amount of $5,000 or an integral multiple thereof. The Board will consider the bid as having been made for the adjusted amount of the 2019 Bonds.

To facilitate any adjustment in the principal amounts, the successful bidder is required to indicate by electronic means or facsimile transmission to the Financial Advisor at dale@lewisyoung.com or fax number (801) 596-2800 within one-half hour of the time of bid opening, the amount of any original issue discount or premium on each maturity of the 2019 Bonds and the amount received from the sale of the 2019 Bonds to the public that will be retained by the successful bidder as its compensation.

Possible Rejection of All Bids

As described below under "Sale Reservations," the Board reserves the right to reject any and all bids and to resell the 2019 Bonds. In such case the Board may elect to negotiate a subsequent sale of the 2019 Bonds.

Ratings

The Board will, at its own expense, pay fees of Moody's Investors Service and Fitch Ratings for rating the 2019 Bonds. *Any additional ratings shall be at the option and expense of the bidder.*

Purchase Price

The purchase price bid for the 2019 Bonds shall not be less than 100% of the principal amount of the 2019 Bonds.

Interest Rates

The 2019 Bonds will bear interest at any number of different rates, any of which may be repeated, which rates shall be expressed in multiples of 1/8th or 1/100th of 1% per annum. In addition:

1. no rate bid may exceed 5.0% per annum;
2. the highest interest rate bid for any maturity of the 2019 Bonds may not exceed the lowest interest rate bid for any maturity of the 2019 Bonds by more than three percent (3.00%) per annum;
3. all 2019 Bonds of the same maturity must bear a single rate of interest;
4. a zero rate cannot be named for all or any part of the time from the date of any 2019 Bond to its stated maturity;
5. premium must be paid in the funds specified for the payment of the 2019 Bonds as part of the purchase price;
6. interest shall be computed from the dated date of a 2019 Bond to its stated maturity date at the single interest rate specified in the bid for the 2019 Bonds of such maturity;
7. the purchase price must be paid in immediately available funds and no bid will be accepted that contemplates the cancellation of any interest or the waiver of interest or other concession by the bidder as a substitute for federal funds;
8. there shall be no supplemental interest coupons; and
9. interest shall be computed on the basis of a 360–day year of 12, 30–day months.

Interest for the 2019 Bonds will be payable semiannually on January 1 and July 1 beginning January 1, 2020, at the rate or rates to be fixed at the time the 2019 Bonds are sold.

Payment of Principal and Interest

Principal and interest are payable by Zions Bancorporation, National Association, Corporate Trust Services, as Paying Agent and Registrar, to the registered owners of the 2019 Bonds. So long as The Depository Trust Company, New York, New York ("DTC"), is the registered owner, DTC will, in turn, remit such principal and interest to its participants, for subsequent disbursements to the beneficial owners of the 2019 Bonds as described in the Board's Preliminary OFFICIAL STATEMENT with respect to the 2019 Bonds. Interest on the 2019 Bonds will be payable by check or draft mailed to the registered owners thereof (initially DTC) as shown on the registration books kept for the Board by the Registrar.

Optional Redemption

The 2019 Bonds maturing on and after July 1, 2030 are subject to redemption prior to maturity in whole or in part at the option of the Board on July 1, 2029 or on any date thereafter, from such maturities or parts thereof as shall be selected by the Board at the redemption price of 100% of the principal amount of the 2019 Bonds to be redeemed plus accrued interest (if any) thereon to the redemption date.

Security

The 2019 Bonds will be general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the District, fully sufficient to pay the 2019 Bonds as to both principal and interest.

Payment of the principal of and interest on the 2019 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State of Utah under the provisions of the Utah School Bond Guaranty Act, Chapter 4, Part 8 of Title 53G, Utah Code Annotated 1953, as amended.

Procedures Regarding Electronic Bidding

No bid will be accepted unless the Board has determined that such bidder has provided the requested Deposit, as the case may be, as described under "Good Faith Deposit" below.

Bids will be received by means of the *PARITY®* electronic bid submission system. A prospective bidder must communicate its bid electronically through *PARITY®* on or before 9:30:00 a.m. M.D.T., on Tuesday, August 13, 2019. No bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in *PARITY®* conflict with this OFFICIAL NOTICE OF BOND SALE, the terms of this OFFICIAL NOTICE OF BOND SALE shall control. For further information about *PARITY®*, potential bidders may contact the Financial Advisor or i–Deal LLC at 1359 Broadway, New York, New York 10018; 212.849.5021. The time as maintained by *PARITY®* shall constitute the official time.

Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access *PARITY®* for purposes of submitting its bid in a timely manner and in compliance with the requirements of this OFFICIAL NOTICE OF BOND SALE. Neither the Financial Advisor, the Board nor i–Deal LLC shall have any duty or obligation to provide or assure such access to any qualified prospective bidder, and neither the Financial Advisor, the Board nor i–Deal LLC shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY®*. The Board is using *PARITY®* as a communication mechanism, and not as the Board's agent, to conduct the electronic bidding for the 2019 Bonds.

Notification

The Financial Advisor will notify the apparent successful bidder(s) by telephone as soon as possible after the Board's receipt of bids, that such bidder's bid appears to be the best bid received which conforms to the requirements of this OFFICIAL NOTICE OF BOND SALE, subject to verification and to official action to be taken by certain authorized officers of the Board as described in the next succeeding paragraph.

The award of the 2019 Bonds to the successful bidder will be considered by the Designated Officer of the Board on Tuesday, August 13, 2019, pursuant to the Bond Resolution.

Form of Bid

Each bidder for the 2019 Bonds is required to transmit electronically via *PARITY*® an unconditional bid specifying the lowest rate or rates of interest and confirm the purchase price (as described under "Purchase Price" above) at which the bidder will purchase the 2019 Bonds. Each bid must be for all the 2019 Bonds herein offered for sale.

For information purposes only, bidders are requested to state in their bids the effective interest rate for the 2019 Bonds represented on a TIC basis, as described under "Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of *PARITY*®; provided, however, that in the event a prospective bidder cannot access *PARITY*®, through no fault of its own, it may so notify the office of the Financial Advisor by telephone at 801.596.0700. Thereafter, it may submit its bid by telephone to the Financial Advisor at 801.596.0700, who shall transcribe such bid into written form or by facsimile transmission to the Financial Advisor at 801.596.2800, in either case before the time bids are due as stated above, on Tuesday, August 13, 2019. For purposes of bids submitted telephonically to the Financial Advisor (as described above) or by facsimile transmission, the time as maintained by *PARITY*®, shall constitute the official time. Each bid submitted as provided in the preceding sentence must specify the interest rate or rates for the 2019 Bonds and the total purchase price of all of the 2019 Bonds. The Financial Advisor will seal transcribed telephonic bids and facsimile transmission bids for submission. Neither the Board nor the Financial Advisor assume any responsibility or liability from the failure of any such transcribed telephonic bid or facsimile transmission (whether such failure arises from equipment failure, unavailability of phone lines or otherwise). No bid will be received after the time for receiving such bids specified above.

If requested by the Financial Advisor, the apparent successful bidder(s) will provide written confirmation of its bid (by electronic means or facsimile transmission) to the Financial Advisor prior to 2:00 p.m., M.D.T., on Tuesday, August 13, 2019.

Right of Cancellation

The successful bidder(s) shall have the right, at its option, to cancel its obligation to purchase the 2019 Bonds if the Board shall fail to execute the 2019 Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder(s) shall be entitled to the return of the Deposit.

Award

Award or rejection of bids will be made on Tuesday, August 13, 2019 by the Designated Officer of the Board. The 2019 Bonds will be awarded to the responsible bidder offering to pay not less than the principal amount of the 2019 Bonds and specifying a rate or rates of interest that result in the lowest effective interest cost to the Board, computed from the date of the 2019 Bonds to maturity and taking into consideration the premium or discount, if any, in the purchase price of the 2019 Bonds. The effective interest rate to the Board shall be the interest rate per annum determined on a per annum true interest cost ("TIC") based on the discounting of the scheduled semiannual debt service payments of the Board on the 2019 Bonds (based on such rate or rates of interest so bid) to the dated date of the 2019 Bonds, compounded semiannually, and to the bid price. Interest cost shall be computed on a 360–day year of 12, 30–day months.

Good Faith Deposit

A good faith deposit (the "Deposit") in the amount of $1,195,000 is required only from the successful bidder(s). The Deposit shall be payable to the order of the Board in the form of a wire transfer in federal funds as instructed by the Financial Advisor no later than 12:00 noon, M.D.T., on Tuesday, August 13, 2019. As an alternative to wiring funds, a bidder may deliver a cashier's or certified check, payable to the order of the Board. If a check is used, it must precede each bid. Such check shall be promptly returned to its respective bidder whose bid is not accepted.

The Board shall, as security for the faithful performance by the successful bidder(s) of its obligation to take up and pay for the 2019 Bonds when tendered, cash the Deposit check, if applicable, of the successful bidder(s) and hold the proceeds of the Deposit of the successful bidder(s), or invest the same (at the Board's risk) in obligations which mature at or before the delivery of the 2019 Bonds as described under the caption "Manner and Time of Delivery" below, until disposed of as follows: (a) at such delivery of the 2019 Bonds and upon compliance with the successful bidder's obligation to take up and pay for the 2019 Bonds, the full amount of the Deposit held by the Board, without adjustment for interest, shall be applied toward the purchase price of the 2019 Bonds at that time and the full amount of any interest earnings thereon shall be retained by the Board; and (b) if the successful bidder fails to take up and pay for the 2019 Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the Board as liquidated damages.

Sale Reservations

The Board reserves the right: (i) to waive any irregularity or informality in any bid or in the bidding process; (ii) to reject any and all bids for the 2019 Bonds; and (iii) to resell the 2019 Bonds as provided by law.

Manner and Time of Delivery

The successful bidder(s) will be given at least five business days advance notice of the proposed date of the delivery of the 2019 Bonds when that date has been determined. It is now estimated that the 2019 Bonds will be delivered in book–entry form on or about Wednesday, August 28, 2019. Delivery of the 2019 Bonds will be made in Salt Lake City, Utah. The successful bidder(s) must also agree to pay for the 2019 Bonds in federal funds which will be immediately available to the Board on the day of delivery.

CUSIP Numbers

It is anticipated that CUSIP numbers will be printed on the 2019 Bonds, at the expense of the Board, but neither the failure to print such numbers on any 2019 Bond nor any error with respect thereof shall constitute cause for a failure or refusal by the successful bidder(s) thereof to accept delivery of and pay for the 2019 Bonds in accordance with terms of this OFFICIAL NOTICE OF BOND SALE.

Tax–Exempt Status

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, the interest on the 2019 Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Board complies with all requirements of the Internal Revenue Code that must be satisfied subsequent to the issuance of the 2019 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the 2019 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2019 Bonds.

In the opinion of Bond Counsel, interest on the 2019 Bonds is exempt from State of Utah individual income taxes.

Establishment of Issue Price

The successful bidder shall assist the Board in establishing the issue price of the 2019 Bonds and shall execute and deliver to the Board on the date of issuance of the 2019 Bonds an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the 2019 Bonds, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Board and Bond Counsel. All actions to be taken by the Board under this Official Notice of Bond Sale to establish the issue price of the 2019 Bonds may be taken on behalf of the Board by the Financial Advisor identified herein and any notice or report to be provided to the Board may be provided to the Financial Advisor.

The Board intends that the provisions of Treasury Regulation Section 1.148–1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the 2019 Bonds) will apply to the initial sale of the 2019 Bonds (the "competitive sale requirements") because:

(i) the Board shall disseminate this Official Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(ii) all bidders shall have an equal opportunity to bid;

(iii) the Board may receive bids from at least three underwriters of municipal obligations who have established industry reputations for underwriting new issuances of municipal obligations; and

(iv) the Board anticipates awarding the sale of the 2019 Bonds to the bidder who submits a firm offer to purchase the 2019 Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Bond Sale.

Any bid submitted pursuant to this Official Notice of Bond Sale shall be considered a firm offer for the purchase of the 2019 Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the Board shall so advise the successful bidder. The Board shall then treat the first price at which 10% of a maturity of the 2019 Bonds (the "10% Test") is sold to the public as the issue price of that maturity, applied on a maturity–by–maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the Board if any maturity of the 2019 Bonds satisfies the 10% Test as of the date and time of the award of the 2019 Bonds. The Board will ***not*** require bidders to comply with the "Hold–The–Offering–Price Rule" and therefore in such case does not intend to use the initial offering price to the public as of the sale date of any maturity of the 2019 Bonds as the issue price of that maturity. Bids will ***not*** be subject to cancellation in the event that the competitive sale requirements are not satisfied. ***Bidders should prepare their bids on the assumption that the 2019 Bonds will be subject to the 10% Test in order to establish the issue price of the 2019 Bonds***.

If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the 2019 Bonds, the successful bidder agrees to promptly report to the Board the prices at which the unsold 2019 Bonds of that maturity have been sold to the public. If as of the award of the 2019 Bonds the 10% Test has not been satisfied as to any maturity of the 2019 Bonds, the successful bidder agrees to promptly report to the Board the prices at which it subsequently sells 2019 Bonds of that maturity to the public until the 10% Test is satisfied. If 2019 Bonds constituting the first 10% of a certain maturity are sold at different prices, the successful bidder shall report to the Board the prices at which 2019 Bonds of such maturity are sold until either (i) all 2019 Bonds of that maturity have been sold or (ii) the successful bidder sells 10% of the 2019 Bonds of such maturity at a single price. The successful bidder's reporting obligation shall continue as set forth above, whether or not the date of issuance of the 2019 Bonds has occurred provided that, the successful bidder's reporting obligation after the date of issuance may be at reasonable periodic intervals or otherwise upon request of the Board or Bond Counsel.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the 2019 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker–dealer that is a party to such third-party distribution agreement, as applicable;

(A) to report the prices at which it sells to the public the unsold 2019 Bonds of each maturity allocated to it, whether or not the date of issuance has occurred, until either all 2019 Bonds of that maturity allocated to it have been sold or it is notified by the successful bidder that the 10% Test has been satisfied as to the 2019 Bonds of that maturity; provided that, the reporting obligation after the date of issuance may be at reasonable periodic intervals or otherwise upon request of the successful bidder,

(B) to promptly notify the successful bidder of any sales of 2019 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the 2019 Bonds to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public; and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the 2019 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2019 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the public the unsold 2019 Bonds of each maturity allocated to it, whether or not the date of issuance has occurred, until either all 2019 Bonds of that maturity allocated to it have been sold or it is notified by the successful bidder or such underwriter that the 10% Test has been satisfied as to the 2019 Bonds of that maturity; provided that the reporting obligation after the date of issuance may be at reasonable periodic intervals or otherwise upon request of the successful bidder or such underwriter.

Sales of any 2019 Bonds to any person that is a related party to an underwriter participating in the initial sale of the 2019 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Notice of Bond Sale. Further, for purposes of this Official Notice of Bond Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Board (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2019 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2019 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2019 Bonds to the public),

(iii) a purchaser of any of the 2019 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the 2019 Bonds are awarded by the Board to the successful bidder.

Legal Opinion and Closing Documents

The approving opinion of Gilmore & Bell, P.C., Bond Counsel, covering the legality of the 2019 Bonds will be furnished to the successful bidder(s) without charge. There will also be furnished the usual closing certificates dated as of the date of delivery of and payment for the 2019 Bonds, including a letter from the attorney for the District that there is no litigation pending or, to the knowledge of the signer thereof, threatened, affecting the validity of the 2019 Bonds.

Disclosure Certificate

The Board will deliver to the successful bidder(s) a certificate of officer(s) of the Board, dated the date of the delivery of the 2019 Bonds, stating that as of the date thereof, to the best of the knowledge and belief of said officer(s): (a) the descriptions and statements contained in the Preliminary OFFICIAL STATEMENT circulated with respect to the 2019 Bonds were at the time of the acceptance of the bid true and correct in all material respects and did not at the time of the acceptance of the bid contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (b) the descriptions and statements contained in the Final OFFICIAL STATEMENT are at the time of delivery of the 2019 Bonds true and correct in all material respects and do not at the time of the delivery of the 2019 Bonds contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, should the Final OFFICIAL STATEMENT be supplemented or amended subsequent to the date thereof, the foregoing confirmation as to the Final OFFICIAL STATEMENT shall relate to the Final OFFICIAL STATEMENT as so supplemented or amended.

Official Statement

Copies of the Board's Preliminary OFFICIAL STATEMENT may be obtained as specified below prior to the time bids are taken. The Preliminary OFFICIAL STATEMENT is in a form "deemed final" by the Board for purposes of paragraph (b)(1) of Rule 15c2–12 of the Securities and Exchange Commission, but is subject to revision, amendment and completion in a final OFFICIAL STATEMENT.

The Board shall deliver to the successful bidder(s) no later than the seventh business day after the award of the 2019 Bonds as described under the caption "Award" above, a final OFFICIAL STATEMENT in electronic format, to comply with paragraph (b)(4) of Rule 15c2–12 of the Securities and Exchange Commission and the rules of the Municipal Securities Rulemaking Board.

Continuing Disclosure Undertaking

Pursuant to Securities and Exchange Commission Rule 15c2–12, the Board will undertake in a Continuing Disclosure Undertaking to provide certain ongoing disclosure, including annual operating data and financial information (including audited financial statements) and notices of the occurrence of certain material events. A description of the undertaking is set forth in the Preliminary OFFICIAL STATEMENT. The Board has not failed to comply in all material respects with each and every Undertaking previously entered into by it in the previous five years pursuant to the Rule.

The successful bidder's obligation to purchase the 2019 Bonds shall be conditioned upon the Board delivering the undertaking on or before the date of delivery of the 2019 Bonds.

Additional Information

For copies of this OFFICIAL NOTICE OF BOND SALE, the Preliminary OFFICIAL STATEMENT and information regarding the electronic bidding procedures and other related information, contact Lewis Young Robertson & Burningham, Inc., 41 No. Rio Grande, Suite 101, Salt Lake City, Utah 84101; 801.596.0700; fax:801.596.2800; the Financial Advisor to the Board.

DATED this 9th day of August, 2019.

Board of Education of Nebo School District, Utah

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF PURCHASER] (herein, the "Original Purchaser"), as the Original Purchaser of the $________ General Obligation School Building and Refunding Bonds, Series 2019 (the "2019 Bonds"), being issued on the date of this certificate by the Board of Education (the "Board") of the Nebo School District, Utah, certifies and represents as follows:

1. Public Offering. The Original Purchaser offered all of the 2019 Bonds to the Public (as defined below) in a bona fide initial offering.

2. Reasonably Expected Initial Offering Price. As of the sale date of the 2019 Bonds (August 13, 2019) (the "Sale Date"), the reasonably expected initial offering prices of the 2019 Bonds to the Public by the Original Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the 2019 Bonds used by the Original Purchaser in formulating its bid to purchase the 2019 Bonds.

[2. [*To be used if there are not at least 3 bids received*] [As of the date of this certificate, the first price at which at least 10% of [the indicated maturities] of the 2019 Bonds was sold to the Public are the prices listed in Schedule A.] or

[As of the date of this certificate, the Original Purchaser has not sold at least 10% of [each maturity] [certain maturities] of the 2019 Bonds at any price (the "Undersold Maturities"). For each Undersold Maturity listed on Schedule A the Original Purchaser will provide the price or prices at which the first 10% of each such Undersold Maturity was sold to the Public promptly following the date that the first 10% of each such Undersold Maturity is sold to the Public.]]

3. Defined Terms.

(a) *Maturity* means 2019 Bonds with the same credit and payment terms. 2019 Bonds with different maturity dates, or 2019 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" as defined in U.S. Treasury Regulation Section 1.1501(b) which generally provides that the term related party means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Board (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2019 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 2019 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2019 Bonds to the Public).

On the Sale Date the Original Purchaser purchased the 2019 Bonds from the Board by submitting electronically an "Official Bid Form" responsive to an "Official Notice of Bond Sale" and having its bid accepted by the Board. The Board has not modified the terms of the purchase since the Sale Date.

The undersigned understands that the foregoing information will be relied upon by the Board with respect to certain of the representations set forth in the tax certificate and with respect to compliance with the federal income tax rules affecting the 2019 Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the 2019 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038–G, and other federal income tax advice that it may give to the Board from time to time relating to the 2019 Bonds.

IN WITNESS WHEREOF, the undersigned has hereunto fixed his or her official signature this _____ day of _______________, 2019.

[PURCHASER], as Original Purchaser

By:______________________________

Title: ___________________________

Dated: [ISSUE DATE]

To Be Attached:

SCHEDULE A—EXPECTED OFFERING PRICES

Preliminary Official Statement Dated August 2, 2019

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NEW ISSUE - Issued in Book-Entry Form Only

Ratings: Moody's "Aaa", underlying "Aa2"
Fitch "AAA", underlying "AAA"

See "STATE OF UTAH GUARANTY" and "MISCELLANEOUS - Bond Rating" herein.

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2019 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2019 Bonds is exempt from State of Utah individual income taxes under currently existing law. See "LEGAL MATTERS –Tax Exemption" herein for a more complete discussion.

$59,750,000*
BOARD OF EDUCATION OF NEBO SCHOOL DISTRICT UTAH COUNTY, UTAH GENERAL OBLIGATION SCHOOL BUILDING AND REFUNDING BONDS, SERIES 2019

Dated: Date of Delivery (Anticipated August 28, 2019)

Due: July 1, as shown on the inside cover

The $59,750,000* General Obligation School Building and Refunding Bonds, Series 2019 (the "Series 2019 Bonds") are issuable by the Board of Education of Nebo School District, Utah County, Utah (the "Board"), as fully-registered bonds and when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2019 Bonds. So long as DTC or its nominee is the registered owner of the Series 2019 Bonds, payments of the principal of and interest on such Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "THE SERIES 2019 BONDS –Book-Entry Only System" herein.

The principal of the Series 2019 Bonds when due is payable upon presentation and surrender thereof at the principal corporate trust office of Zions Bancorporation, National Association, Salt Lake City, Utah, as Paying Agent (the "Paying Agent"). Semi-annual interest on the Series 2019 Bonds due January 1 and July 1 commencing January 1, 2020, is payable to the owners thereof as shown on the registration books maintained by the Paying Agent as of the day that is fifteen (15) days preceding such interest payment date, by check or draft of the Paying Agent. The Series 2019 Bonds will be issued as fully-registered bonds, without coupons, in denominations of $5,000 or any integral multiple thereof.

The Series 2019 Bonds are subject to optional redemption prior to maturity. See "THE SERIES 2019 BONDS – Redemption Provisions" herein.

The Series 2019 Bonds are general obligations of the Board payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the Nebo School District, Utah County, Utah, fully sufficient to pay the Series 2019 Bonds as to both principal and interest.

Payment of the principal of and interest on the Series 2019 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State of Utah. See "STATE OF UTAH GUARANTY" herein.

See Inside Cover
For Maturity Schedule

Competitive bidding for the Series 2019 Bonds will be held on August 13, 2019 at 9:30 A.M. M.D.T., as set forth in the Official Notice of Bond Sale. The award will be made pursuant to a resolution of the Board adopted on July 10, 2019.

Lewis Young Robertson & Burningham, Inc. is acting as Financial Advisor.

The Series 2019 Bonds are offered when, as and if issued and received by the successful bidder(s), subject to the approval of legality by Gilmore & Bell, P.C., Salt Lake City, Utah, Bond Counsel, and certain other conditions. It is expected that the Series 2019 Bonds will be available for delivery, in book-entry form only, through the facilities of DTC on or about August 28, 2019. This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision. This OFFICIAL STATEMENT is dated August __, 2019, and the information contained herein speaks only as of that date.

*Preliminary, subject to change.

BOARD OF EDUCATION OF
NEBO SCHOOL DISTRICT
UTAH COUNTY, UTAH

$59,750,000*
GENERAL OBLIGATION SCHOOL BUILDING AND
REFUNDING BONDS, SERIES 2019

MATURITY (JULY 1)	CUSIP[1] (639557)	PRINCIPAL AMOUNT*	INTEREST RATE	YIELD
2020		8,210,000		
2021		3,905,000		
2022		4,015,000		
2023		3,760,000		
2024		3,310,000		
2025		1,770,000		
2026		2,770,000		
2027		3,390,000		
2028		3,470,000		
2029		3,550,000		
2030		3,660,000		
2031		4,485,000		
2032		4,485,000		
2033		4,485,000		
2034		4,485,000		

1. The above-referenced CUSIP number(s) have been assigned by an independent company not affiliated with the parties to this bond transaction and are included solely for the convenience of the holders of the Series 2019 Bonds. None of the District, the Paying Agent or the Underwriter is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to its correctness on the particular Series 2019 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2019 Bond as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities.

*Preliminary, subject to change.

TABLE OF CONTENTS

No dealer, broker, salesperson or any other person has been authorized by the Board of Education of Nebo School District, Utah County, Utah (the *"Board"*) or the successful bidder to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the successful bidder. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of, the Series 2019 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the Board or in any other information contained herein since the date hereof.

In connection with this offering, the successful bidder may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 2019 Bonds. Such transactions may include overallotments in connection with the purchase of Series 2019 Bonds, the purchase of Series 2019 Bonds to stabilize their market price, the purchase of Series 2019 Bonds to cover the successful bidder's short positions and the imposition of penalty bids. Such transactions, if commenced, may be discontinued at any time.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

The CUSIP (the Committee on Uniform Securities Identification Procedures) identification numbers are provided on the cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and the Board does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2019 Bonds.

The information available at web sites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided in connection with the offering of the Series 2019 Bonds and is not a part of this OFFICIAL STATEMENT.

(The remainder of this page has been intentionally left blank.)

$59,750,000*
BOARD OF EDUCATION OF
NEBO SCHOOL DISTRICT
UTAH COUNTY, UTAH
GENERAL OBLIGATION SCHOOL BUILDING AND
REFUNDING BONDS, SERIES 2019

Nebo School District
350 South Main
Spanish Fork, Utah 84660
(801) 354-7400 - (801) 798-4010 (FAX)

BOARD OF EDUCATION

Christine Riley..President
Lisa Rowley..Vice President
Shannon Acor..Member
Rick Ainge..Member
Randy Boothe..Member
Scott Card..Member
R. Dean Rowley..Member

SCHOOL DISTRICT ADMINISTRATION

Rick Nielsen..Superintendent
Tracy D Olsen..Business Administrator
Michael Harrison..Assistant Business Administrator
Reed B. Park..Attorney to the Board

BOND COUNSEL
Gilmore & Bell, P.C.
15 West South Temple, Suite 1450
Salt Lake City, Utah 84101
(801) 364-5080

FINANCIAL ADVISOR
Lewis Young Robertson & Burningham, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
(801) 596-0700

AUDITOR
Gilbert & Stewart, PC
Certified Public Accountants
190 West 800 North #100
Provo, Utah 84601
(801) 377-5300

PAYING AGENT AND REGISTRAR
Zions Bancorporation, National Association
Corporate Trust Department
One South Main Street, Suite 1200
Salt Lake City, Utah 84133
(801) 844-7253

*Preliminary, subject to change.

OFFICIAL STATEMENT RELATING TO

$59,750,000*
BOARD OF EDUCATION OF
NEBO SCHOOL DISTRICT
UTAH COUNTY, UTAH
GENERAL OBLIGATION SCHOOL BUILDING AND
REFUNDING BONDS, SERIES 2019

INTRODUCTION

This introduction contains only a brief description of the Series 2019 Bonds, as hereinafter defined, the security and source of payment for the Series 2019 Bonds and certain information concerning (a) the Board of Education (the "Board") of Nebo School District (the "District"), Utah County (the "County"), Utah, a public corporation and legal subdivision of the State of Utah (the "State"), (b) the Board's $59,750,000* General Obligation School Building and Refunding Bonds, Series 2019 (the "Series 2019 Bonds"), and (c) a Resolution adopted on July 10, 2019 (the "Resolution"), which provides for the issuance of the Series 2019 Bonds. The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT as well as of the documents summarized or described herein.

The following APPENDICES are attached hereto: "APPENDIX A –BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018;" "APPENDIX B –BOOK-ENTRY ONLY SYSTEM;" "APPENDIX C –CONTINUING DISCLOSURE UNDERTAKING;" and "APPENDIX D –PROPOSED FORM OF OPINION OF BOND COUNSEL."

This OFFICIAL STATEMENT contains "forward looking statements" within the meaning of the federal securities laws. When used in this OFFICIAL STATEMENT, the words "project," "estimate," "duplicate," "intend," "expect," "proforma" and similar expressions are intended to identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The forward-looking statements have neither been reviewed nor reported on by any third party.

The Series 2019 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information in connection with the issuance and sale of the Series 2019 Bonds, initially issued in book-entry form only.

Security and Source of Payment

The Series 2019 Bonds are general obligations of the Board payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the District, fully sufficient to pay the Series 2019 Bonds as to both principal and interest. See "SECURITY FOR THE SERIES 2019 BONDS" and "FINANCIAL INFORMATION –Tax Levy and Collection."

Payment of the principal of and interest on the Series 2019 Bonds when due is guaranteed by the full faith and credit and unlimited taxing power of the State of Utah (the "State") under the provisions of Chapter 24 of Title 53G (the "Guaranty Act"), Utah Code Annotated 1953, as amended (the "Utah Code"). See "STATE OF UTAH GUARANTY" below.

____
*Preliminary, subject to change.

Purpose for Issuance of the Series 2019 Bonds

The proceeds of the Series 2019 Bonds will be used for the purpose of (a) raising money to construct or purchase buildings, or purchase school sites, or furnish schools or improve existing school property under the charge of the Board, and (b) refunding prior to their maturity $4,915,000 of the Board's currently outstanding Federally Taxable Build-America General Obligation School Building Bonds, Series 2009B, dated November 17, 2009, which mature on July 1 of each year from 2020 to 2024. See "THE SERIES 2019 BONDS –Sources and Uses of Funds" and "THE SERIES 2019 BONDS –Authority for and Purpose of the Series 2019 Bonds" herein.

The Series 2019 Bonds are also being issued for the purpose of paying certain costs of issuance. See "THE SERIES 2019 BONDS— Sources and Uses of Funds" and "THE SERIES 2019 BONDS— Authority for and Purpose of the Series 2019 Bonds" herein.

Authority for the Issuance of the Series 2019 Bonds

The Series 2019 Bonds are being issued pursuant to the Local Government Bonding Act, Chapter 14 of Title 11, of the Utah Code the ("Local Government Bonding Act"), the Utah Refunding Bond Act, Chapter 27 of Title 11 (the "Utah Refunding Bond Act") of the Utah Code, applicable provisions of Title 53G of the Utah Code and the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code (collectively referred to herein as the "Act"), the Resolution and other provisions of law. The new money portion of the Series 2019 Bonds were authorized at a special election held for that purpose on November 6, 2018. See "THE SERIES 2019 BONDS –Authority for and Purpose of the Series 2019 Bonds."

Redemption

The Series 2019 Bonds are subject to optional redemption prior to maturity. See "THE SERIES 2019 BONDS –Redemption Provisions."

Registration, Denominations and Payment

The Series 2019 Bonds are issuable only as fully-registered bonds without coupons and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository of the Series 2019 Bonds. Purchases of Series 2019 Bonds will be made in book-entry form only, in the principal amount of $5,000, or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC Participants (defined below). Beneficial Owners (defined below) of the Series 2019 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2019 Bonds.

The principal of the Series 2019 Bonds when due is payable upon presentation and surrender thereof at the principal corporate trust office of Zions Bancorporation, National Association, as Paying Agent (the "Paying Agent"). Semi-annual interest on the Series 2019 Bonds due January 1 and July 1 of each year commencing January 1, 2020, is payable to the owners thereof as shown on the registration books maintained by the Paying Agent as of the Record Date, as defined in "Transfer and Exchange" below. See "THE SERIES 2019 BONDS –Book-Entry Only System."

Transfer or Exchange

Zions Bancorporation, National Association, as Bond Registrar (the "Bond Registrar") will not be required to transfer or exchange any Series 2019 Bond (i) after the Record Date with respect to any interest payment date to and including such interest payment date or (ii) after the Record Date with respect to any redemption of such Series 2019 Bond. *Record Date* means (i) with respect to each interest payment date, the day that is 15 days preceding such interest payment date, and (ii) with respect to any redemption of any Series 2019 Bond, such Record Date as is specified by the Bond Registrar in the notice of redemption, provided that such Record Date will not be less than 15 calendar days before the mailing of such notice of redemption. See "THE SERIES 2019 BONDS – Registration and Transfer."

____

*Preliminary, subject to change.

Tax-Exempt Status

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2019 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2019 Bonds is exempt from State of Utah individual income taxes under currently existing law. See "PROPERTY TAX MATTERS" herein.

Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the Series 2019 Bonds.

Conditions and Place of Delivery

The Series 2019 Bonds are offered when, as and if issued and received by the successful bidder(s), subject to the approval of legality and other matters by Gilmore & Bell, P.C., Bond Counsel, and certain other conditions. It is expected that the Series 2019 Bonds will be available for delivery in book-entry form only through the facilities of DTC on or about August 28, 2019.

Continuing Disclosure Undertaking

The Board will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Series 2019 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. No person, other than the Board and the State, as described below, has undertaken or is otherwise expected to provide continuing disclosure with respect to the Series 2019 Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of Undertaking attached hereto as APPENDIX C.

There have been no instances in the previous five years in which the Board has failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the Board to comply with the Undertaking will not constitute a default under the Resolution and Beneficial Owners of the Series 2019 Bonds are limited to the remedies described in the Undertaking. See "APPENDIX C—CONTINUE DISCLOSURE UNDERTAKING—Consequences of Failure of the Issuer to Provide Information." The Board must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Series 2019 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2019 Bonds and their market price.

The State has entered into a Master Continuing Disclosure Agreement (the "Master Agreement") for the benefit of the beneficial owners of bonds, including the Series 2019 Bonds, guaranteed by the State pursuant to the Guaranty Act. See "STATE OF UTAH GUARANTY" below. In the Master Agreement, the State has undertaken to send certain information annually and to provide notice of certain events to the MSRB pursuant to the Rule, but solely as to its responsibilities under its guaranty. See "STATE OF UTAH GUARANTY –State of Utah-Financial and Operating Information" below. The Board is responsible for continuing disclosure under the Rule for all other matters relating to the Series 2019 Bonds.

Bond Counsel expresses no opinion as to whether the Undertaking or the Master Agreement complies with the requirements of the Rule.

Basic Documentation

The "basic documentation," which includes the Resolution and other documentation authorizing the issuance of the Series 2019 Bonds and establishing the rights and responsibilities of the Board and other parties to the transaction, may be obtained from the Business Administrator or the Financial Advisor.

Public Sale

The Series 2019 Bonds were awarded pursuant to competitive bidding held on August 13, 2019, as set forth in the Official Notice of Bond Sale, to ___________________________, at a true interest cost (TIC) of _________%.

(The remainder of this page has been intentionally left blank.)

THE SERIES 2019 BONDS

General Description

The Series 2019 Bonds will be dated the date of original issuance and delivery, and will mature on July 1 of the years, as set forth on the inside cover page of this OFFICIAL STATEMENT. The Series 2019 Bonds shall bear interest from their date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the Series 2019 Bonds is payable semiannually on each January 1 and July 1, commencing January 1, 2020. Interest on the Series 2019 Bonds is payable to the owners thereof as shown on the registration books maintained by the Paying Agent as of the Record Date by check or draft of the Paying Agent.

The Series 2019 Bonds will be issued as fully-registered bonds, initially in book-entry form only, in denominations of $5,000, or any integral multiple thereof, not exceeding the amount of each maturity. So long as DTC or its nominee is the registered owner of the Series 2019 Bonds, payments of the principal of and interest on such Series 2019 Bonds will be made directly to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants. See "THE SERIES 2019 BONDS –Book-Entry Only System."

Sources and Uses of Funds

The proceeds from the sale of the Series 2019 Bonds are estimated to be as follows:

Sources:	Par Amount of Series 2019 Bonds	
	Original Issue Premium (1)	
	Total	
Uses:	Deposit to Series 2019 Project Account	
	Refunding of 2009B Refunded Bonds	
	Costs of Issuance (2)	
	Total	

1. [Net of original issue discount.]
2. Includes underwriter's spread, legal fees, financial advisory fees, rating agency fees, registrar and paying agent fees, and other miscellaneous costs of issuance.

Redemption Provisions

Optional Redemption-Series 2019 Bonds. The Series 2019 Bonds maturing on or after July 1, 2030, are subject to redemption prior to maturity, at the election of the Board, on July 1, 2029 (the *"First Redemption Date"*), and on any date thereafter, in whole or in part, from such maturities or parts thereof as shall be selected by the Board, upon notice given as provided in the Resolution and described below, at a redemption price equal to 100% of the principal amount of the Series 2019 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption. Series 2019 Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

Selection for Redemption - If less than all Series 2019 Bonds of any maturity are to be redeemed, the particular Series 2019 Bonds or portion of Series 2019 Bonds of such maturity to be redeemed will be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered Series 2019 Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or an integral multiple thereof, and in selecting portions of such Series 2019 Bonds for redemption, the Bond Registrar will treat each such Series 2019 Bond as representing that number of Series 2019 Bonds of $5,000 denomination that is obtained by dividing the principal amount of such Series 2019 Bond by $5,000.

Notice of Redemption - Notice of redemption will be given by the Bond Registrar by first class mail, not less than 30 nor more than 60 days prior to the redemption date, to the owner, as of the Record Date, as defined in "The Series 2019 Bonds—Registration And Transfer" below, of each Series 2019 Bond that is subject to redemption, at the address of such owner as it appears on the registration books of the Board kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date and will also be posted electronically to EMMA. Each notice of redemption will state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the Series 2019 Bonds are to be redeemed, the distinctive numbers of the Series 2019 Bonds or portions of Series 2019 Bonds to be redeemed, and will also state that the interest on the Series 2019 Bonds in such notice designated for redemption will cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the Series 2019 Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date. Any such notice mailed will be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any Series 2019 Bond will not affect the validity of the proceedings for redemption with respect to any other Series 2019 Bond.

Each notice of optional redemption may further state that such redemption will be conditioned upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such Series 2019 Bonds to be redeemed and that if such moneys will not have been so received the notice will be of no force or effect and the Board will not be required to redeem such Series 2019 Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made and the Bond Registrar will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

For so long as a book–entry system is in effect with respect to the Series 2019 Bonds, the Bond Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of Series 2019 Bonds. See "The Series 2019 Bonds—Book–Entry Only System" below.

Registration and Transfer

In the event the book-entry only system is discontinued, any Series 2019 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner's duly authorized attorney, upon surrender of such Series 2019 Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any Series 2019 Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new Series 2019 Bond or Series 2019 Bonds of the same series, designation, maturity and interest rate of other authorized denominations duly executed by the Board, for a like aggregate principal amount. Series 2019 Bonds may be exchanged at the principal corporate office of the Bond Registrar for a like aggregate principal amount of Series 2019 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the Series 2019 Bonds, the Bond Registrar shall require the payment by the Bondowner requesting such exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer of the Series 2019 Bonds.

The Bond Registrar shall not be required to transfer or exchange any Series 2019 Bond after the Record Date with respect to any interest payment date to and including such interest payment date, or after the Record Date with respect to any redemption of such Series 2019 Bond.

The Board, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2019 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of such Series 2019 Bond for the purpose of payment of principal of and interest on such Series 2019 Bond and for all other purposes whatsoever. Zions Bancorporation, National Association is the initial Bond Registrar and the initial Paying Agent.

Authority for and Purpose of the Series 2019 Bonds

The Series 2019 Bonds are being issued pursuant to the Act, the Resolution and other provisions of law.

The issuance of general obligation bonds to the amount of $298,000,000 were authorized at a special bond election held for that purpose on November 6, 2018. The proposition submitted to the voters was as follows:

> Shall the Board of Education (the "Board") of Nebo School District, Utah (the "District"), be authorized to issue general obligation bonds in an amount not to exceed two hundred ninety-eight million dollars ($298,000,000) (the "Bonds") for the purpose of paying all or a portion of the costs to construct or purchase buildings, or purchase school sites, or furnish schools or improve existing school property; said Bonds to be due and payable in not to exceed twenty-one (21) years from the date of issuance of the Bonds?

At the election there were 24,303, or 58.42%, votes in favor of the proposition and 17,296, or 41.58%, votes cast against the proposition. The total votes cast were 41,599.

The Series 2019 Bonds are the first series to be sold from the November 6, 2018 election and after the issuance of the Series 2019 Bonds the Board will have $243,000,000* remaining authorization.

Plan of Refunding

The District has previously issued its $9,400,000 Federally Taxable Build-America General Obligation School Building Bonds, Series 2009B, dated November 17, 2009 (the "2009B Bonds").

A portion of the proceeds from the Series 2019 Bonds in the aggregate amount of $___________, together with District funds, will be deposited with Zions Bancorporation, National Association, as paying agent for the Series 2019 Bonds, and will be used to redeem all of the outstanding Series 2009B Bonds on or about August 29, 2019.

(The remainder of this page has been intentionally left blank.)

*Preliminary, subject to change.

Debt Service on the Series 2019 Bonds

Date	Principal*	Interest	Period Total	Fiscal Total
01/01/2020				
07/01/2020	8,210,000			
01/01/2021				
07/01/2021	3,905,000			
01/01/2022				
07/01/2022	4,015,000			
01/01/2023				
07/01/2023	3,760,000			
01/01/2024				
07/01/2024	3,310,000			
01/01/2025				
07/01/2025	1,770,000			
01/01/2026				
07/01/2026	2,770,000			
01/01/2027				
07/01/2027	3,390,000			
01/01/2028				
07/01/2028	3,470,000			
01/01/2029				
07/01/2029	3,550,000			
01/01/2030				
07/01/2030	3,660,000			
01/01/2031				
07/01/2031	4,485,000			
01/01/2032				
07/01/2032	4,485,000			
01/01/2033				
07/01/2033	4,485,000			
01/01/2034				
07/01/2034	4,485,000			
Total	59,750,000			

Book-Entry Only System

DTC will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered Series 2019 Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019 Bond certificate will be issued in the aggregate principal amount of each maturity of such issue, and will be deposited with DTC or a “fast agent” of DTC. See "APPENDIX B –BOOK-ENTRY ONLY SYSTEM" for a more detailed discussion of the book-entry system and DTC.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2019 BONDS, REFERENCES HEREIN TO THE REGISTERED OWNERS OF THE SERIES 2019 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2019 BONDS.

The Board, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2019 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of the Series 2019 Bonds for the purpose of payment of the principal of and interest on the Series 2019 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of

*Preliminary, subject to change.

Series 2019 Bonds, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The Board, the Bond Registrar and the Paying Agent shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2019 Bonds under or through DTC or any participant, or any other person which is not shown on the registration books of the Board (kept by the Bond Registrar) as being a registered owner of Series 2019 Bonds, with respect to: the accuracy of any records maintained by DTC or any participant regarding ownership interests in the Series 2019 Bonds; the payment by DTC or any participant of any amount in respect of the principal of or interest on the Series 2019 Bonds; the delivery to any participant or any Beneficial Owner of any notice which is permitted or required to be given to registered owners under the Resolution; or any consent given or other action taken by DTC as a registered owner.

As long as the book-entry system is used for the Series 2019 Bonds, the Bond Registrar and Paying Agent will give any notices required to be given to registered owners of Series 2019 Bonds only to DTC. Any failure of DTC to advise any participant, or of any direct participant to notify any indirect participant, or of any participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of any action premised on such notice.

NEITHER THE BOARD, THE BOND REGISTRAR NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANTS OF DTC, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2019 BONDS.

At the option of the Board or upon receipt by the Board of written notice from DTC that DTC is unable or unwilling to discharge its responsibilities, and no substitute depository willing to undertake the functions of DTC hereunder can be found that is willing and able to undertake such functions upon reasonable and customary terms, the Series 2019 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Bondowners transferring or exchanging Series 2019 Bonds shall designate, in accordance with the provisions of the Resolution.

In the event the book-entry system is discontinued, interest on the Series 2019 Bonds will be payable by check or draft of the Paying Agent, mailed to the registered owners thereof at the addresses shown on the registration books of the Board kept for that purpose by the Bond Registrar. The principal of all Series 2019 Bonds will be payable at the principal corporate trust office of the Paying Agent.

SECURITY FOR THE SERIES 2019 BONDS

The Series 2019 Bonds will be issued pursuant to the laws of the State, including the Act. The Series 2019 Bonds are general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the District, fully sufficient to pay the Series 2019 Bonds as to both principal and interest. See “FINANCIAL INFORMATION –Tax Levy and Collection” and “UTAH SCHOOL FINANCE” herein.

Payment of the principal of and interest on the Series 2019 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State of Utah under the provisions of the Guaranty Act. See “STATE OF UTAH GUARANTY” below.

STATE OF UTAH GUARANTY

Guaranty Provisions

Payment of the principal of and interest on the Series 2019 Bonds when due is guaranteed by the full faith and credit and unlimited taxing power of the State under the provisions of the Guaranty Act. The Guaranty Act establishes the Utah School Bond Default Avoidance Program (the "Program"). The State's guaranty is contained in the Guaranty Act. Section 53G-24-802(2)(a) of the Guaranty Act provides as follows:

> The full faith and credit and unlimited taxing power of the state is pledged to guarantee full and timely payment of the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, bonds as such payments shall become due (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default o[r] otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration).

In addition, the Guaranty Act provides that the State pledges to and agrees with the holders of the Series 2019 Bonds that the State will not alter, impair, or limit the rights vested by the Program with respect to the Series 2019 Bonds until the Series 2019 Bonds, together with applicable interest, are fully paid and discharged. However, this pledge does not preclude an alteration, impairment, or limitation if adequate provision is made by law for the protection of the holders of the Series 2019 Bonds.

The Guaranty Act further provides that (i) the guaranty of the State does not extend to the payment of any redemption premium due on any of the Series 2019 Bonds and (ii) Series 2019 Bonds which are guaranteed by the State for which payment is provided by the deposit of direct obligations of the United States government under the provisions of the Utah Refunding Bond Act, Chapter 27 of Title 11 of the Utah Code, will no longer be secured by the State's guaranty subsequent to such provision for payment. This is likely to occur only if the Series 2019 Bonds are refunded. In such an event, the Series 2019 Bonds would then be secured solely by the obligations pledged for their payment and not by the State's guaranty.

Guaranty Procedures

Under the Guaranty Act, the Business Administrator of the Board is required to transfer moneys sufficient for scheduled debt service payments on the Series 2019 Bonds to the Paying Agent at least fifteen days before any principal or interest payment date for the Series 2019 Bonds. If the Business Administrator is unable to transfer the scheduled debt service payment to the Paying Agent at least fifteen days before the payment date, the Business Administrator must immediately notify the Paying Agent and the State Treasurer by telephone and in writing sent by facsimile transmission and by first-class United States mail. In addition, if the Paying Agent has not received the scheduled debt service payment at least ten days prior to the scheduled debt service payment date for the Series 2019 Bonds, then the Paying Agent must also notify the State Treasurer by telephone and in writing sent by facsimile transmission and by first-class United States mail. The Guaranty Act further provides that if sufficient moneys to pay the scheduled debt service payment have not been transferred to the Paying Agent, then the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the Paying Agent to make the scheduled debt service payment. Payment by the State of a debt service payment on the Series 2019 Bonds discharges the obligation of the Board to the bondholders for that payment, to the extent of the State's payment, and transfers the Board's obligation for that payment to the State.

In the event the State is called upon to make payment of principal of or interest on the Series 2019 Bonds on behalf of the Board, the State will use cash on hand and available for that purpose to make the payment. Under the Guaranty Act, the State will then reimburse itself from State aid which otherwise would go to the Board for the operation of schools until the State is made whole, with interest and, possibly, penalties. The State does not expect to have to advance moneys for any length of time should it be necessary to do so. If, however, at the time the State is required to make a debt service payment under its guaranty on behalf of the Board, sufficient moneys are not on hand and available for that purpose, then the Guaranty Act provides that the State may seek a short-term loan from the Permanent School Fund sufficient to make the required payment (the Permanent School Fund is not required to make such a loan) or issue short-term State debt as provided in the Guaranty Act. The provisions of the Guaranty Act relating to short-term debt provide that such debt will carry the full faith and credit of the State of Utah and can be issued in a short period of time so that the State could, if necessary, obtain liquidity financing on short notice. Under the Utah Constitution, debt incurred for this purpose does not count toward the constitutional debt limit of the State.

Purpose of the Guaranty

The Guaranty Act is for the protection of the bondholders. Ultimate liability for the payment of the Series 2019 Bonds remains with the Board. Accordingly, the Guaranty Act contains provisions, including interception of State aid to the Board, possible action to compel levy of a tax sufficient to reimburse the State for any payments made to bondholders pursuant to its guaranty and various oversight provisions to assure that the Board, and not the State, will ultimately be responsible for debt service on the Series 2019 Bonds.

The Guaranty Act also charges the State Superintendent of Public Instruction with the responsibility to monitor and evaluate the fiscal solvency of each school district under the Program. The State Superintendent of Public Instruction must immediately report to the Governor and the State Treasurer any circumstances suggesting that a school district will be unable to timely meet its debt service obligations and recommend a course of remedial action.

Since the Guaranty Act's inception, the State has not been called upon to pay principal of and interest on any bonds guaranteed under the Guaranty Act.

State of Utah - Financial and Operating Information

The Comprehensive Annual Financial Report of the State for the fiscal year ended June 30, 2018 (the "CAFR") and its most recent official statements and continuing disclosure information for its general obligation debt and lease revenue debts, and the Master Agreement, are currently on file with the MSRB on its Electronic Municipal Market Access system. The CAFR and such official statements and continuing disclosure information, and the Master Agreement are hereby included by reference in this OFFICIAL STATEMENT, provided, however, that the Board has not renewed or approved or taken any responsibility for any such information.

As of the date of this OFFICIAL STATEMENT, the outstanding general obligation bonds of the State are rated "AAA" by Fitch Ratings ("Fitch"), "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("S&P").

(The remainder of this page has been intentionally left blank.)

THE DISTRICT

General Information

The District was created by a resolution of the Utah County Commissioners on May 11, 1915. The District is one of three independent school districts in Utah County and is a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Utah. The District serves a population of approximately 131,000 citizens spread over an area of 1,300 square miles comprising the land area in Utah County south of the Provo City boundary.

The District currently operates a total of 43 schools made up of five high schools, an alternative high school, seven junior high schools, and 30 elementary schools. The District also operates an advanced learning center and three special purpose programs.

Enrollment History

October 1	Enrollment	Percent Change From Prior Year
2018	33,133	0.94%
2017	32,826	0.86%
2016	32,546	1.76%
2015	31,984	1.54%
2014	31,499	0.79%

Form of Government

The District is presently governed by a seven-member elected Board of Education and a Superintendent of Schools. The business-related duties are overseen by the Business Administrator.

Board of Education

The determination of policies for the management of the District is the responsibility of the Board, elected by the voters within the District. The District is divided into representative precincts, and a member of the Board is elected from each of the precincts. Members serve four-year terms, which are staggered to provide continuity

The Board is empowered, among other things, to: (i) implement core curriculum, (ii) administer tests which measure the progress of each student, and create plans to improve the student's progress, (iii) implement training programs for school administrators, (iv) purchase, sell and improve school sites, buildings and equipment; (v) construct and furnish school buildings; (vi) establish, locate and maintain elementary, secondary and applied technology schools; (vii) maintain school libraries; (viii) make and enforce all necessary rules and regulations for the control and management of the public schools in the District; (ix) adopt bylaws and rules for its own procedure; and (x) appoint a superintendent of schools, business administrator, and such officers or employees as are deemed necessary for the promotion of the interests of the schools.

Superintendent of Schools

The Superintendent of Schools, (the "Superintendent") is appointed by the Board and is responsible for the actual administration of the schools in the District. The powers and duties of the Superintendent are prescribed by the Board. The only significant statutory requirement is that the Superintendent must prepare and submit to the Board an annual budget itemizing anticipated revenues and expenditures for the next school year. The Superintendent is appointed by the Board for a two-year term and until a successor is appointed.

Business Administrator

The Business Administrator (the "Business Administrator") is appointed by the Board for a two-year term. The duties of the Business Administrator are to attend all meetings of the Board and keep a journal of the proceedings, countersign all warrants drawn upon the District treasury, keep an account, prepare and publish an annual statement of monies received by the District and amounts paid out of the treasury, hold and maintain the records and papers of the Board, and prepare and submit to the Board a monthly report of the receipts and disbursements of the District treasury.

The current members of the Board, the Superintendent and the Business Administrator are as follows:

Office	Precinct Number	Person	Years In Service	Expiration Of Current Term
President	7	Christine Riley	11	December 31, 2020
Vice President	1	Lisa Rowley	3	December 31, 2020
Member	5	Shannon Acor	7	December 31, 2022
Member	4	Rick Ainge	9	December 31, 2022
Member	3	Randy Boothe	15	December 31, 2020
Member	2	Scott Card	1	December 31, 2022
Member	6	R. Dean Rowley	15	December 31, 2020
Superintendent		Rick Nielsen	10	June 30, 2021
Business Administrator		Tracy D Olsen	23	June 30, 2021

Capital Planning

On November 6, 2018, the electors of the District approved the issuance of $298,000,000 of general obligation bonds to provide for capital needs and to accommodate growth in student population. The primary purpose of the bonds will be to construct three new middle schools and replace three of the District's oldest high schools. These high schools are nearing the end of their useful lives and are located in Spanish Fork, Springville, and Payson. The introduction of middle schools will enable the District to reconfigure its grade levels to be kindergarten through fifth grades in elementary schools, sixth and seventh grades in middle schools, eighth and ninth grades in junior high schools, and tenth through twelfth grades in high schools. This reconfiguration will produce more capacity in existing elementary schools and junior high schools and allow students to remain with their peer group throughout their secondary school years.

Proceeds of the Series 2019 Bonds will be used to construct Valley View Middle School in Salem and begin construction of Spring Canyon Middle School in Springville and Maple Grove Middle School in Mapleton. The District plans to issue the remaining $243,000,000* within the next six or seven years to finish construction of Spring Canyon Middle School and Maple Grove Middle School and, along with use of District capital funds, replace the District's three aging high schools.

Fund Structure (Accounting Basis)

The accounting policies of the District are in compliance with generally accepted accounting principles applicable to governmental units in general and Utah school districts in particular.

The accounts of the District are organized on the basis of funds classified by type, each of which is deemed to be a separate accounting entity. The financial position and operations of each fund are accounted for in separate self-balancing accounts which represent the fund's assets, liabilities, fund equity, revenues and expenditures or expenses. See "APPENDIX A –BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018-Note 1."

*Preliminary, subject to change.

Investment of Funds

The State Money Management Act. The State Money Management Act, Title 51, Chapter 7 of the Utah Code (the "Money Management Act") governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, obligations of the State and political subdivisions of the State, U.S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. The Money Management Act establishes the State Money Management Council (the "Money Management Council") to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The Board is currently complying with all of the provisions of the Money Management Act for all Board operating funds.

The Utah Public Treasurers' Investment Fund. A significant portion of Board funds may be invested in the Utah Public Treasurers Investment Fund ("PTIF"). The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor. The PTIF is not rated.

See "APPENDIX A –BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018 –Notes To Financial Statements-Note 2. Deposits and Investments" below.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has joined with other public entities in a common risk management and insurance program operated by the State Division of Risk Management. The Board pays premiums to this risk pool, the Utah Risk Management Fund, for its general insurance coverage. The pool is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of specified amounts for certain types of risks. The Board is subject to a minimal deductible for claims of the risk pool.

The Board has also joined with other public entities in a common workers compensation insurance program operated by Utah School Boards Association. Premiums for this pool are paid to Utah School Boards Risk Management Mutual Insurance Association.

Unemployment compensation is handled on a cost of benefits reimbursement basis through the Utah Department of Workforce Services.

Medical insurance coverage for District employees is provided through a fully-insured program through SelectHealth. See "APPENDIX A –BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018– Note 6."

Employee Workforce and Retirement System

The Board currently employs approximately 3,100 employees calculated on a regular "full-time equivalent" basis. The Board participates in two retirement systems operated by the Utah State Retirement Board. See "APPENDIX A –BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018-Note 5."

Post Employment Benefits

See pages 44-46 of the District's 2018 Basic Financial Statements for information related to its Post Employment Benefits.

Population

Year	Nebo School District (1)	Percent Change	Utah County (2)	Percent Change	State of Utah (2)	Percent Change
2017	131,541	1.96%	606,425	2.38%	3,101,833	1.66%
2016	129,010	2.73%	592,299	2.97%	3,051,217	1.85%
2015	125,576	2.67%	575,205	2.54%	2,995,919	1.80%
2014	122,307	1.92%	560,974	1.64%	2,942,902	1.38%
2013	120,001	1.49%	551,926	2.11%	2,902,787	1.66%

1. Based on U.S. Bureau of the Census of cities and towns within the District and an estimate of the unincorporated population in Utah County.
2. Source: U.S. Bureau of the Census.

(The remainder of this page has been intentionally left blank.)

Major Employers In The County

Company	Industry	Average Annual Employment
Brigham Young University	Colleges, Universities, and Professional Schools	15,000-19,999
Alpine School District	Elementary and Secondary Schools	7,000-9,999
Utah Valley University	Colleges, Universities, and Professional Schools	5,000-6,999
Utah Valley Regional Medical Center	General Medical and Surgical Hospitals	5,000-6,999
Vivint	Building Equipment Contractors	3,000-3,999
Nebo School District	Elementary and Secondary Schools	3,000-3,999
Wal-Mart	Other General Merchandise Stores	2,000-2,999
State of Utah	Justice, Public Order, and Safety Activities	2,000-2,999
Rbd Acquisition	Services to Buildings and Dwellings	2,000-2,999
Young Living Essential Oils	Direct Selling Establishments	1,000-1,999
Vivint Solar	Building Equipment Contractors	1,000-1,999
Provo City School District	Elementary and Secondary Schools	1,000-1,999
Nexeo Staffing	Employment Services	1,000-1,999
Doterra International	Direct Selling Establishments	1,000-1,999
IM Flash Technologies	Semiconductor and Other Electronic Component Manufacturing	1,000-1,999
Entrata	Data Processing, Hosting, and Related Services	1,000-1,999
Provo City	Executive, Legislative, and Other General Government Support	1,000-1,999
Smiths Food And Drug	Grocery Stores	1,000-1,999
Adobe Systems	Software Publishers	1,000-1,999
Sundance Resort	Traveler Accommodation	1,000-1,999
Utah County	Administration of Economic Program	1,000-1,999
Chrysalis Utah	Individual and Family Services	1,000-1,999
Nu Skin International	Drugs and Druggists' Sundries Merchant Wholesalers	1,000-1,999
Nestle Prepared Foods Company	Fruit and Vegetable Preserving and Specialty Food Manufacturing	1,000-1,999
Central Utah Medical Clinic	Offices of Physicians	1,000-1,999
Response Marketing Group	Business Support Services	1,000-1,999
Sykes Enterprises Incorporated	Managemetn, Scientific, and Technical Consulting Services	1,000-1,999
Qualtrics	Other Professional, Scientific, and Technical Services	500-999
Bamboo Hr	Computer Systems Design and Related Services	500-999
Orem City	Executive, Legislative, and Other General Government Support	500-999
Ancestry.Com	Other Information Services	500-999
Costco	Other General Merchandise Stores	500-999
Alpine Building	Residential Building Construction	500-999
Lehi City	Executive, Legislative, and Other General Government Support	500-999
Citizens Telecommunications	Wired Telecommunications Carriers	500-999
Maceys	Grocery Stores	500-999
Domo	Software Publishers	500-999
Elwood Staffing Services	Employment Services	500-999
Us Synthetic Corporation	Wired Telecommunications Carriers	500-999
U.S. Postal Service	Postal Service	500-999
Results Customer Solutions	Business Support Services	500-999
Solutionreach, Inc.	Computer Systems Design and Related Services	500-999
Xactware Solutions	Computer Systems Design and Related Services	500-999
Timpanogos Regional Medical Service	General Medical and Surgical Hospitals	500-999
Younique	Electronic Shopping and Mail-Order Houses	500-999
The Home Depot	Building Material and Supplies Dealers	500-999
UHS Of Provo Canyon	Elementary and Secondary Schools	500-999
Purple Innovation	Scientific Research and Development Services	500-999
Bank of American Fork	Depository Credit Intermediation	500-999
Lowes	Building Material and Supplies Dealers	500-999

Source: Utah Department of Workforce Services, Workforce Information. Updated September 2018.

Unemployment

Year	Utah County (1)	State of Utah (1)	U.S. Average (2)
2017	2.91%	3.25%	4.40%
2016	3.10%	3.44%	4.90%
2015	3.19%	3.55%	5.30%
2014	3.48%	3.78%	6.15%
2013	4.25%	4.43%	7.40%

1. Utah Economic Data Viewer
2. U.S. Department of Labor, Bureau of Labor Statistics.

Economic Indicators of Utah County

Property Value of Pre-Authorized Construction in the County

	New			Additions, Alterations and Repairs		Total Construction	
Year	Number of Dwelling Units	Residential Value ($000)	Non-Residential Value ($000)	Residential Value ($000)	Non-Residential Value ($000)	Value ($000)	Percent Change From Prior Period
2018	6,715	1,635,980	523,037	65,675	135,172	2,359,864	1.07%
2017	6,836	1,508,031	622,026	62,385	142,337	2,334,779	11.89%
2016	3,988	968,083	896,791	59,457	162,322	2,086,653	8.47%
2015	4,476	1,242,972	451,452	61,265	168,058	1,923,747	31.14%
2014	5,208	938,627	359,439	49,163	119,659	1,466,888	15.83%

(Source: Bureau of Economic and Business Research, University of Utah.)

Sales and Building in the County

	2018	2017	2016	2015	2014
Gross Taxable Sales ($000s)	N/A	9,556	8,679	8,151	7,555
Permit Authorized Construction ($000)	2,360	2,335	2,087	1,924	1,467
New Residential Building Permits	6,715	6,836	3,988	4,476	5,208
Residential Build Permits Value ($000)	1,636	1,508	968	1,243	939

(Source: Utah Department of Workforce Services.)

Income and Wages in the County

	2017	2017	2016	2015	2014
Total Personal Income ($ Millions)	N/A	N/A	21,450	19,720	18,270
Per Capita Income	N/A	38,149	36,215	34,283	32,535
Average Household Income from IRS Returns	N/A	70,461	69,568	65,425	60,957
Average Monthly Nonfarm Wage	3,691	3,476	3,381	3,293	3,167

(Source: Utah Department of Workforce Services.)

Labor Market Data of Utah County

	2017	2016	2015	2014	2013
Labor Force	292,474	279,993	266,645	255,288	248,743
Employed	283,950	271,355	257,951	246,367	238,194
Unemployed	8,524	8,638	8,694	8,921	10,549
Rate	2.91%	3.09%	3.26%	3.49%	4.24%
Nonfarm Jobs	245,917	234,422	222,235	208,795	200,363
% Change Prior Year	4.90%	5.48%	6.44%	4.21%	5.39%
Mining	100	71	88	111	103
Construction	22,771	21,143	18,587	16,319	14,772
Manufacturing	18,312	17,606	17,646	17,775	17,482
Trade/Trans/Utilities	42,200	39,710	37,997	34,534	32,606
Information	12,643	12,449	11,187	9,995	9,346
Financial Activities	8,232	7,617	7,226	6,802	6,819
Professional/Business Services	33,763	31,872	29,910	27,565	25,856
Education/Health/Social Services	51,872	49,577	47,409	45,551	44,846
Leisure/Hospitality	19,867	19,061	17,970	16,609	15,710
Other Services	5,371	5,141	4,927	4,714	4,566
Government	30,785	30,170	29,288	28,813	28,248

Source: Utah Department of Workforce Information.

(The remainder of this page has been intentionally left blank.)

DEBT STRUCTURE

Outstanding Debt Issues

Board of Education of
Nebo School District
Outstanding Debt Issues
(as of August 28, 2019)

Series (1)	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding
GENERAL OBLIGATION BONDS				
2019	School Building and Refunding	59,750,000*	July 1, 2034	59,750,000*
2017C	Refunding	37,455,000	July 1, 2026	37,295,000
2017B	School Building	10,000,000	July 1, 2032	6,335,000
2017A	School Building	5,000,000	July 1, 2021	1,000,000
2016	Refunding	74,505,000	July 1, 2022	49,125,000
2015	School Building and Refunding	19,260,000	July 1, 2030	2,310,000
2014C	School Building	20,000,000	July 1, 2029	10,400,000
2014B	School Building	15,000,000	July 1, 2028	11,175,000
2012A	School Building	24,850,000	July 1, 2027	23,330,000
2011	School Building	29,800,000	July 1, 2021	2,500,000
2010B	School Building	28,000,000	July 1, 2020	100,000
2009B	School Building	9,400,000	July 1, 2024	-
Total Outstanding Direct Debt				203,320,000*

1. For purposes of this OFFICIAL STATEMENT the Series 2019 Bonds will be considered issued and outstanding and refunded bonds paid.

(The remainder of this page has been intentionally left blank.)

*Preliminary, subject to change.

Debt Service Schedule of Outstanding General Obligation Bonds (1)

	Series 2019*		Series 2017C		Series 2017B		Series 2017A		Series 2016		Series 2015A		Series 2014C	
Fiscal Year Ending 6/30	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)
2020	8,210,000		-	1,523,350	490,000	257,944	500,000	16,800	15,835,000	638,303	210,000	96,600	1,490,000	425,075
2021	3,905,000		-	1,523,350	490,000	233,444	500,000	8,400	16,485,000	454,617	210,000	86,100	1,050,000	350,575
2022	4,015,000		1,105,000	1,523,350	490,000	208,944			16,805,000	240,312	210,000	75,600	240,000	298,075
2023	3,760,000		11,075,000	1,492,150	490,000	184,444					210,000	65,100	1,950,000	293,275
2024	3,310,000		11,080,000	1,049,150	490,000	159,944					210,000	54,600	1,400,000	195,775
2025	1,770,000		11,040,000	696,750	490,000	135,444					210,000	44,100	650,000	125,775
2026	2,770,000		2,995,000	144,750	485,000	110,944					210,000	33,600	650,000	111,150
2027	3,390,000				485,000	86,694					210,000	27,300	1,020,000	96,525
2028	3,470,000				485,000	62,444					210,000	18,900	1,000,000	63,375
2029	3,550,000				485,000	52,138					210,000	12,600	950,000	30,875
2030	3,660,000				485,000	41,225					210,000	6,300		
2031	4,485,000				485,000	29,100								
2032	4,485,000				485,000	14,550								
2033	4,485,000													
2034	4,485,000													
Total	59,750,000	-	37,295,000	7,952,850	6,335,000	1,577,256	1,000,000	25,200	49,125,000	1,333,231	2,310,000	520,800	10,400,000	1,990,475

	Series 2014B		Series 2012A		Series 2011		Series 2010B		Series 2009B		TOTALS*		
Fiscal Year Ending 6/30	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Total Principal	Total Interest	Total Debt Service
2020	1,100,000	391,625	-	743,400	1,000,000	125,000	100,000	4,000			28,935,000	4,222,096	33,157,096
2021	-	347,625	-	743,400	1,500,000	75,000					24,140,000	3,822,510	27,962,510
2022	-	347,625	-	743,400							22,865,000	3,437,305	26,302,305
2023	1,000,000	347,625	2,350,000	743,400							20,835,000	3,125,994	23,960,994
2024	-	297,625	2,900,000	672,900							19,390,000	2,429,994	21,819,994
2025	2,000,000	297,625	3,310,000	542,400							19,470,000	1,842,094	21,312,094
2026	2,000,000	237,625	7,300,000	443,100							16,410,000	1,081,169	17,491,169
2027	2,300,000	177,625	7,470,000	224,100							14,875,000	612,244	15,487,244
2028	2,775,000	97,125									7,940,000	241,844	8,181,844
2029											5,195,000	95,613	5,290,613
2030											4,355,000	47,525	4,402,525
2031											4,970,000	29,100	4,999,100
2032											4,970,000	14,550	4,984,550
2033											4,485,000	-	4,485,000
2034											4,485,000	-	4,485,000
Total	11,175,000	2,542,125	23,330,000	4,856,100	2,500,000	200,000	100,000	4,000			203,320,000	21,002,037	224,322,037

1. The Board is required to make a payment fifteen days prior to an interest payment date under the Guaranty Act. For purposes of this chart the July 1 payments are shown in the prior fiscal year.

*Preliminary, subject to change.

General Obligation Overlapping Indebtedness (as of August 28, 2019)

Entity	2018 Taxable Value* (1)(2)	District's Portion of Taxable Value	District's Percent of Taxable Value	Entity's G.O. Debt	District's Overlapping Debt
Springville	2,200,770,712	2,200,770,712	100.00%	16,060,000	16,060,000
Central Utah Water Conservancy District (3)	167,979,118,285	9,041,789,189	5.38%	195,040,000	10,498,392
Total Overlapping General Obligation Debt					26,558,392
Total Direct General Obligation Bonded Indebtedness					203,320,000*
Total Direct and Overlapping General Obligation Debt					229,878,392

1. Source: Utah State Tax Commission.
2. Taxable Values exclude the value associated with the fees in lieu of ad valorem taxes for motor vehicles and other tangible personal property.
3. Central Utah Water Conservancy District ("CUWCD") outstanding general obligation bonds are limited ad valorem tax. Under current law, CUWCD may levy a tax rate of up to .0004 to pay for operation and maintenance expenses and any outstanding general obligation indebtedness.

Note: The State of Utah general obligation debt is not included in overlapping general obligation debt because the State currently levies no property tax for payment of general obligation bonds.

Legal Debt Limit of the Board

The general obligation indebtedness of the Board is limited by Utah law to 4% of the fair market value of taxable property in the District. The legal debt limit and additional debt incurring capacity of the Board (after issuance of the Series 2019 Bonds), are based on estimated fair market values for 2018, and are calculated as follows:

2018 Fair Market Value for Nebo School District (1):	$ 14,098,593,245
2018 Fair Market Value x 4% (Debt Limit):	563,943,730
Less General Obligation Debt Outstanding:	(203,320,000)*
Additional Debt Incurring Capacity:	360,623,730

1. These valuation figures include the value associated with the fees in lieu of ad valorem taxes for motor vehicles and other tangible personal property.

Source: Utah State Tax Commission.

(The remainder of this page has been intentionally left blank.)

*Preliminary, subject to change.

Debt Ratios*

	To 2018 Taxable Value (1)	To 2018 Adjusted Fair Market Value (2)	Per Capita Debt (3)
Direct General Obligation Debt	2.25%	1.44%	$ 1,546
Direct and Overlapping General Obligation Debt	2.54%	1.63%	$ 1,748

1. Based on the State's December 31, 2017 taxable value (excluding fee-in-lieu) for District of $9,041,789,189.
2. Based on a December 31, 2017 estimated fair market value (including fee-in-lieu) for the District of $14,098,593,245.
3. Based on the U.S. Census Bureau's 2017 estimate of 131,541.

FINANCIAL INFORMATION

Property Tax Matters

The Property Tax Act, Chapter 2, Title 59 of the Utah Code (the "Property Tax Act"), provides that all taxable property is required to be assessed and taxed at a uniform and equal rate on the basis of its "fair market value" as of January 1 of each year, unless otherwise provided by law. "Fair market value" is defined in the Property Tax Act as "the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts." Pursuant to an exemption for residential property provided for under the Property Tax Act and Article XIII of the State Constitution, the "fair market value" of residential property is reduced by 45%. The residential exemption is limited to one acre of land per residential unit and to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary residence and each residential property that is the primary residence of a tenant.

The Property Tax Act provides that the Utah State Tax Commission (the "State Tax Commission") shall assess certain types of property ("centrally-assessed property"), including (i) properties that operate as a unit across county lines that must be apportioned among more than one county or state, (ii) public utility (including railroad) properties, (iii) airline operating properties, (iv) geothermal resources and (v) mines, mining claims and appurtenant machinery, facilities and improvements. All other taxable property ("locally-assessed property") is required to be assessed by the county assessor of the county in which such locally-assessed property is located. Each county assessor must update property values annually based upon a systematic review of current market data and must also complete a detailed review of property characteristics for each parcel of property at least once every five years. The Property Tax Act requires that the State Tax Commission conduct an annual investigation in each county to determine whether all property subject to taxation is on the assessment rolls and whether the property is being assessed at its "fair market value."

The State Tax Commission and the county assessors utilize various valuation methods, as determined by statute, administrative regulation or accepted practice, to determine the "fair market value" of taxable property.

Uniform Fees. An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on the value of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 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 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 tax is distributed.

*Preliminary, subject to change.

Tax Levy and Collection

The State Tax Commission must assess all centrally-assessed property by May 1 of each year. County assessors must assess all locally-assessed property before May 22 of each year. The State Tax Commission apportions the value of centrally-assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate, before June 22; *provided* if the governing body has not received the taxing entity's certified tax rate at least seven days prior to June 22, the governing body of the taxing entity must, no later than 14 days after receiving the certified tax rate from the county auditor, adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate. County auditors must forward to the State Tax Commission a statement prepared by the legislative body of 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. If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum levy permitted by law, notify the taxing entity that the rate has been lowered and notify the county auditor (of the county in which the taxing entity is located) to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county boards of equalization will meet to hear complaints. Taxpayers owning property assessed by a county assessor may file an application within statutorily defined time limits based on the nature of the contest with the appropriate county board of equalization for the purpose of contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal in the time frame prescribed by the Property Tax Act. Under certain circumstances, the county board of equalization must hold a hearing regarding the application, at which the taxpayer has the burden of proving that the property sustained a decrease in fair market value. Decisions of the county board of equalization may be appealed to the State Tax Commission, which must decide all appeals relating to real property by March 1 of the following year. Owners of centrally-assessed property, or any county with a showing of reasonable cause, on or before the later of August 1 or a day within 90 days of the date the notice of assessment is mailed by the State Tax Commission, may apply to the State Tax Commission for a hearing to contest the assessment of centrally-assessed property. The State Tax Commission must render a written decision within 120 days after the hearing is completed and all post-hearing briefs are submitted. The county auditor makes a record of all changes, corrections and orders, and delivers before November 1 the corrected assessment rolls to the county treasurers. By November 1, each county treasurer furnishes each taxpayer a notice containing the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review.

Taxes are due November 30, or if a Saturday, Sunday or holiday, the next business day. Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay to the State and each taxing entity within the county its proportionate share of the taxes, on or before the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or $10, whichever is greater. Unless the delinquent taxes and penalty are paid before January 31 of the following year, the amount of delinquent taxes and penalty bears interest at the federal funds rate target established by the Federal Open Markets Committee plus 6% from the January 1 following the delinquency date until paid (provided that said interest may not be less than 7% or more than 10%). If delinquent taxes have not been paid by March 15 following the lapse of four years from the delinquency date, the affected county advertises and sells the property at a final tax sale held in May or June of the fifth year after assessment.

The process described above changes if a county or other taxing entity proposes a tax rate in excess of the certified tax rate (as described under "FINANCIAL INFORMATION –Public Hearing on Certain Tax Increases" below). If such an increase is proposed, the taxing entity must adopt a proposed tax rate before June 22. In addition, the county auditor must include certain information in the notices to be mailed by July 22, as described in the preceding paragraph, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in "FINANCIAL INFORMATION –Public Hearing on Certain Tax Increases" below. In most cases, notice of the public hearing must also be advertised by publication. After the public hearing is held, the taxing entity may adopt a resolution levying a tax in excess of the certified tax rate. A resolution levying a tax in excess of the certified tax rate must be forwarded to the county auditor by August 17. The final tax notice is then mailed by November 1.

Public Hearing on Certain Tax Increases

Each taxing entity that proposes to levy a tax rate that exceeds the "certified tax rate" may do so, by resolution, only after holding a properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity budgeted for the prior year, with certain exclusions. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of new growth. New growth is any increase in taxable value of the taxing entity from the previous calendar year to the current year less the amount of increase to locally-assessed real property taxable values resulting from factoring, reappraisal, other adjustments, or changes in the method of apportioning taxable value. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public, and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

Among other requirements, on or before July 22 of the year in which such an increase is proposed, the county auditor must mail to all property owners a notice of public hearing. In most cases, the taxing entity must also advertise the notice of public hearing by publication in a newspaper. The notice of the hearing must state, among other things, the value of the property, the date, time and place of the public hearing, and the tax impact of the proposed increase.

(The remainder of this page has been intentionally left blank.)

Taxable and Estimated Fair Market Value

Including Fee-in-Lieu Valuation

Year (1)	Taxable Value	Percentage Change	Estimated Fair Market Value (2)	Percentage Change
2018	$ 9,448,774,615	11.76%	$ 14,098,593,245	12.11%
2017	8,454,772,796	10.69%	12,575,340,386	11.38%
2016	7,638,098,885	8.45%	11,290,116,110	9.26%
2015	7,043,107,102	8.66%	10,333,131,635	8.87%
2014	6,481,732,518	8.07%	9,491,276,032	9.29%

Excluding Fee-in-Lieu Valuation

Year	Taxable Value	Percentage Change	Estimated Fair Market Value (2)	Percentage Change
2018	$ 9,041,789,189	11.96%	$ 13,691,607,819	12.26%
2017	8,076,208,994	11.01%	12,196,776,584	11.62%
2016	7,274,999,044	8.57%	10,927,016,269	9.37%
2015	6,701,010,693	8.75%	9,991,035,226	8.93%
2014	6,162,052,601	8.46%	9,171,596,115	9.60%

1. These valuation figures include the value associated with the fees in lieu of ad valorem taxes for motor vehicles and other tangible personal property.
2. Estimated fair market value has been calculated by dividing the taxable value of primary residential property by .55, which eliminates 45% exemption on primary residential property granted under the Property Tax Act. See "FINANCIAL INFORMATION – Property Tax Matters."

Source: Property Tax Division, Utah State Tax Commission

Significant Taxpayers in the District

Taxpayer	Type of Business	December 31, 2017 Valuation	Percentage of Total Taxable Valuation
Union Pacific Railroad	Railroad	99,718,678	1.23%
PacifiCorp	Utility	81,267,846	1.01%
Questar Pipelines	Utility	48,603,910	0.60%
Kern River Transmission	Utility	47,047,408	0.58%
Stouffer Foods Corporation	Manufacturing	26,409,100	0.33%
CF Companies	Manufacturing	24,456,100	0.30%
Tem Properties LLC	Manufacturing	22,487,100	0.28%
Deseret Generation & Trans	Utility	22,371,941	0.28%
Harmony Development	Residence	20,351,300	0.25%
South County Investment	Nursing Home	19,089,400	0.24%
Total		411,802,783	5.10%

Source: Utah County Treasurer

*Preliminary, subject to change.

Summary of Taxable Value

	2018 Taxable Value	Percent of 2018	2017 Taxable Value	2016 Taxable Value	2015 Taxable Value	2014 Taxable Value
Real Property:						
Primary Residential	$ 5,677,377,424	60.09%	$ 5,030,468,332	$ 4,457,820,874	$ 4,015,361,425	$ 3,672,573,949
Other Residential	44,192,493	0.47%	37,982,352	33,893,854	31,908,454	30,103,477
Commercial and Industrial	1,539,649,825	16.29%	1,362,344,276	1,275,587,088	1,189,425,883	1,092,122,165
Agricultural	62,726,613	0.66%	52,347,296	46,758,214	43,562,971	43,208,642
FAA	36,623,236	0.39%	36,556,890	36,060,889	34,188,259	34,022,774
Unimproved Non FAA	696,454,562	7.37%	663,478,584	571,309,021	554,762,019	494,674,481
Total Real Property	$ 8,057,024,153	85.27%	$ 7,183,177,730	$ 6,421,429,940	$ 5,869,209,011	$ 5,366,705,488
Personal Property:						
Primary Mobile Homes	5,734,235	0.06%	5,780,945	5,755,734	5,779,671	5,757,012
Secondary Mobile Homes	-	0.00%	-	-	-	-
Other Business Personal	456,977,625	4.84%	433,755,253	414,316,243	391,372,064	394,956,670
SCME	-	0.00%	-	-	-	-
Total Personal Property	$ 462,711,860	4.90%	$ 439,536,198	$ 420,071,977	$ 397,151,735	$ 400,713,682
Motor Vehicle Estimate	$ 406,985,426	4.31%	$ 378,563,802	$ 363,099,841	$ 342,096,409	$ 319,679,917
Centrally Assessed Values	$ 522,053,176	5.53%	$ 453,495,066	$ 433,497,127	$ 434,649,947	$ 394,633,431
Total (excluding Age-based & Fee-in-lieu)	$ 9,041,789,189		$ 8,076,208,994	$ 7,274,999,044	$ 6,701,010,693	$ 6,162,052,601
Total (including Age-based & Fee-in-lieu)	$ 9,448,774,615	100.00%	$ 8,454,772,796	$ 7,638,098,885	$ 7,043,107,102	$ 6,481,732,518

Source: Utah State Tax Commission, Property Tax Division

Tax Collection Record of the District

Tax Year Ended December 31	Total Taxes Levied (1)	Treasurer's Relief (2)	Net Taxes Collected	Other Collections (3)	Tax Increment (4)	Total Collections	Percent of Net Taxes Collected to Total Taxes Levied	Percent of Total Collections to Total Taxes Levied
2018	81,388,407	6,191,236	75,197,171	5,270,076	958,078	81,425,325	92.39%	100.05%
2017	74,435,837	5,242,718	69,193,119	4,694,285	858,386	74,745,790	92.96%	100.42%
2016	67,654,703	4,428,266	63,226,437	5,537,914	654,899	69,419,250	93.45%	102.61%
2015	62,436,833	4,323,496	58,113,337	5,015,122	722,903	63,851,362	93.08%	102.27%
2014	56,723,574	4,164,545	52,559,029	5,696,348	1,221,132	59,476,509	92.66%	104.85%

1. Based on assessed values which do not include fee-in-lieu property.
2. Includes unpaid taxes, abatements, tax sales and subsequent sales, and other relief. The unpaid taxes and abatements are items levied against the property, but are never collected or paid to the entity.
3. Includes delinquent tax, interest, penalties, and miscellaneous collections.
4. Tax increment funds are not received by the District but rather distributed directly to other entities by the Utah County Treasurer.

Schedule of Property Tax Rates

	Maximum Tax Rate (1)	2018	2017	2016	2015	2014
Basic Program (2)	Formula	0.001666	0.001568	0.001675	0.001736	0.001419
Voted Leeway (3)	0.002000	0.001213	0.001300	0.001300	0.001149	0.001206
Tax Comm. Judge (4)	None	-	-	-	-	-
Debt Service	None	0.003204	0.003204	0.003204	0.004102	0.004102
Capital Outlay (5)	0.003000	0.001193	0.001279	0.001425	0.000556	0.000585
Board Local Levy (6)	0.002500	0.001816	0.001947	0.001694	0.001783	0.001871
Total		0.009092	0.009298	0.009298	0.009326	0.009183

Source: Utah State Office of Education

1. Maximum tax rate where applicable under current State law.
2. The total cost of operation and maintenance of the Minimum School Program in the State is divided between the State and school districts. Each school district imposes a minimum basic (ad valorem) tax rate and contributes the tax proceeds toward the cost of the Basic Program. The Basic Program levy is each school district's portion of the maintenance and operation costs of the Minimum School Program. The State contributes the balance of the total costs from the Uniform School Fund.
3. A Voted Local Levy is a State-supported program in which a levy approved by the school district electorate is authorized to cover a portion of the costs of operation and maintenance of the State-supported Minimum School Program. State and local funds received by a school district under the Voted Local Levy program are free revenue and may be budgeted and expended for maintenance and operation as authorized by the local school board. The Voted Local Levy allows districts to levy a tax rate (up to 0.002000) to generate property tax and State aid revenue to supplement the district's General Fund. State aid is calculated for each district based on a statutorily set dollar amount per 0.000100 of tax rate per Weighted Pupil Unit (WPU).
4. A school district may invoke a Judgment Recovery Levy up to the rate required to fund a property tax judgment (plus interest) against the school district as a result of a successful appeal of over-collection of property tax.
5. A school district may levy a Capital Outlay Levy to fund the school district's capital projects.
6. School districts may levy a State-supported Board Local Levy to maintain a school program above the cost of the Minimum School Program. State aid is calculated for each school district based on a statutorily set dollar amount per 0.000100 of tax rate per WPU.

Management's Discussion and Analysis

The administration of the District prepared a narrative discussion, overview, and analysis of the financial activities of the District for the Fiscal Year Ended June 30, 2018. For the complete discussion see "APPENDIX A – BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018-Management's Discussion and Analysis" (after the Independent Auditor's Report) below.

Five-Year Financial Summary

The summary contained herein was extracted from the District's audited financial statements for the fiscal years ended June 30, 2014 through June 30, 2018. The summaries are unaudited. See "APPENDIX A –BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018."

(The remainder of this page has been intentionally left blank.)

Nebo School District
Summary Statement of Revenue, Expenditures and Changes in Fund Balance
General Fund
(For the Fiscal Year Ended June 30)

	2018	2017	2016	2015	2014
REVENUES					
Local Sources					
Property Taxes	$ 39,924,833	$ 35,127,225	$ 32,533,635	$ 28,578,200	$ 27,770,586
Earnings on Investments	1,430,014	860,882	509,420	325,495	307,784
Tuition and Fees	303,647	246,105	252,601	318,956	273,069
Other Local	2,871,921	3,060,470	3,364,605	2,448,913	2,681,882
State Sources	166,764,836	159,279,982	149,376,810	138,448,773	135,497,790
Federal Sources	11,504,271	12,197,481	11,683,508	11,747,373	11,193,814
Total Revenues	$222,799,522	$210,772,145	$197,720,579	$181,867,710	$177,724,925
EXPENDITURES:					
Current:					
Instruction Services	$138,808,630	$133,615,564	$125,914,020	$112,032,004	$108,817,967
Supporting Services					
Students	12,914,641	7,193,661	7,067,106	10,650,934	11,244,763
Instructional Staff	10,880,163	10,141,189	9,516,083	9,006,964	8,277,610
General Administration	2,869,243	2,626,319	1,752,839	1,433,703	1,348,306
School Administration	14,901,542	14,884,186	14,900,769	13,583,165	13,755,100
Business	6,013,189	5,513,747	5,872,642	5,414,572	5,436,532
Operation and Maint. of Plant	20,985,127	20,429,646	19,571,079	19,211,385	18,952,968
Student Transportation	8,844,607	9,292,555	7,810,917	7,607,289	7,926,748
Capital Outlay	-	2,000,000	-	-	-
Total Expenditures	$216,217,142	$205,696,867	$192,405,455	$178,940,016	$175,759,994
Excess (Deficiency) of Revenues					
Over Expenditures	$ 6,582,380	$ 5,075,278	$ 5,315,124	$ 2,927,694	$ 1,964,931
Other Financing Sources (Uses)					
Operating Transfers In/out	(369,113)	(259,027)	-	-	2,000,000
Sale of Assets	71,139	95,960	41,299	45,558	27,971
Total Other Financing Sources (Uses)	$ (297,974)	$ (163,067)	$ 41,299	$ 45,558	$ 2,027,971
Net Change in Fund Balance	6,284,406	4,912,211	5,356,423	2,973,252	3,992,902
Fund Balance - July 1	47,117,677	42,205,466	36,849,043	33,875,791	29,882,889
Fund Balance - JUNE 30	$ 53,402,083	$ 47,117,677	$ 42,205,466	$ 36,849,043	$ 33,875,791

Source: The District's Annual Financial Reports for the fiscal years included. Summary is unaudited.

Nebo School District
Balance Sheet - General Fund
(For the Fiscal Year Ended June 30)

	2018	2017	2016	2015	2014
ASSETS AND OTHER DEBITS					
Cash and Temporary Cash Investments	$ 64,775,992	$56,907,262	$53,862,717	$46,293,868	$41,980,277
Receivables:					
Property Taxes	38,605,613	35,090,188	31,377,532	28,919,911	24,877,506
Other Local	189,340	128,053	232,815	154,026	270,861
State	157,805	1,646,803	588,339	442,501	598,285
Federal	3,400,622	3,741,985	4,424,964	3,261,489	4,069,288
Due from other funds	-	96,716	69,596	-	72,867
Inventories	668,631	272,579	582,023	578,049	400,126
Prepaid Expenditures	136,183	22,468	182,816	-	-
Total Assets and Other Debits	$107,934,186	$97,906,054	$91,320,802	$79,649,844	$72,269,210
LIBILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities					
Accounts Payable	$ 430,445	$ 204,750	$ 2,140,274	$ 1,881,925	$ 1,990,727
Payroll related liabilities	8,574,958	7,930,900	7,495,707	6,863,120	6,721,100
Deferred Revenue:					
Other Local	2,696,496	2,797,592	2,433,596	988,083	945,793
State	4,963,092	5,075,612	6,129,107	4,550,274	4,046,447
Federal	16,869	10,545	-	-	-
Total Liabilities	$ 16,681,860	$16,019,399	$18,198,684	$14,283,402	$13,704,067
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	$ 1,344,518	$ 1,388,317	$ 1,358,647	$ 1,523,991	$ 1,460,558
Property levied for future year	36,505,725	33,380,661	29,558,005	26,993,408	23,228,794
Total Deferred Inflows of Resources	$ 37,850,243	$34,768,978	$30,916,652	$28,517,399	$24,689,352
Fund Balances:					
Nonspendable:					
Inventories	$ 668,631	$ 272,579	$ 582,023	$ 578,049	$ 400,126
Prepaid expenditures	136,183	22,468	182,816	-	-
Committed to:					
Economic Stabilization	11,500,000	10,000,000	9,500,000	8,000,000	8,000,000
Assigned to:					
Employee benefit obligations	10,000,000	10,000,000	9,000,000	8,525,161	8,525,161
Schools	11,697,175	9,668,583	7,045,150	6,603,796	5,357,652
Unassigned	19,400,094	17,154,047	15,895,477	13,142,037	11,592,852
Total Fund Equity and Other Credits	$ 53,402,083	$47,117,677	$42,205,466	$36,849,043	$33,875,791
Total Liabilities, Fund Equity and Other Credits	$107,934,186	$97,906,054	$91,320,802	$79,649,844	$72,269,210

Source: The District's Annual Financial Report. Summary is unaudited.

Nebo School District
Statement of Net Position – Governmental Activities
(For the Fiscal Year Ended June 30)

	2018	2017	2016	2015	2014
Assets:					
Cash and investments	$ 99,392,352	$ 83,753,358	$ 78,381,580	$ 73,949,339	$ 67,608,649
Receivables:					
Property taxes	80,430,820	72,111,492	65,982,484	61,834,203	53,482,475
Other local	845,422	879,917	462,725	162,359	375,833
State	611,384	2,433,159	1,296,420	912,988	1,351,785
Federal	3,805,843	4,092,047	4,641,983	3,694,480	4,512,090
Inventories	1,524,012	1,256,429	1,595,835	1,245,693	1,153,569
Net pension asset	-	-	5,455	77,286	-
Prepaid expenses	136,183	22,468	182,816	-	-
Capital assets:					
Land, construction in progress and water stock	73,208,247	70,452,362	67,370,814	66,400,743	73,015,245
Other capital assets, net of accumulated depreciation	344,865,408	340,563,917	330,841,086	320,059,752	304,164,825
Total assets	$ 604,819,671	$ 575,565,149	$ 550,761,198	$528,336,843	$505,664,471
Deferred Outflows of Resources:					
Deferred charge on refundings	5,471,500	3,473,939	4,340,091	4,688,919	5,478,430
Deferred outflows relating to pensions	50,917,377	46,168,706	41,932,040	13,905,055	
Total Deferred Outflows of Resources	$ 56,388,877	$ 49,642,645	$ 46,272,131	$ 18,593,974	$ 5,478,430
Liabilities:					
Accounts payable	$ 3,078,348	$ 3,626,551	$ 5,210,993	$ 4,538,184	$ 6,306,060
Accrued salaries payable	8,574,958	7,930,900	7,495,707	6,863,120	6,721,100
Deferred revenue:					
Other local	2,696,496	2,803,513	2,442,918	997,365	957,678
State	4,963,082	5,079,268	6,131,674	4,550,274	4,046,447
Federal	16,869	10,545	-	-	-
Net pension liability[1]	84,819,459	109,258,625	104,786,396	81,960,562	-
Noncurrent liabilities:					
Due within one year	27,099,893	25,266,129	23,004,770	22,002,650	20,029,515
Due in more than one year	213,042,792	197,959,183	217,469,624	230,816,099	230,803,822
Total liabilities	$ 344,291,897	$ 351,934,714	$ 366,542,082	$351,728,254	$268,864,622
Deferred Inflows of Resources:					
Unavailable property tax revenue	$ 193,540	$ 192,511	$ 200,546	$ 224,521	$ 240,161
Property taxes levied for future year	76,157,033	68,620,626	62,192,446	57,776,784	49,955,508
Deferred inflows relating to pensions[1]	41,277,271	13,377,005	10,365,790	7,744,689	-
Total Deferred Inflows of Resources	$ 117,627,844	$ 82,190,142	$ 72,758,782	$ 65,745,994	$ 50,195,669
Net Assets:					
Invested in capital assets, net of related debt	$ 244,875,544	$ 224,400,564	$ 196,075,980	$171,266,263	$163,482,446
Restricted for:					
Debt service	2,352,783	2,594,941	3,082,697	3,478,112	3,539,902
Capital projects	21,254,819	759,764	10,591,527	3,049,882	540,473
Food services	1,384,490	1,240,504	1,021,573	1,429,347	1,803,165
Other purposes	1,585,669	1,191,345	1,116,765	1,266,460	946,578
Unrestricted[2]	(72,164,508)	(39,104,180)	(54,156,077)	(51,033,495)	21,770,046
Total net assets	$ 199,288,797	$ 191,082,938	$ 157,732,465	$129,456,569	$192,082,610

1. See also APPENDIX A – BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018 and specifically Note 5 on pages 39-43.
2. See also APPENDIX A – BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018 and specifically Note 11 on page 49.

Source: The District's Annual Financial Report. Summary is unaudited.

UTAH SCHOOL FINANCE

Sources of Funds

Funding for schools in the State is provided from local school district sources consisting of property taxes imposed by the local school district ("Local District Funding"), State sources that are funded primarily by State imposed personal income taxes and corporate franchise taxes ("State Funding") and federal sources ("Federal Funding"). For the fiscal year ended June 30, 2018, approximately 20.0% of the District's funding was provided by Local District Funding, approximately 74.8% from State Funding and approximately 5.2% from Federal Funding. See also APPENDIX A –BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018.

Local District Funding

School districts are authorized by State law to levy taxes, certain of which require voter approval, on real property for various purposes. Funding for operation and maintenance is derived primarily through a minimum tax levy (the "Minimum Tax Levy") by each school district at a rate established each year by the State. Imposition of this Minimum Tax Levy is required for a school district to qualify for receipt of contributions by the State for such purposes. Additional tax levies for, among other things, educational programs and capital outlay and debt service to finance capital outlays may be made at the option of a school district. Certain of such levies will entitle a school district to State guaranteed levels of funding or receipt of specific additional contributions from the State. The Board has received all voter approval necessary for the taxes it currently levies. See also "FINANCIAL INFORMATION – Schedule of Property Tax Rates" above.

State Funding

Under its school funding program, the State guarantees that in connection with the Minimum Tax Levy and certain of a school district's additional tax levies each school district will receive certain amounts based primarily on the number of students attending schools in such district. To the extent that such levies do not generate receipts at least equal to such guaranteed amounts, the State contributes funds to the school district in the amount of the shortfall. If a school district's receipts from such levies reach such prescribed levels, there is no State contribution to such district. Further, school district receipts from the Minimum Tax Levy in excess of the guaranteed amounts are required to be paid over to the State for distribution to other school districts.

In addition to any contributions relating to shortfalls described above, the State annually appropriates fixed amounts to fund certain programs and services statewide. Funds for contributions to school districts and for other programs and services are appropriated from the State Uniform School Fund and the Education Fund, which are funded primarily from personal income taxes and corporate franchise taxes. State Funding is also available, under certain circumstances, to school districts for payment of a portion of capital costs.

Federal Funding

Federal Funding is provided for various school programs including child nutrition, and vocational and special education.

LEGAL MATTERS

Absence of Litigation

Reed B. Park, Attorney for the Board, has advised that, to his knowledge, there is no pending or threatened litigation which would legally estop, enjoin, or prohibit the issuance, sale and delivery of the Series 2019 Bonds.

Approval of Legal Proceedings

The authorization and issuance of the Series 2019 Bonds are subject to the approval of Gilmore & Bell, P.C., Bond Counsel to the Board. Certain legal matters will be passed upon for the Board by Reed B. Park, Attorney to the Board. The approving opinion of Bond Counsel will be delivered with the Series 2019 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in APPENDIX D of this OFFICIAL STATEMENT will be made available upon request by the Business Administrator.

Bond Counsel has reviewed the description of legal matters in those portions of the OFFICIAL STATEMENT under the headings: "THE SERIES 2019 BONDS - Authority for and Purpose of the Series 2019 Bonds", "SECURITY FOR THE SERIES 2019 BONDS", and "LEGAL MATTERS ─ Tax Exemption." Bond Counsel also prepared and has reviewed APPENDIX D to the OFFICIAL STATEMENT, which sets forth the anticipated form of Bond Counsel's opinion on the Series 2019 Bonds.

Except as specifically described in the preceding paragraph, Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this OFFICIAL STATEMENT or other offering material relating to the Series 2019 Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this OFFICIAL STATEMENT.

The various legal opinions to be delivered concurrently with the delivery of the Series 2019 Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Tax Exemption

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the Series 2019 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2019 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2019 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2019 Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, under the law existing as of the issue date of the Series 2019 Bonds:

Federal Tax Exemption. The interest on the Series 2019 Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Series 2019 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bond counsel's opinions are provided as of the date of the original issue of the Series 2019 Bonds, subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Series 2019 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2019 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2019 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2019 Bonds, but has reviewed the discussion under the heading "Tax Exemption."

State of Utah Tax Exemption. The interest on the Series 2019 Bonds is exempt from State of Utah individual income taxes.

Other Tax Consequences

[Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2019 Bond over its issue price. The issue price of a Series 2019 Bond is generally the first price at which a substantial amount of the 2019 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt Series 2019 Bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2019 Bond during any accrual period generally equals (1) the issue price of that Series 2019 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2019 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2019 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Series 2019 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2019 Bond over its stated redemption price at maturity. The issue price of a Series 2019 Bond is generally the first price at which a substantial amount of the Series 2019 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt Series 2019 Bonds amortizes over the term of the Series 2019 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2019 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2019 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of Series 2019 Bond premium.]

Sale, Exchange or Retirement of Series 2019 Bonds. Upon the sale, exchange or retirement (including redemption) of a Series 2019 Bond, an owner of the Series 2019 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2019 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2019 Bond. To the extent a Series 2019 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2019 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2019 Bonds, and to the proceeds paid on the sale of the Series 2019 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2019 Bonds should be aware that ownership of the Series 2019 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2019 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2019 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2019 Bonds, including the possible application of state, local, foreign and other tax laws.

(The remainder of this page has been intentionally left blank.)

MISCELLANEOUS

Independent Accountants

The general purpose basic financial statements of the Board at and for the year ended June 30, 2018, contained in APPENDIX A to this OFFICIAL STATEMENT have been examined by Gilbert & Stewart, PC, Certified Public Accountants, as set forth in the report dated November 28, 2018, which report is also included in APPENDIX A to this OFFICIAL STATEMENT.

Copies of the District's basic financial statements may be requested from the District's Administration Office, 350 South Main, Spanish Fork, Utah 84660. The District's basic financial statements are also found on the District's website (www.nebo.edu), or on the State Auditor's website (http://site.demo.utah.gov/auditor/).

No History of Default

The Board has never failed to pay, when due, principal of or interest on any of its bonds.

Series 2019 Bond Rating

As of date of the OFFICIAL STATEMENT Moody's Investors Service, Inc. has assigned a rating of "Aaa" to the Series 2019 Bonds. Additionally, as of the date of this OFFICIAL STATEMENT, Moody's Investors Service, Inc. has assigned an underlying rating of "Aa2" to the Series 2019 Bonds. As of date of the OFFICIAL STATEMENT Fitch Ratings has assigned a rating of "AAA" to the Series 2019 Bonds. Additionally, as of the date of this OFFICIAL STATEMENT, Fitch Ratings has assigned an underlying rating of "AAA" to the Series 2019 Bonds. These ratings reflect only the views of such rating agencies and an explanation of the significance of such rating may only be obtained from such rating agency. The underlying ratings reflect the standalone rating the Series 2019 Bonds would have received if the Series 2019 Bonds did not have the benefit of the Guaranty Act.

Financial Advisor

The Board has entered into an agreement with Lewis Young Robertson & Burningham, Inc. (the "Financial Advisor") whereunder the Financial Advisor provides financial recommendations and guidance to the Board with respect to preparation for sale of the Series 2019 Bonds, timing of the sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the Series 2019 Bonds. The Financial Advisor has participated in the preparation of the OFFICIAL STATEMENT, but has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the Board, with respect to accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Financial Advisor respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT. Financial Advisory fees are contingent upon the sale and delivery of the Series 2019 Bonds.

(The remainder of this page has been intentionally left blank.)

ADDITIONAL INFORMATION

All quotations from and summaries and explanations of the Utah Constitution, statutes, programs, laws of the State of Utah, court decisions and the Resolution, which are contained herein, do not purport to be complete, and reference is made to said Constitution, statutes, programs, laws, court decisions and the Resolution for full and complete statements of their respective provisions.

Any statement in this OFFICIAL STATEMENT involving matters of opinion, whether or not expressly so stated, is intended as such and not as a representation of fact.

This Preliminary Official Statement is in a form "deemed final" by The Board for the purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The appendices attached hereto are an integral part of the OFFICIAL STATEMENT, and should be read in conjunction with the foregoing material.

The delivery of the OFFICIAL STATEMENT has been duly authorized by the Board.

BOARD OF EDUCATION OF
NEBO SCHOOL DISTRICT
UTAH COUNTY, UTAH

APPENDIX A – BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

GILBERT & STEWART
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

RANDEL A HEATON, CPA
LYNN A. GILBERT, CPA
JAMES A. GILBERT, CPA
BEN H PROBST, CPA
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA
JAMES E. STEWART, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Nebo School District
Spanish Fork, Utah

Report on the Basic Financial Statements
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nebo School District, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Nebo School District, as of June 30, 2018 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

AMERICAN FORK OFFICE
85 NORTH CENTER STREET
AMERICAN FORK, UT 84003
(801) 756-9666
FAX (801) 756-9667

PROVO OFFICE
190 WEST 800 NORTH #100
PROVO, UT 84601
(801) 377-5300
FAX (801) 373-5622

HEBER OFFICE
45 SOUTH MAIN ST
HEBER, UT 84032
(435) 654-6477
FAX (801) 373-5622

WWW.GILBERTANDSTEWART.COM

Emphasis of Matter

As discussed in Note 11 to the basic financial statements, in 2018, the District adopted Governmental Accounting Standards board Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That are not within the Scope of GASB Statement 65, and Amendments to Certain Provisions of GASB Statements 67 and 68* and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion on the basic financial statements is not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the required supplementary information regarding pensions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied to the audit of the basic financial statements and, accordingly we do not express an opinion or provide and assurance on them.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Gilbert & Stewart

GILBERT & STEWART, CPA, PC
Provo, Utah
November 28, 2018

This Management's Discussion and Analysis (MD&A) section of Nebo School District's (District) annual financial report presents management's discussion and analysis of the District's performance during the year ended June 30, 2018. The MD&A is intended to provide an analysis directly related to the information presented in the transmittal letter found in the *introductory section* of this report and the District's basic financial statements, which follow this section.

Financial Highlights

The following are considered by the District to be important factors in measuring the District's financial performance for the year ended June 30, 2018:

- The District's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $199.3 million at the close of the fiscal year.

- During the year, $302.2 million generated from taxes and other revenues was $41.5 million more than expenses for governmental activities. This $41.5 million increase in net assets is more than the $33.4 million increase in net assets for the year ended June 30, 2017.

- The results of operations in the *General Fund* for the year ended June 30, 2018 were $6.6 million more than budgeted. This was primarily due to conservative budgeting practices employed by management and some unanticipated savings on expenditures.

- Total fund balances for governmental funds increased by $14.9 million during the year ended June 30, 2018. For the year ended June 30, 2017, total fund balances for governmental funds increased by $7.4 million. The changes for both years were primarily a result of timing differences in the receipt and use of resources designated for capital projects.

- The District has committed $11.5 million of the *General Fund* balances for economic stabilization. The undistributed reserve is allowed by state law and can be up to 5% of the current fiscal year's total *General Fund* budgeted revenues. The reserve is set aside for contingencies or possible reductions in state funding and not to be used in negotiation or settlement of contract salaries. The maintenance of a sufficient reserve is a key credit consideration in the District's bond rating.

- The District has assigned $10.0 million of *General Fund* balances for employee post-employment benefit obligations. These obligations relate to the District's post-employment benefit plans as addressed more fully in Note 5 to the basic financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 20 and 21 of this report.

Fund Financial Statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the *General Fund, Capital Projects Fund*, and *Debt Service Fund*, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its *General Fund*. A budgetary comparison statement has been provided for the *General Fund* to demonstrate compliance with this budget.

The basic governmental fund statements can be found on pages 22 to 26 of this report.

Notes to Basic Financial Statements

The notes to basic financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 28 to 49 of this report.

Supplementary and Other Information

The schedules of funding progress on pages 50 to 52 is supplemental information required by the Government Accounting Standards Board. The schedules are designed to show the extent to which the District's post-employment and pension plans have been successful over time in setting aside assets sufficient to cover their actuarial accrued liabilities.

The combining and individual fund statements and schedules referred to earlier are on pages 53 to 66 of this report. Additional financial and non-financial data are presented in the *other information section* of the report which starts on page 67.

(The remainder of this page intentionally left blank)

Government-Wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Below is information which summarizes the District's net position and the changes from 2017 to 2018. All amounts are in millions of dollars:

	Governmental Activities		
	2018	2017	Total Change 2017-2018
Current and other assets	$ 186.7	$ 164.6	$ 22.1
Capital assets	418.1	411.0	7.1
Total assets	604.8	575.6	29.2
Total deferred outflows of resources	56.4	49.6	6.8
Current and other liabilities	19.3	19.5	(0.2)
Noncurrent liabilities	325.0	332.5	(7.5)
Total liabilities	344.3	352.0	(7.7)
Total deferred inflows of resources	117.6	82.2	35.4
Net position:			
Net investment in capital assets	244.9	224.4	20.5
Restricted	26.6	5.8	20.8
Unrestricted	(72.2)	(39.1)	(33.1)
Total net position	$ 199.3	$ 191.1	$ 8.2

The District's net position investment in capital assets reflected its investment in capital assets less any related outstanding debt used to acquire those assets and net of unspent bond proceeds. The District uses these capital assets to provide services to students and consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The District's restricted net position represents resources that are subject to external restriction on how they may be used. This balance is largely comprised of resources restricted to be used for capital projects and debt service payments.

The District's unrestricted net position, if positive, represents resources that may be used to meet the District's ongoing obligations to students, employees, and creditors. The District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* during the year ending June 30, 2015. That Statement requires the District to disclose in its government-wide financial statements its proportionate share of the unfunded obligation of the defined benefit pension plans administered by the Utah Retirement Systems. Primarily as a result of the adoption, the District's unrestricted net position at June 30, 2018, is a deficit balance. The existence of an unrestricted net position deficit indicates the District's overall economic net position, but it does not necessarily reflect positively or negatively on the District's ability to meet its obligations as they come due. And, despite the net position deficit reported in the government-wide financial statements, the District reports positive fund balances for all of its separate governmental funds.

Changes in Net Position

Below is information which summarizes the District's net position changes from 2017 to 2018. All amounts are in millions of dollars:

	Governmental Activities		
	2018	2017	Total Change 2017-2018
Revenues:			
Program revenues:			
Charges for services	$ 7.8	$ 7.3	$ 0.5
Operating grants and contributions	82.1	80.8	1.3
General revenues:			
Property taxes	82.7	73.7	9.0
Federal and state aid not restricted to specific purpose	115.9	110.6	5.3
Earnings on investments	2.1	1.3	0.8
Miscellaneous	11.6	10.2	1.4
Total revenues	302.2	283.9	18.3
Expenses:			
Instructional services	163.4	157.8	5.6
Supporting services:			
Students	12.9	7.3	5.6
Instructional staff	10.8	10.3	0.5
District administration	3.1	2.8	0.3
School administration	15.4	15.8	(0.4)
Business	6.2	5.7	0.5
Operation and maintenance of facilities	22.7	22.4	0.3
Transportation	10.0	10.6	(0.6)
Central	0.6	0.3	0.3
Noninstructional	1.8	0.8	1.0
Food services	11.1	11.3	(0.2)
Interest on long-term liabilities	2.6	5.4	(2.8)
Total expenses	260.6	250.5	10.1
Change in net assets	41.6	33.4	8.2
Net position - beginning	157.7	124.3	33.4
Net position - ending	$ 199.3	$ 157.7	$ 41.6

Net position of the District's governmental activities increased by $41.5 million, or 26.3%, to 199.3 million. Selected highlights concerning the change in the District's net position for the year ended June 30, 2018 are as follows:

- The District's total program and general revenues increased by $18.4 million, or 6.4%, to $302.2 million during the current year. Of the total, state and federal aid make up 65.5% while property taxes make up 27.3%. In the prior fiscal year the percentages of total revenues were 67.4% for state and federal aid and 26.0% for property taxes. Taken together, state and federal grants that are classified as program revenue and those not restricted to specific purposes increased by $6.6 million while revenues related to property taxes increased by $9.0 million.

- The total cost of all programs and services increased by $10.1 million, or 4.0%, to $260.6 million during the current year. Instructional services account for 62.0% of the total while support services make up 31.0%. In the prior fiscal year the percentage of costs attributable to instructional services was 63.0% while support services made up 30.0%.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. Nonspendable includes inventories and prepaid expenditures that are not expected to be converted to cash. Restricted includes net fund resources of the District that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. The unrestricted fund balance is subdivided into committed, assigned, and unassigned portions. Committed balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Assigned balances in the *General Fund* and other governmental funds are those that do not meet the requirements of restricted or committed but that are intended to be used for specific purposes. Unassigned balances in the General Fund are comprised of all other available net fund resources.

As the District completed the year, its governmental funds reported a combined fund balance of $88.5 million. Of the total, $1.7 million is nonspendable, $24.2 million is restricted, $12.1 million is committed, $31.1 million is assigned, and $19.4 million is unassigned.

General Fund Budgetary Highlights

The District maintains up to 5% of the current fiscal year's total *General Fund* budgeted revenues (as defined in Utah law as an "undistributed reserve") as a committed balance for economic stabilization. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. The commitment is also necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). As defined by Utah law, the commitment is not to be used in the negotiation or settlement of contract salaries for District employees.

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. The difference between original budget and the final amended budget was an increase of $13.9 million, or 6.0%, in total *General Fund* expenditures. Instructional services expenditures budget was increased by $5.8 million and supporting services expenditures budget was increased by $8.1 million. The budget increases were primarily a result of carryovers in various programs from the previous year not being included in the original budget. This carryover information was not available when the original budget was prepared. Other differences between original budget and final amended budget are due to ongoing adjustments at the program and fund levels as new information is received by the District.

Significant differences exist between the final amended budget and the actual amount in both total revenues and total expenditures. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year and as a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive. These variances are largely a result of federal and state program revenues and related expenditures and do not have a direct impact on the unassigned fund balance.

Capital Assets

The *Capital Projects Fund* is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for students within the District.

Below is a summary of the capital assets at June 30, 2018 and 2017. All amounts are net of accumulated depreciation and in millions of dollars:

	Governmental Activities		
	2018	2017	Total Change 2017-2018
Land and water stock	$ 51.5	$ 50.0	$ 1.5
Construction in progress	21.7	20.4	1.3
Buildings and improvements	327.1	324.0	3.1
Furniture and equipment	17.8	16.6	1.2
Total capital assets, net of accumulated depreciation	$ 418.1	$ 411.0	$ 7.1

Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration

The general obligation bonded debt of the District is limited by Utah State Law to 4.0% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2018 was $503.0 million while the net general obligation debt at that date was $173.2 million, resulting in a legal debt margin of $329.8 million.

Below is summary information concerning the District's outstanding debt at June 30, 2018 and 2017. All amounts are net of unamortized deferred issuance premiums and deferred refunding costs and are in millions of dollars:

	Governmental Activities		Total Change
	2018	2017	2017-2018
General obligation bonds, net	$ 173.2	$ 186.6	$ (13.4)

On June 23, 2009, District patrons voted to authorize the District to issue $160.0 million in bonds for new school construction, school improvements, and land acquisitions. The District issued $10.0 million of these bonds during the year ended June 30, 2018 leaving $3.35 million available for issuance. Further information on the District's long-term debt can be found in Note 7 to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the District's finances and to demonstrate its accountability for the funds it receives. If you have any questions concerning this report or need additional financial information, please contact the Office of the Business Administrator, Nebo School District, 350 South Main, Spanish Fork, Utah 84660, or call 801-354-7400.

(The remainder of this page intentionally left blank)

BASIC FINANCIAL STATEMENTS

NEBO SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets:	
Cash and investments	$ 99,392,352
Receivables:	
Property taxes	80,430,820
Other local	845,422
State	611,384
Federal	3,805,843
Inventories	1,524,012
Prepaid expenses	136,183
Capital assets:	
Land, construction in progress, and water stock	73,208,247
Other capital assets, net of accumulated depreciation	344,865,408
Total assets	604,819,671
Deferred outflows of resources:	
Deferred charge on refundings	5,471,500
Deferred outflows relating to pensions	50,917,377
Total deferred outflows of resources	56,388,877
Liabilities:	
Accounts payable	3,078,348
Accrued salaries	8,574,958
Unearned revenue:	
Property taxes	
Other local	2,696,496
State	4,963,092
Federal	16,869
Net pension liability	84,819,459
Noncurrent liabilities:	
Due within one year	27,099,893
Due in more than one year	213,042,792
Total liabilities	344,291,907
Deferred inflows of resources:	
Unavailable property tax revenue	193,540
Property taxes levied for future year	76,157,033
Deferred inflows relating to pensions	41,277,271
Total deferred inflows of resources	117,627,844
Net Position:	
Net investment in capital assets	244,875,544
Restricted for:	
Debt service	2,352,783
Capital projects	21,254,819
Food services	1,384,490
Other purposes	1,585,669
Unrestricted	(72,164,508)
Total net position	$ 199,288,797

The notes to the financial statements are an integral part of this statement.

NEBO SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2018

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities or functions:				
Instructional services	$ 163,423,932	$ 4,715,023	$ 55,770,788	$ (102,938,121)
Supporting services:				
Students	12,866,647	-	7,318,882	(5,547,765)
Instructional staff	10,816,805	-	3,568,440	(7,248,365)
District administration	3,100,778	-	1,880,837	(1,219,941)
School administration	15,400,820	-	405,805	(14,995,015)
Business	6,233,210	-	445	(6,232,765)
Operation and maintenance of facilities	22,733,551	-	43,822	(22,689,729)
Transportation	10,026,940	-	5,512,029	(4,514,911)
Central	643,057	-	-	(643,057)
Noninstructional	1,828,155	-	-	(1,828,155)
Food services	11,113,185	3,059,782	7,589,082	(464,321)
Interest on long-term liabilities	2,450,209	-	-	(2,450,209)
Total school district	$ 260,637,289	$ 7,774,805	$ 82,090,130	(170,772,354)
General revenues:				
Property taxes levied for:				
Basic state supported program for regular K-12 instruction				13,941,372
Voted leeway for regular K-12 instruction				11,558,536
Board leeway for class size reduction				3,556,472
Board leeway for K-3 reading program				9,309,067
Special transportation for hazardous bus routes				1,013,595
Tort liability claims and insurance				1,422,589
Community recreation				248,953
Debt service of general obligation bonds				1,760,454
Capital outlay				28,487,345
Board local leeway				11,371,821
Federal and state aid not restricted to specific purposes				115,933,479
Earnings on investments				2,141,574
Miscellaneous				11,569,359
Total general revenues				212,314,616
Change in net position				41,542,262
Net position - beginning				157,746,535
Net position - ending				$ 199,288,797

The notes to the financial statements are an integral part of this statement.

NEBO SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2018

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Assets:					
Cash and investments	$ 64,775,992	$ 923,624	$ 22,984,765	$ 10,707,971	$ 99,392,352
Receivables:					
Property taxes	38,605,613	28,006,803	10,444,392	3,374,012	80,430,820
Other local	189,340	-	613,604	42,478	845,422
State	157,805	-	-	453,579	611,384
Federal	3,400,622	-	-	405,221	3,805,843
Due from other funds	-	-	-	-	-
Inventories	668,631	-	330,788	524,593	1,524,012
Prepaid expenditures	136,183	-	-	-	136,183
Total assets	$ 107,934,186	$ 28,930,427	$ 34,373,549	$ 15,507,854	$ 186,746,016
Liabilities:					
Accounts payable	$ 430,445	$ -	$ 2,629,270	$ 18,633	$ 3,078,348
Accrued salaries	8,574,958	-	-	-	8,574,958
Due to other funds	-	-	-	-	-
Unearned revenue:					
Other local	2,696,496	-	-	-	2,696,496
State	4,963,092	-	-	-	4,963,092
Federal	16,869	-	-	-	16,869
Total liabilities	16,681,860	-	2,629,270	18,633	19,329,763
Deferred inflows of resources:					
Unavailable property tax revenue	1,344,518	975,948	363,391	54,524	2,738,381
Property taxes levied for future year	36,505,725	26,498,492	9,866,636	3,286,180	76,157,033
Total deferred inflows of resources	37,850,243	27,474,440	10,230,027	3,340,704	78,895,414

(continued on following page)

The notes to the financial statements are an integral part of this statement.

NEBO SCHOOL DISTRICT
Balance Sheet (continued)
Governmental Funds
June 30, 2018

	Major Funds			Other	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
Fund Balances:					
Nonspendable:					
Inventories	668,631	-	330,788	524,593	1,524,012
Prepaid expenditures	136,183	-	-	-	136,183
Restricted for:					
Debt service	-	1,455,987	-	-	1,455,987
Capital projects	-	-	20,590,112	-	20,590,112
Food services	-	-	-	859,897	859,897
Other purposes	-	-	-	1,356,713	1,356,713
Committed to:					
Economic stabilization	11,500,000	-	-	-	11,500,000
Contractual obligations	-	-	593,352	-	593,352
Assigned to:					
Employee benefit obligations	10,000,000	-	-	-	10,000,000
Schools	11,697,175	-	-	9,358,307	21,055,482
Students	-	-	-	49,007	49,007
Unassigned	19,400,094	-	-	-	19,400,094
Total fund balances	53,402,083	1,455,987	21,514,252	12,148,517	88,520,839
Total liabilities, deferred inflows of resources, and fund balances	$ 107,934,186	$ 28,930,427	$ 34,373,549	$ 15,507,854	$ 186,746,016

The notes to the financial statements are an integral part of this statement.

NEBO SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2018

Total fund balances for governmental funds		$ 88,520,839
Total net position reported for governmental activities in the statement of net position is different because of the following reconciling items:		
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of the following:		
Land	$ 51,483,456	
Construction in progress	21,703,830	
Water stock	20,961	
Buildings and improvements, net of $215,046,818 accumulated depreciation	327,067,579	
Furniture and equipment, net of $22,783,639 accumulated depreciation	17,797,829	418,073,655
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.		2,544,841
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at year-end are as follows:		
Bonds payable	(168,820,000)	
Unamortized premiums	(9,849,611)	
Unamortized deferred amounts on refunding	5,471,500	
Net pension liability	(84,819,459)	
Deferred outflows relating to pensions	50,917,377	
Deferred inflows relating to pensions	(41,277,271)	
Accrued vacation	(1,400,869)	
Separation payments payable	(15,661,867)	
Early retirement incentives payable	(44,410,338)	(309,850,538)
Total net position of governmental activities		$ 199,288,797

The notes to the financial statements are an integral part of this statement.

NEBO SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Revenues:					
Property taxes	$ 39,924,833	$ 28,231,995	$ 11,269,887	$ 3,324,505	$ 82,751,220
Earnings on investments	1,430,014	267,565	296,393	147,602	2,141,574
Tuition and fees	303,647	-	-	4,184,607	4,488,254
Food sales	-	-	-	3,052,724	3,052,724
Other local sources	2,871,921	-	77,754	7,592,147	10,541,822
State sources	166,764,836	-	8,741,359	4,664,630	180,170,825
Federal sources	11,504,271	103,921	-	6,244,592	17,852,784
Total revenues	222,799,522	28,603,481	20,385,393	29,210,807	300,999,203
Expenditures:					
Instructional services	138,808,630	-	-	15,550,704	154,359,334
Supporting services:					
Students	12,914,641	-	-	-	12,914,641
Instructional staff	10,880,163	-	-	-	10,880,163
District administration	2,869,243	-	-	-	2,869,243
School administration	14,901,542	-	-	-	14,901,542
Business	6,013,189	-	-	-	6,013,189
Operation and maint of facilities	20,985,127	-	-	-	20,985,127
Transportation	8,844,607	-	-	-	8,844,607
Noninstructional services	-	-	-	1,828,155	1,828,155
Food services	-	-	-	10,806,877	10,806,877
Capital outlay	-	1,794,799	26,095,249	-	27,890,048
Debt service:					
Principal retirement	-	21,510,000	-	-	21,510,000
Bond issuance costs	-	228,992	104,308	-	333,300
Interest and fees	-	5,072,406	-	-	5,072,406
Total expenditures	216,217,142	28,606,197	26,199,557	28,185,736	299,208,632
Excess (deficiency) of revenues over (under) expenditures	6,582,380	(2,716)	(5,814,164)	1,025,071	1,790,571
Other financing sources (uses):					
Transfers	(369,113)	-	-	369,113	-
Bond proceeds	-	-	10,000,000	-	10,000,000
Sale of assets	71,139	-	2,283,438	2,000	2,356,577
Total other financing sources (uses)	(297,974)	(231,393)	13,229,424	371,113	13,071,170
Net change in fund balances	6,284,406	(234,109)	7,415,260	1,396,184	14,861,741
Fund balances - beginning	47,117,677	1,690,096	14,098,992	10,752,333	73,659,098
Fund balances - ending	$ 53,402,083	$ 1,455,987	$ 21,514,252	$ 12,148,517	$ 88,520,839

The notes to the financial statements are an integral part of this statement.

NEBO SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2018

Net change in fund balances for governmental funds		$ 14,861,741
Amounts reported for governmental activities in the statement of activities are different because of the following reconciling items:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than $5,000 for land, furniture and equipment, and $100,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlays	$ 24,530,047	
Gain on disposal of assets	1,952,147	
Proceeds from sales of assets	(2,356,577)	
Depreciation expense	(17,068,241)	7,057,376
The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of the related cash flows. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:		
General obligation bond proceeds	(10,000,000)	
Bond premium	(945,986)	
Bond issuance costs	104,308	
Refunding bonds issued	(37,455,000)	
Bond premium on refunding	(5,255,238)	
Bond issuance costs on refunding	228,992	
Payment to refunded bond escrow agent	42,941,631	
Repayment of bond principal	21,510,000	
Amortization of bond issuance costs	(333,300)	
Amortization of deferred amounts on bond refundings	(1,044,070)	
Amortization of bond premium	3,666,267	13,417,604
Some of the District's property taxes will be collected after year end but are not available soon enough to pay for the current period's expenditures. Therefore, those amounts are reported as deferred revenue in the funds. The deferred revenue for property taxes decreased this year.		(81,017)
In the statement of activities, compensated absences (vacations) and retirement benefits (pensions, early retirement, and separation payments) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, accrued vacation increased by $21,563, net pension benefit decreased by $1,287,571, and separation payments payable decreased by $5,020,550.		6,286,558
Change in net position of governmental activities		$ 41,542,262

The notes to the financial statements are an integral part of this statement.

NEBO SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
Property taxes	$ 35,199,884	$ 39,452,556	$ 39,924,833	$ 472,277
Earnings on investments	500,000	1,500,000	1,430,014	(69,986)
Tuition and fees	271,500	853,272	303,647	(549,625)
Other local sources	3,668,000	4,878,619	2,871,921	(2,006,698)
State sources	165,272,474	170,959,665	166,764,836	(4,194,829)
Federal sources	11,511,082	12,151,000	11,504,271	(646,729)
Total revenues	216,422,940	229,795,112	222,799,522	(6,995,590)
Expenditures:				
Instructional services	141,399,907	147,205,856	138,808,630	(8,397,226)
Supporting services:				
Students	9,029,035	13,592,689	12,914,641	(678,048)
Instructional staff	9,150,005	12,400,561	10,880,163	(1,520,398)
District administration	3,513,580	3,139,919	2,869,243	(270,676)
School administration	15,530,380	14,964,418	14,901,542	(62,876)
Business	5,989,495	6,550,195	6,013,189	(537,006)
Operation and maintenance of facilities	21,737,815	22,108,964	20,985,127	(1,123,837)
Transportation	8,665,200	8,984,774	8,844,607	(140,167)
Total supporting services	73,615,510	81,741,520	77,408,512	(4,333,008)
Total expenditures	215,015,417	228,947,376	216,217,142	(12,730,234)
Excess (Deficiency) of revenues over (under) expenditures	1,407,523	847,736	6,582,380	5,734,644
Other financing sources (uses):				
Transfers	(320,000)	(320,000)	(369,113)	(49,113)
Sale of assets	-	85,000	71,139	(13,861)
Total other financing sources (uses)	(320,000)	(235,000)	(297,974)	(62,974)
Net change in fund balances	1,087,523	612,736	6,284,406	5,671,670
Fund balances - beginning	47,117,677	47,117,677	47,117,677	-
Fund balances - ending	$ 48,205,200	$ 47,730,413	$ 53,402,083	$ 5,671,670

The notes to the financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Nebo School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

Reporting Entity – The Board of Education, comprised of seven elected individuals, is the primary governing authority of the District. As required by GAAP, these financial statements present the District and its blended component unit, Nebo Education Foundation (Foundation), for which the District is considered to be financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the District's operations and is presented as a special revenue fund of the District. The Foundation is a nonprofit organization incorporated in the State of Utah and organized under Section 501(a) of the Internal Revenue Code and classified as a Section 501(c)(3) public charity. The Foundation exclusively serves the District and acts as a conduit for charitable contributions. The District is not a component unit of any other primary government.

Government-Wide Financial Statements – The *government-wide financial statements* (the statement of net position and the statement of activities) display information about the District and its blended component unit. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instructional services but is also used for school administration and food services) are proportionally included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line.

Program revenues include 1) fees and charges paid by students and other recipients of goods or services, offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

Fund Financial Statements – The *fund financial statements* provide information about the District's funds, including its blended component unit. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- General Fund – The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

- Debt Service Fund – The *Debt Service Fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.

- Capital Projects Fund – The *Capital Projects Fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The *government-wide financial statements* are reported using the economic resources measurement focus. The *government-wide financial statements* are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures are incurred and all other grant requirements are met. Grants received in advance are recorded as deferred revenue until earned. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement benefits, separation payments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to restricted resources and then to unrestricted resources as needed.

Budgetary Data – Budgets are presented on the modified accrual basis of accounting for all governmental funds except the *Nebo Education Foundation Fund*. Budgets are not adopted on a District level for the *Nebo Education Foundation Fund*. All annual appropriations lapse at fiscal year end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- During June of each year, the District Superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30.

- The proposed budget is made available for public inspection and review by the District's patrons before the public hearing which is held prior to June 22 of each year.

- After the public hearing the budget is legally adopted by resolution of the Board after consideration of the proposed budget and after obtaining taxpayer input. If the District exceeds the certified tax rate the rates are adopted in August when data is available to set the tax rates.

- Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the Superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah State Law, interim adjustments may be made by administrative transfer of funds from one appropriation to another within any given fund.

- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2018, have been included in the final budget approved by the Board, as presented in the financial statements.

- Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the unassigned fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive.

Deposits and Investments – The cash balances of substantially all funds are invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the changes in the fair value of investments are recognized as an increase or decrease to investment assets and investment income in appropriate funds.

Cash and Cash Equivalents – The District considers cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Utah Public Treasurers' Investment Pool (PTIF).

Inventories – Inventories are accounted for under the consumption method, wherein inventories are recorded as assets when acquired and expenditures are recorded when the inventories are transferred to the schools or departments for consumption. Inventories recorded in the governmental funds are stated at cost or, if donated, at fair value when received, using a weighted moving average method. Inventories reported in the governmental funds are equally offset by an unspendable portion of fund balance, indicating that they are not expected to be converted to cash.

Capital Assets – Capital assets are reported in the government-wide financial statements and include land, water stock, and furniture and equipment with an individual cost of $5,000 or more and buildings and improvement with a cost of $100,000 or more so long as the estimated useful life of the building or improvement exceeds two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building Improvements	20
Furniture	20
Portable Classrooms	20
Machinery and Tools	15
Buses	15
Laboratory Equipment	10
Musical Instruments	10
Licensed Vehicles	10
Computers	5

Compensated Absences – Under terms of association agreements, employees earn vacation leave in amounts varying with tenure and classification. In the event of retirement, an employee is reimbursed for accumulated vacation days to a maximum of 20 days. Sick leave is given to employees based on tenure and classification and no reimbursement or accrual is made for unused sick leave.

All vacation pay plus related payroll taxes are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and the payment of the liability is reported in the fund in which the employee's salary is reported.

Long-Term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as refunding costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service fund or capital projects fund expenditures.

Deferred Outflows/Inflows of Resources – Beginning with the year ending June 30, 2013, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and Statement No. *65, Items Previously Reported as Assets and Liabilities.* These Statements provide financial reporting guidance to standardize the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. They also establish accounting standards and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. One is the *deferred charge on refunding* reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item, *deferred outflow of resources relating to pensions*, includes the net difference between projected and actual earnings on pension plan investments and District contributions subsequent to the measurement date of December 31, 2014.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The item, *unavailable property tax revenue,* relates to amounts that are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The item, *property taxes levied for future year,* relate to property taxes levied on January 1, 2018 for the 2018-2019 school year. The item, *deferred inflows relating to pensions*, includes the differences between expected and actual experience and changes of assumptions in the measurement of the net pension liability/asset.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position/Fund Balances – The residual of all other elements presented in a statement of net position is *net position* on the government-wide financial statements and the residual of all other elements presented in a balance sheet on the governmental fund financial statements *is fund balance.*

Net position is divided into three components: net investment in capital assets (capital assets net of related debt less unspent bond proceeds), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the District is bound to honor them. Fund balance classifications are as follows:

- Nonspendable – This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories and prepaid expenditures are classified as nonspendable.

- Restricted – This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include unspent revenue for specific purposes (capital projects, debt services, community recreation), remaining fund balances in the *Food Services Fund*, and funds held in the *Nebo Education Foundation Fund.*

- Committed – This category includes amounts that can only be used for specific purposes established by formal action of the District's Board of Education. Fund balance commitments can only be removed or changed by the same type of action (for example, a resolution) of the Board of Education. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Education has approved to commit fund balance amounts for economic stabilization. As defined in Utah law, the District may maintain an "undistributed reserve" for economic stabilization up to five percent of the current fiscal year's total *General Fund* budgeted revenues. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). As defined by Utah law, the commitment is not to be used in the negotiation or settlement of contract salaries for District employees.

- Assigned – This category includes *General Fund* balance amounts that the District intends to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by written approval of the District's management. This category also includes the remaining positive fund balance for other governmental funds. The District has assigned *General Fund* resources that are to be used for employee salary and benefit obligations, school textbooks and supplies allocations, new school start-up needs, and other unrestricted school programs. Resources held by schools in the other governmental funds are also assigned.

- Unassigned – Residual balances in the *General Fund* are classified as unassigned.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources. Of the unrestricted resources, committed resources will be used first, followed by assigned resources, and then unassigned resources.

2. DEPOSITS AND INVESTMENTS

Deposits and investments of the District at June 30, 2018, are summarized below:

Carrying amount of deposits	$ 15,209,579
Carrying amount of investments	84,182,773
Total deposits and investments	$ 99,392,352
Cash and investments, major governmental funds, balance sheet	$ 88,684,381
Cash and investments, nonmajor governmental funds, balance sheet	10,707,971
Cash and investments, governmental activities, statement of net assets	$ 99,392,352

Investments of the District are subject to various risks including interest rate risk, credit risk, concentration of credit risk, and custodial credit risk.

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The District follows the requirements of the Utah Money Management Act (*Utah Code,* Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of District funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for the District's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the District to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National

Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code,* Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

The District also invests funds using the advisement services of Moreton Asset Management (MAM). MAM is a certified investment advisor with the Council. All investments with MAM are held in the District's name and are in accordance with the Act. With this account the District invests primarily in short-term corporate bonds and commercial paper in order to maximize its return while minimizing the risk of loss of the principal investment.

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2018, the District had the following recurring fair value measurements:

		Fair Value Measurement		
Investments by fair value level	Fair Value	Level 1	Level 2	Level 3
Debt securities				
Corporate Bonds	$ 12,057,120	$ -	$ 12,057,120	$ -
Money Market Mutual Funds	423,573	423,573	-	-
U.S. Agencies	8,274,445	-	8,274,445	-
U.S. Treasuries	966,547	-	966,547	-
Utah Public Treasurers' Investment Fund	62,461,088	-	62,461,088	-
Total investments measured at fair value	$ 84,182,773	$ 423,573	$ 83,759,200	$ -

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper – quoted prices for identical securities in markets that are not active.
- Corporate and Municipal Bonds – quoted prices for similar securities in active markets.
- Money Market, Bond, and Equity Mutual Funds – published fair value per share (unit) for each fund.
- Utah Public Treasurers' Investment Fund – application of the June 30, 2018 fair value factor, as calculated by the Utah State Treasurer, to the District's average daily balance in the Fund.

Investments of the District are subject to various risks including interest rate risk, credit risk, concentration of credit risk, and custodial credit risk.

Interest rate risk is Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of June 30, 2018, the District's investments had the following maturities:

		Investment Maturities (in Years)			
Investment	Fair Value	Less Than 1	1-5	6-10	More Than 10
Utah Public Treasurers' Investment Fund	$ 62,461,088	$ 62,461,088	$ -	$ -	$ -
Moreton Asset Management	21,721,685	7,523,032	14,198,653	-	-
Total investments	$ 84,182,773	$ 69,984,120	$ 14,198,653	$ -	$ -

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody's Investors Service, Inc. or by Standard and Poor's Corporation. The District has no investment policy that would further limit its investment choices.

As of June 30, 2018, the District's investments had the following quality ratings:

		Quality Ratings			
Investment	Fair Value	AAA	AA	A	Unrated
Utah Public Treasurers' Investment Fund	$ 62,461,088	$ -	$ -	$ -	$ 62,461,088
Moreton Asset Management	21,721,685	8,611	10,471,617	11,135,865	105,592
Total investments	$ 84,182,773	$ 8,611	$ 10,471,617	$ 11,135,865	$ 62,566,680

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5% of the District's total portfolio with a single issuer. The District places no other limits on the amount it may invest in any one issuer. The Foundation can invest private funds in certain equity and fixed-income securities provided no more than 5% of all funds are invested in any one issuer and no more than 25% of all funds are invested in a particular industry. Also, for the Foundation's investment in private funds, no more than 75% may be invested in equity securities and no more than 5% in collateralized mortgage obligations.

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's policy for managing this risk is to comply with the Act and related rules. The District places no other limit on the amount of investments to be held by counterparties. The Act requires public treasurers to have custody of all securities purchased or held or deposit these securities with a bank or trust company to be held in safekeeping by that custodian.

The District's carrying amount of bank deposits at June 30, 2018 was $15,209,579 and the bank balance was $26,697,954. Of the bank balance, $1,276,002 was covered by federal depository insurance and $25,421,952 was uninsured. No deposits are collateralized, nor are they required to be by state statute.

3. PROPERTY TAXES

The property tax revenue of the District is collected and distributed by the Utah County Treasurer as an agent of the District. Utah Statutes establish the process by which taxes are levied and collected. The Utah County Assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the Utah County Auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The County Auditor makes approved changes in assessed value by November 1 and on this same date the County Auditor is to deliver the completed assessment rolls to the County Treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2% penalty, with a $10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%. The interest rate period is from January 1 until the date paid.

Motor vehicles are subject to an "age-based" fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from $10 to $150 based on the age of the vehicle. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when the county collects it.

As of June 30, 2018, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2018 or earlier. Taxes levied on January 1, 2018 for the next year are reported as deferred inflows of resources. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period. If they are not collected after this time, the Utah County Treasurer may force the sale of property to collect the delinquent portion.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 50,017,541	$ 1,837,926	$ (372,011)	$ 51,483,456
Construction in progress	20,413,860	14,646,820	(13,356,850)	21,703,830
Water stock	20,961	-	-	20,961
Total capital assets, not being depreciated	70,452,362	16,484,746	(13,728,861)	73,208,247
Capital assets, being depreciated				
Buildings and improvements	524,596,629	17,846,540	(328,772)	542,114,397
Furniture and equipment	37,657,684	3,555,611	(631,827)	40,581,468
Total capital assets, being depreciated	562,254,313	21,402,151	(960,599)	582,695,865
Accumulated depreciation:				
Buildings and improvements	(200,579,324)	(14,766,337)	298,843	(215,046,818)
Furniture and equipment	(21,111,072)	(2,301,904)	629,337	(22,783,639)
Total accumulated depreciation	(221,690,396)	(17,068,241)	928,180	(237,830,457)
Total capital assets, being depreciated, net	340,563,917	4,333,910	(32,419)	344,865,408
Governmental activity capital assets, net	$ 411,016,279	$ 20,818,656	$ (13,761,280)	$ 418,073,655

(The remainder of this page intentionally left blank)

For the year ended June 30, 2018 depreciation expense was charged to functions of the District as follows:

Governmental activities:	
Instructional services	$ 11,228,602
Supporting services:	
District administration	256,370
School administration	610,279
Business	256,370
Operation and maintenance of facilities	1,824,101
Transportation	1,224,724
Central	643,057
Food services	1,024,738
Total depreciation expense, governmental activities	$ 17,068,241

At June 30, 2018, the District was involved in two long-term construction projects summarized as follows:

Project	Estimated Total Cost	Construction in Progress	Estimated Cost to Complete
Apple Valley Elementary	$ 21,032,140	$ 20,914,189	$ 117,951
Goshen Elementary	1,265,044	789,643	475,401
Total	$ 22,297,184	$ 21,703,832	$ 593,352

The District has a fund balance in the *Capital Projects Fund* sufficient to pay the remaining costs of this project.

5. RETIREMENT AND PENSION PLANS

Utah Retirement Systems – The District contributes to cost-sharing, multiple-employer retirement plans (Plans) administered by the Utah Retirement Systems (URS). As a condition of participation in the Plans, the District is required to contribute certain percentages of salary and wages as authorized and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by eligible employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

The Plans are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. Title 49 grants the authority to establish and amend the benefit terms and the Plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Plans under the direction of the URS Board, whose members are appointed by the Governor. URS is a component unit of the State of Utah and issues a publicly available financial report that can be obtained by writing to the Utah Retirement Systems, 560 East 200 South, Salt Lake City, UT 84102 or by visiting www.urs.org.

The Plans are fiduciary funds defined as pension (and other employee benefit) trust funds and are comprised of the following:

- Public Employees Noncontributory Retirement System (Noncontributory Plan) – The District is required to contribute 22.19% of their Noncontributory Plan members' annual covered salary. The District's contributions to the Noncontributory Plan for the years ending June 30, 2018, 2017, and 2016 were $19,472,884, $18,678,014, and $19,727,115, respectively.

- Public Employees Contributory Retirement System (Contributory Plan) – Members in the Contributory Plan are required to contribute 1.00% of their annual covered salary (all of part may be paid by the employer for the employee) and the District is required to contribute 22.70% of their members' annual covered salary. The District's contributions to the Contributory Plan for the years ending June 30, 2018, 2017, and 2016 were $11,204, $9,853, and $10,415, respectively.

- Tier 2 Public Employees Contributory Retirement System (Tier 2 Plan) – This became effective July 1, 2011, and all eligible employees beginning service on or after July 1, 2011, who have no previous service credit with the Noncontributory Plan or the Contributory Plan become members of the Tier 2 Plan. The District is required to contribute 20.02% of their Tier 2 Plan members' annual covered salary. The District's contributions to the Tier 2 Plan for the years ending June 30, 2018, 2017, and 2016 were $5,489,466, $4,137,085, and $3,670,077, respectively.

URS provides retirement benefits, disability, and death benefits to Plan members and beneficiaries in accordance with retirement statutes. A summary of the benefits are as follows:

Plan	Benefit Base	Years of Service Required	Age Eligible	Benefit	COLA (3)
Noncontibutory Plan	Average of highest 3 years of salary	30 25 20 10 4	Any Any (1) 60 (1) 62 (1) 65	2.00% per year	Up to 4.00%
Contributory Plan	Average of highest 5 years of salary	30 20 10 4	Any 60 (1) 62 (1) 65	2.00% per year (2)	Up to 4.00%
Tier 2 Plan	Average of highest 5 years of salary	35 20 10 4	Any 60 (1) 62 (1) 65	1.50% per year	Up to 2.50%

(1) with actuarialy reductions.

(2) The benefit for years of service credit prior to July 1, 1975 is 1.25% per year.

(3) All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Beginning with the year ending June 30, 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. That Statement requires the District to disclose in its government-wide financial statements its proportionate share of the net pension liability (NPL), net pension asset (NPA), and the deferred outflows and inflows of resources relating to the Plans. The District's portion of the URS NPL and NPA at June 30, 2018 is as follows:

Plan	URS Total NPL / (NPA)	District's Proportionate Share	District NPL / (NPA)
Noncontributory	$ 2,445,362,191	3.4582051%	$ 84,565,640
Contributory	6,580,367	0.2742856%	18,049
Tier 2	8,816,729	2.6741210%	235,770
Other	959,557,169	0.0000000%	-
Total	$ 3,420,316,456		$ 84,819,459

The amounts show as the URS NPL and NPA and the District's proportionate share were obtained from the URS's publically available comprehensive annual financial report (URS CAFR) for the year ended December 31, 2017, which included an unmodified audit opinion from their external auditors regarding the financial statements and the schedules of allocations and pension amounts which were based on an actuarial valuation as of January 1, 2017 and rolled forward using generally accepted actuarial procedures.

The actuarial assumptions included inflation at 2.50%, average salary increases of between 3.25% and 9.75%, including inflation, and investment rate of return of 6.95%, net of pension plan investment expense, including inflation. Mortality rates for retired educators were developed from actual experience, based on gender, occupation, and age, as appropriate, with adjustments for mortality improvements based on Scale AA. The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2016.

The long-term expected rate of return on defined benefit pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the future real rates of return by the target asset allocation percentage and by adding expected inflation.

(The remainder of this page intentionally left blank)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summaries in following table:

	Expected Return Arithmetic Basis		
Asset Class	Target Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40.00%	6.15%	2.46%
Debt securities	20.00%	0.40%	0.08%
Real assets	15.00%	5.75%	0.86%
Private equity	9.00%	9.95%	0.89%
Absolute return	16.00%	2.85%	0.46%
Cash and cash equivalents	0.00%	0.00%	0.00%
	100.00%		4.75%
		Inflation	2.50%
		Expected arithmetic nominal return	7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.45% that is net of investment expense. The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	1.00% Decrease (5.95%)	Discount Rate (6.95%)	1.00% Increase (7.95%)
District's proportionate share of net pension liability	$ 187,656,510	$ 84,819,459	$ (970,797)

(The remainder of this page intentionally left blank)

Based on the URS CAFR and actuarial valuation, the District recognized pension expense of $24,094,137 and deferred outflows and inflows of resources related to pensions for the year ended June 30, 2018, as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,827	$ 5,119,311
Changes in assumptions	21,669,528	666,607
Net difference between projected and actual earnings on investments	13,997,584	35,491,352
Changes in proportion and differences between contributions and proportionate share of contributions	2,636,507	-
Contributions subsequent to the measurement date	12,604,931	-
	$ 50,917,377	$ 41,277,270

The $12,604,931 reported as deferred outflows of resources relating to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources relating to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2019	$ 3,526,746
2020	5,401,180
2021	(4,391,634)
2022	(7,712,725)
2023	(50,217)
Thereafter	261,826

Defined Contribution Plan – The District participates in a defined contribution plan through URS under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Plans. Employees covered by the Noncontributory Plan and Contributory Plan have a contribution of 1.5% of covered salaries made by the District. The District contributions for the years ended June 30, 2018, 2017, and 2016 were $2,203,184, $1,956,074, and $1,939,140, respectively. Employees who are participants in the Plans may make additional contributions and for the years ending June 30, 2018, 2017 and 2016 employee contributions were $1,322,853, $1,332,635, and $1,337,897, respectively. The 401(k) plan funds are administered and held by URS and are fully vested to the participants at the time of deposit.

Voluntary Contribution Plans – The District allows its employees to voluntarily contribute to a variety of deferred compensation and other investment plans. Although several plans are available through a variety of vendors, the majority of employees utilize the 457 and Roth IRA plans administered and held by URS. Employee contributions to the 457 plan for the years ending June 30, 2018, 2017, and 2016 were $88,468, $66,782, and $83,002, respectively. Employee contributions to the Roth IRA plan for the years ending June 30, 2018, 2017, and 2016 were $234,871, $219,634, and $152,721, respectively.

Separation Payments Plan – The District implemented a Separation Payments Plan (SPP) for all eligible employees effective July 1, 2006. On June 14, 2012, and again on January 9, 2013, the District, through Board resolutions, modified the SPP in an effort to lessen the financial impact to the District. On June 10, 2015, the Board terminated the SPP effective July 1, 2017, and implemented two early retirement incentive plan options which are more fully described below.

To be eligible under the SPP, which is closed to those retiring after June 30, 2017, employees must have commenced their initial period of employment with the District prior to July 1, 2006, completed at least fifteen consecutive years of service in the District, retired in good standing from District service, and retired under the Utah Retirement System. In addition, all persons initially employed prior to July 1, 2006, must have been an employee of the District on January 9, 2013, to be potentially eligible. Any such persons employed by the District on January 9, 2013, who left employment with the District for any reason except for an authorized and approved leave of absence, prior to being eligible for the SPP were deemed to have forfeited all rights to the SPP regardless of whether they were subsequently re-employed by the District.

The SPP provides base compensation over five years based on the average of an employee's highest three years of base annual salary multiplied by a percentage. The percentage amount was 90% for those who retired during the year ending June 30, 2017, the final year the SPP was available. The SPP also provides supplementary compensation of either $50,000 for full-time employees or a lesser, prorated amount for less than full-time employees, providing the employee is eligible for medical insurance benefits both at the time of retirement and during each of the five years immediately preceding retirement. Participating individuals may purchase medical insurance coverage through the District, at their own expense, until the employee becomes eligible for Medicare. During the first five years following retirement, a retired employee may purchase medical insurance through the District at the District's then current costs. Afterwards, a retired employee may purchase medical insurance at the percentage rate set annually by the Board which is currently 125% of the District's cost.

Projections of the SPP benefit for financial reporting purposes are based on a substantive agreement between the District and its participating employees and the District finances the obligation on a pay-as-you-go basis. Payments to retirees for the years ended June 30, 2018, 2017, and 2016 were $5,828,753, $4,533,211, and $4,182,844, respectively. The District's estimate of future costs for this program, which is based on the estimated cash flows for those participating in the program, is $15,661,867.

Early Retirement Incentive Plans – As mentioned above, the District, on June 10, 2015, terminated the Separation Payments Plan effective July 1, 2017, and implemented two early retirement incentive plan options. Early Incentive Plan Option 1 (ERIP Option 1) has been in effect since July 1, 2015 and Early Incentive Plan Option 2 (ERIP Option 2) has been in effect as of July 1, 2017.

To be eligible under ERIP Option 1, employees must have commenced their initial period of employment with the District prior to July 1, 2006, complete at least fifteen consecutive years of service in the District, be employed by the District for each of the five years immediately preceding retirement, retire in good standing from District service, and be eligible to and, in fact, retire under the URS. In addition, to be eligible for the Medicare bridge component, as more fully described below, an employee must be eligible for medical insurance benefits with the District at the time of retirement and for each of the five (5) years immediately preceding retirement. Furthermore, all persons initially employed prior to July 1, 2006, must have been an employee of the District on January 9, 2013, and must have had at least some years of service credit with URS on December 1, 2014, to be potentially eligible. Any such persons employed by the District on

January 9, 2013, who leave employment with the District for any reason except for an authorized and approved leave of absence, prior to being eligible for the ERIP Option 1 is deemed to have forfeited all rights to the ERIP Option 1 regardless of whether they are subsequently re-employed by the District.

The ERIP Option 1 is comprised of three components: (a) the base compensation; (b) the Social Security bridge; and (c) the Medicare bridge. The base compensation payment is calculated as one-and-one half percent (1.5%) multiplied by the employee's years of service credit in URS, up to a maximum of thirty (30), multiplied by the employee's base annual contract amount with the District. The amount of the Social Security bridge payment is ten percent (10%) of the employee's base annual contract amount with the District for up to five (5) years or until the employee becomes eligible for full Social Security benefits, whichever comes first. The payments for both the base compensation and Social Security bridge are paid out annually over a period of five (5) years. The Medicare bridge benefit is single or couple coverage under the District's then in effect medical insurance plan for up to five (5) years or until the employee becomes eligible for Medicare, whichever comes first. An employee who is eligible to receive the Medicare bridge benefit may continue to purchase medical insurance coverage through the District until the retiree becomes eligible for Medicare at the percentage rate set annually by the Board which is currently 125% of the District's cost.

To be eligible under ERIP Option 2, employees must have commenced their initial period of employment with the District prior to July 1, 2006, complete at least fifteen consecutive years of service in the District, be employed by the District for each of the five years immediately preceding retirement, retire in good standing from District service, be eligible to and, in fact, retire under the URS, be eligible for medical insurance benefits with the District at the time of retirement, and have been eligible for medical insurance benefits with the District during each of the five (5) years immediately preceding retirement. In addition, all persons initially employed prior to July 1, 2006, must have been an employee of the District on January 9, 2013, and must have had at least some years of service credit with URS on December 1, 2014, to be potentially eligible. Any such persons employed by the District on January 9, 2013, who leave employment with the District for any reason except for an authorized and approved leave of absence, prior to being eligible for the ERIP Option 2 are deemed to have forfeited all rights to the ERIP Option 2 regardless of whether they are subsequently re-employed by the District.

The ERIP Option 2 is comprised of two components: (a) the base compensation; and (b) the Social Security bridge. The base compensation payment is calculated as three percent (3%) multiplied by the employee's years of service credit in URS, up to a maximum of thirty (30), multiplied by the employee's base annual contract amount with the District. The amount of the Social Security bridge payment is ten percent (10%) of the employee's base annual contract amount with the District for up to five (5) years or until the employee becomes eligible for full Social Security benefits, whichever comes first. The payments for both the base compensation and Social Security bridge are paid out annually over a period of five (5) years. An employee who receives benefits under ERIP Option 2 is not eligible to purchase medical insurance coverage through the District after retirement.

Projections of the ERIP Option 1 and ERIP Option 2 benefits for financial reporting purposes are based on substantive agreements between the District and its eligible employees. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in the actuarial accrued liability, consistent with the long-term perspective of the calculations. The base components for both ERIP Option 1 and ERIP Option 2 are accounted for as a pension liability under GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, and the Social Security and

Medicare bridge components are accounted for as termination benefits under GASB Statement No. 47, *Accounting for Termination Benefits*.

The most recent actuarial valuation for the pension portion of the ERIP Option 1 and ERIP Option 2 plans was as of July 1, 2016, and the accrued liability was calculated as $43,602,135. The net benefit liability at June 30, 2018, is $44,410,338 and is recorded as a long-term liability on the Statement of Net Position. In the valuation the projected unit credit using full accrual at full eligibility age method was used. An interest rate assumption of 4.0% was used along with demographic and other assumptions including mortality rates, salary inflation rates, public education retirement rates, and employee termination rates by age, gender, and years of service.

The termination benefits portion of all plans are recognized upon the occurrence of employee retirements to the extent the liabilities are normally expected to be liquidated with expendable available financial resources.

Although the District finances the obligations for SPP, ERIP Option 1, and ERIP Option 2 on a pay-as-you-go basis it has assigned $10,000,000 of its *General Fund* balance for this purpose.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries; and natural disasters. The District has joined with other public entities in a common risk management and insurance program operated by the State of Utah Division of Risk Management. The District pays experience-rated premiums to this risk pool, the Utah State Risk Management Fund, for its general insurance coverage. The pool is self sustaining through member premiums and reinsures through commercial companies for claims in excess of specified amounts for certain types of risks. The District is subject to a minimal deductible for claims of the risk pool. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past five fiscal years.

The District also participates in the Utah School Boards Risk Management Mutual Insurance Association which is a risk pool for worker's compensation coverage. Unemployment compensation is handled on a cost of benefits reimbursement basis with the State of Utah. The District has purchased commercial insurance for other risks of loss including employee health and accident insurance and identity theft.

(The remainder of this page intentionally left blank)

7. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2018 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Noncurrent Liabilities Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 182,775,000	$ 47,455,000	$ (61,410,000)	$ 168,820,000	$ 20,335,000
Deferred amounts on issuance premium	7,314,654	6,201,224	(3,666,267)	9,849,611	-
Total bonds payable, net	190,089,654	53,656,224	(65,076,267)	178,669,611	20,335,000
Accrued vacation	1,379,306	1,262,938	(1,241,375)	1,400,869	1,260,782
Separation payments payable	21,490,620	-	(5,828,753)	15,661,867	5,213,594
Early retirement incentives payable	43,602,135	829,204	(21,001)	44,410,338	290,517
Total governmental activities long-term liabilities	$ 256,561,715	$ 55,748,366	$ (72,167,396)	$ 240,142,685	$ 27,099,893

Payments on the general obligation bonds are made by the *Debt Service Fund* from property taxes and earnings on investments. Employee benefits are paid by the fund in which the employee works.

General Obligation Bonds – The District issues general obligation bonds to finance the purchase of major capital items and the acquisition or construction of major capital facilities. Outstanding general obligation bonds at June 30, 2018 are as follows:

Series	Dated	Original Amount	Rate(s)	Maturity Date	Balance
Series 2017C	December 5, 2017	$ 37,455,000	2.00% to 5.00%	July 1, 2026	$ 37,295,000
Series 2017B	August 22, 2017	10,000,000	2.13% to 5.00%	July 1, 2032	6,825,000
Series 2017A	March 14, 2017	5,000,000	2.13% to 5.00%	July 1, 2021	1,500,000
Series 2016A	March 23, 2016	74,505,000	0.62% to 1.43%	July 1, 2022	56,335,000
Series 2015A	August 18, 2015	19,260,000	3.00% to 5.00%	July 1, 2030	9,400,000
Series 2014C	October 22, 2014	20,000,000	2.00% to 5.00%	July 1, 2029	11,600,000
Series 2014B	March 25, 2014	15,000,000	2.00% to 5.00%	July 1, 2028	12,275,000
Series 2012B	August 28, 2012	4,015,000	2.00% to 3.00%	July 1, 2019	820,000
Series 2012A	August 28, 2012	24,850,000	2.00% to 4.50%	July 1, 2027	23,330,000
Series 2011	August 31, 2011	29,800,000	2.00% to 5.00%	July 1, 2026	3,500,000
Series 2010B	September 1, 2010	28,000,000	2.00% to 4.00%	July 1, 2025	175,000
Series 2009B	November 17, 2009	9,400,000	3.22% to 5.21%	July 1, 2024	5,765,000
		Total outstanding general obligation bonds payable			$ 168,820,000

The debt service requirements to maturity for the general obligation bonds are shown below:

Year Ending June 30	Principal	Interest	Total
2019	$ 20,335,000	$ 5,124,066	$ 25,459,066
2020	21,615,000	4,465,514	26,080,514
2021	21,165,000	4,024,009	25,189,009
2022	19,830,000	3,594,071	23,424,071
2023	18,105,000	3,234,641	21,339,641
2024-2032	67,770,000	6,450,662	74,220,662
Totals	$ 168,820,000	$ 26,892,963	$ 195,712,963

Legal Debt Limit – The general obligation indebtedness of the District is limited by Utah State Law to 4.0% of the fair market value of the total taxable property in the District. The legal debt limit and additional debt incurring capacity of the District, based on estimated fair market values for the calendar year 2017, is calculated as follows:

2017 Fair market value of properties within District (1)	$ 12,575,340,386
Utah State Law debt limit	4.0%
Legal debt limit	503,013,615
Less general obligation debt outstanding, net of deferred amounts	(173,198,111)
Additional debt incurring capacity	$ 329,815,504

(1) Valuation includes the value associated with the fees in lieu of ad valorem taxes for motor vehicles and other tangible personal property.

8. GRANTS

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the *General Fund* or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be immaterial.

9. BUDGET CONVERSION

The original and final budgets presented to the Board and subsequently adopted by the Board were presented using a simplified budget report format. As such, the District budget reports are not comparable in presentation to the budget information as shown in the financial statements. The budget information presented in the financial statements has been converted from the District budget presentation format to be in accordance with accounting principles generally accepted in the United States of America (GAAP).

10. SUBSEQUENT EVENT

On August 21, 2018, the District issued Series 2018 General Obligation School Building Bonds in the amount of $3,350,000 for the purpose of raising money for purchasing one or more school sites, buildings, and furnishings and improving existing school property under the charge of the Board. The General Obligation bonds were authorized at a bond election on June 23, 2009.

11. RESTATEMENT

During the year ending June 30, 2018, the District adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* The District also adopted GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

The new standards require the District to recognize liabilities in its government-wide financial statements for the total liabilities related to the District's early retirement incentive plans. The District is required to recognize retirement expense and report deferred outflows of resources and deferred inflows of resources related to these plans.

The governmental fund financial statement of the District are not affected by these new standards. Plan expenditures in the governmental funds continue to be recognized equal to the total of a) amounts paid by the District to the plans and b) the change between the beginning and ending balances of amounts of contributions currently payable to the plans.

The beginning net position reported in the government-wide financial statements of the District has been restated to reflect the new standards as follows:

Net position at June 30, 2017, as originally stated	$	191,082,938
Net pension liability		(33,336,403)
Net position at June 30, 2017, as restated	$	157,746,535

The notes to the basic financial statements now include additional information about the defined benefit pension plans. The District will also be presenting in required supplementary information 10-year schedules containing changes in the total retirement liability. Because this is the first year such information is available, only one year of required supplementary information is presented with these financial statements. Information for additional years will be presented in future reports as it becomes available.

(The remainder of this page intentionally left blank)

NEBO SCHOOL DISTRICT
Required Supplementary Information
Last 4 Valuation Dates

Net Pension Liability
Schedule of Proportionate Share

	December 31,			
	2017	2016	2015	2014
Non-Contributory Plan:				
Proportion of the net pension liability (asset)	3.4582051%	3.3590183%	3.3321593%	3.2601837%
Proportionate share of the net pension liability (asset)	$ 84,565,640	$ 108,862,992	$ 104,672,666	$ 81,913,050
Covered employee payroll	$ 91,022,609	$ 90,337,715	$ 89,442,920	$ 89,824,967
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	92.91%	120.51%	117.03%	91.19%
Plan fiduciary net position as a percentage of the total pension liability	89.20%	84.90%	84.50%	87.20%
Contributory Plan:				
Proportion of the net pension liability (asset)	27.4285600%	0.2223368%	0.1814883%	0.4333141%
Proportionate share of the net pension liability (asset)	$ 18,049	$ 121,831	$ 113,730	$ 47,512
Covered employee payroll	$ 62,408	$ 59,601	$ 57,491	$ 162,577
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	28.92%	204.41%	197.82%	29.22%
Plan fiduciary net position as a percentage of the total pension liability	99.20%	93.40%	92.40%	98.70%
Tier 2 Plan:				
Proportion of the net pension liability (asset)	2.6741210%	2.4545353%	2.4990808%	2.5503165%
Proportionate share of the net pension liability (asset)	$ 235,770	$ 273,802	$ (5,455)	$ (77,286)
Covered employee payroll	$ 26,249,188	$ 20,129,255	$ 16,136,697	$ 12,476,244
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	0.90%	1.36%	-0.03%	-0.62%
Plan fiduciary net position as a percentage of the total pension liability	97.40%	95.10%	100.20%	103.50%

NEBO SCHOOL DISTRICT
Required Supplementary Information
Last 5 Fiscal Years

Utah Retirement Systems
Schedule of Contributions

	June 30, 2018	2017	2016	2015	2014
Non-Contributory Plan:					
Actuarial determined contributions	$ 19,727,115	$ 18,678,014	$ 19,727,115	$ 19,178,613	$ 18,064,190
Contributions in relation to the contractually required contributions	19,727,115	18,678,014	19,727,115	19,178,613	18,064,190
Contribution deficiency (excess)	-	-	-	-	-
Covered employee payroll	90,440,131	85,630,840	90,440,131	88,738,926	91,385,990
Contributions as a percentage of covered employee payroll	21.81%	21.81%	21.81%	21.61%	19.77%
Contributory Plan:					
Actuarial determined contributions	$ 10,415	$ 9,853	$ 10,415	$ 9,932	$ 38,401
Contributions in relation to the contractually required contributions	10,415	9,853	10,415	9,932	38,401
Contribution deficiency (excess)	-	-	-	-	-
Covered employee payroll	58,900	55,664	58,900	57,411	242,573
Contributions as a percentage of covered employee payroll	17.68%	17.70%	17.68%	17.30%	15.83%
Tier 2 Plan:					
Actuarial determined contributions	$ 3,390,050	$ 3,831,628	$ 3,390,050	$ 2,637,440	$ 1,789,883
Contributions in relation to the contractually required contributions	3,390,050	3,831,628	3,390,050	2,637,440	1,789,883
Contribution deficiency (excess)	-	-	-	-	-
Covered employee payroll	18,582,991	21,098,630	18,582,991	14,540,241	10,773,433
Contributions as a percentage of covered employee payroll	18.24%	18.16%	18.24%	18.14%	16.61%
Tier 2 DC Only Plan:					
Actuarial determined contributions	$ 280,027	$ 305,457	$ 280,027	$ 182,009	$ 114,388
Contributions in relation to the contractually required contributions	280,027	305,457	280,027	182,009	114,388
Contribution deficiency (excess)	-	-	-	-	-
Covered employee payroll	2,794,117	3,044,603	2,794,177	1,801,117	1,324,116
Contributions as a percentage of covered employee payroll	10.02%	10.03%	10.02%	10.11%	8.64%

Note A. Changes in Assumptions-Utah Retirement Systems

As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial liability).

Note B. Schedules of District Contributions-Utah Retirement Systems

Contributions as a percentage of covered-employee payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. Required contributions from Tier 2 plans to finance the unfunded actuarial accrued liability of the Tier 1 plans are reported as contributions to the Tier 2 plans.

APPENDIX B – BOOK ENTRY ONLY SYSTEM

The Depository Trust Company (*"DTC"*), New York, NY, will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Series 2019 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**.

Purchases of the Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2019 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019 Bond documents. For example, Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Board or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2019 Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2019 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

APPENDIX C – CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Agreement") is executed and delivered by the Board of Education of Nebo School District, Utah County, Utah (the "Issuer") in connection with the issuance of $__________ General Obligation School Building and Refunding Bonds, Series 2019 (the "Bonds"). The Bonds are being issued pursuant to a Resolution of the Issuer adopted on July 10, 2019 (the "Resolution").

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

Section 1. Purpose of this Agreement. This Agreement is executed and delivered by the Issuer as of the date set forth above, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Issuer represents that it and the State (pursuant to the Utah School Bond Guaranty Act, Chapter 28, Title 53A, Utah Code Annotated, 1953, as amended) will be the only obligated persons with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"Annual Financial Information" means the financial information and operating data described in Exhibit I.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited financial statements of the Issuer prepared pursuant to the standards and as described in Exhibit I.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; *provided* *however,* the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

"Reportable Event" means the occurrence of any of the Events with respect to the Bonds set forth in Exhibit II.

"Reportable Events Disclosure" means dissemination of a notice of a Reportable Event as set forth in Section 5.

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"State" means the State of Utah.

"Undertaking" means the obligations of the Issuer pursuant to Sections 4 and 5.

Section 3. CUSIP Numbers/Final Official Statement. The CUSIP numbers of the Bonds maturing in each of the following years are as follows:

July 1 of the Year	CUSIP Number
	639557 _____

The Final Official Statement relating to the Bonds is dated __________, 2019 (the "Final Official Statement"). The Issuer will include the CUSIP Numbers in all disclosure described in Sections 4 and 5 of this Agreement.

Section 4. Annual Financial Information Disclosure. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in Exhibit I) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

Section 5. Reportable Events Disclosure. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

Section 6. Consequences of Failure of the Issuer to Provide Information. The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

Section 7. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the Issuer by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Issuer or any other obligated person (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

Section 8. Termination of Undertaking. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The Issuer shall give notice to EMMA in a timely manner if this Section is applicable.

Section 9. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 10. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA.

Section 11. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

Section 12. Recordkeeping. The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 13. Assignment. The Issuer shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

Section 14. Governing Law. This Agreement shall be governed by the laws of the State.

DATED as of __________, 2019.

BOARD OF EDUCATION OF NEBO SCHOOL DISTRICT, UTAH COUNTY, UTAH

____
President

ATTEST AND COUNTERSIGN:

____
Business Administrator

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means financial information and operating data of the type contained in the Official Statement under the following captions:

CAPTION

DEBT STRUCTURE
— Outstanding Debt Issues
— Debt Service Schedule of Outstanding General Obligation Bonds
— General Obligation Overlapping Indebtedness
— Debt Ratios
FINANCIAL INFORMATION
— Taxable and Estimated Fair Market Value
— Significant Taxpayers in the District
— Summary of Taxable Value
— Tax Collection Record of the District
— Schedule of Property Tax Rates
— Five-Year Financial Summary

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by *200 days after the last day of the Issuer's fiscal year*. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared pursuant to generally accepted accounting principles applicable to governmental units in general and Utah school districts in particular. Audited Financial Statements will be submitted to EMMA within 30 days after availability to Issuer.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Non-payment related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

5. Substitution of credit or liquidity providers, or their failure to perform

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security

7. Modifications to the rights of Bond holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of the Issuer[1]

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

[1] This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

15 Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties

16. Incurrence of a Financial Obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Bond holders.

APPENDIX D – PROPOSED FORM OF OPINION OF BOND COUNSEL

GILMOREBELL

15 West South Temple, Suite 1450
Salt Lake City, Utah 84101-1531

(801) 364-5080 / (801) 364-5032 FAX / gilmorebell.com

____________, 2019

Nebo School District
350 South Main
Spanish Fork, UT 84660

We have acted as bond counsel to the Board of Education ("Board") of Nebo School District, Utah (the "District") in connection with the issuance by the Issuer of its $_____________ General Obligation School Building and Refunding Bonds, Series 2019 (the "Bonds") pursuant to (a) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the "Act"), (b) a resolution of the Issuer adopted on July 10, 2019 (the "Resolution"), which provides for the issuance of the Bonds, and (c) other applicable provisions of law.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certificates of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination and the foregoing, we are of the opinion as of the date hereof and under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Board, and are valid and binding general obligations of the Board for the payment of which the full faith and credit of the Board are pledged, and for the payment of which ad valorem taxes may be levied on all taxable property within the boundaries of the District without limit as to rate or amount.

2. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Board complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

3. The interest on the Bonds is exempt from State of Utah individual income taxes.

4. The guaranty of timely payment of the Bonds provided by Title 53G, Chapter 4, Part 8, Utah Code Annotated 1953, as amended, is a valid and binding obligation of the State of Utah in accordance with its terms.

We express no opinion herein regarding the accuracy, completeness or sufficiency of any offering material relating to the Bonds.

The rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent applicable, and their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Respectfully submitted,