
OFFICIAL NOTICE OF BOND SALE

And

PRELIMINARY OFFICIAL STATEMENT



Municipal Building Authority of Provo City School District, Utah

\$70,000,000*

Lease Revenue Bonds, Series 2025

Electronic bids will be received up to 9:30:00 A.M., M.D.T., via the ***PARITY***® electronic bid submission system, on Thursday, October 2, 2025.

* Preliminary; subject to change.

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Official Notice of Bond Sale

(Bond Sale to Be Conducted Electronically)

Municipal Building Authority of Provo City School District, Utah

\$70,000,000*

Lease Revenue Bonds, Series 2025

Bids will be received electronically (as described under “PROCEDURES REGARDING ELECTRONIC BIDDING” below) by the Secretary (the “*Secretary*”) of the Municipal Building Authority of Provo City School District, Utah County, Utah (the “*Issuer*”), via the PARITY® electronic bid submission system (“*PARITY®*”), at 9:30:00 a.m., Mountain Daylight Time, on Thursday, October 2, 2025, for the purchase (all or none) of the Issuer’s \$70,000,000* aggregate principal amount of Lease Revenue Bonds, Series 2025 (the “*2025 Bonds*”). Pursuant to a resolution of the Board of Trustees of the Issuer (the “*Board*”) adopted on February 25, 2025, the Board has authorized the Secretary (or, in the event of his absence or incapacity, the Superintendent, or in the event of his absence or incapacity, the President of the Issuer), as the designated officer of the Issuer (the “*Designated Officer*”), to review and consider the bids on Thursday, October 2, 2025.

Description of 2025 Bonds

The 2025 Bonds will be dated as of the date of issuance and delivery¹ thereof, will be issuable only as fully-registered bonds in book-entry form, will be issued in denominations of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity, and will mature on March 15 of each of the years and in the principal amounts as follows:

Year	Principal Amount*	Year	Principal Amount*
2028	\$2,315,000	2038	\$3,765,000
2029	2,430,000	2039	3,955,000
2030	2,550,000	2040	4,155,000
2031	2,675,000	2041	4,360,000
2032	2,810,000	2042	4,535,000
2033	2,950,000	2043	4,725,000
2034	3,100,000	2044	4,925,000
2035	3,255,000	2045	5,135,000
2036	3,415,000	2046	5,355,000
2037	3,590,000		

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

The 2025 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 2025 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.

¹ The anticipated date of delivery of the 2025 Bonds is October 15, 2025.

* Preliminary; subject to change. See caption “Adjustment of Principal Amount of the 2025 Bonds” in this Official Notice of Bond Sale.

Adjustment of Principal Amount of the 2025 Bonds

The adjustment of maturities may be made in such amounts as are necessary to provide the Issuer with desired debt service payments during the life of the 2025 Bonds. Any such adjustment will be in an amount of \$5,000 or a whole multiple thereof. The dollar amount of the price bid by the successful bidder may be changed as described below, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid as a result of any changes made within these limits, and the Issuer will consider the bid as having been made for the adjusted amount of the 2025 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 2025 Bonds to the public and the price to be paid to the Issuer, by (b) the principal amount of the 2025 Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown above. The Designated Officer expects to advise the successful bidder as soon as possible, but expects no later than 2:00 p.m., Mountain Daylight Time, on the date of sale, of the amount, if any, by which the aggregate principal amount of the 2025 Bonds will be adjusted and the corresponding changes to the principal amount of 2025 Bonds maturing on one or more of the above-designated maturity dates for the 2025 Bonds.

To facilitate any adjustment in the principal amounts, the successful bidder is required to indicate by email transmission to Zions Public Finance, Inc., Salt Lake City, Utah, the Municipal Advisor (the "Municipal Advisor") to the Issuer, at brian.baker@zionsbancorp.com within one-half hour of the time the Municipal Advisor notifies the successful bidder that such bidder's bid appears to be the best bid received (as described under the caption "Notification" below), the amount of any original issue discount or premium on each maturity of the 2025 Bonds and the amount received from the sale of the 2025 Bonds to the public that will be retained by the successful bidder as its compensation.

Ratings

The Issuer will, at its own expense, pay the fee of Moody's Investors Service, Inc. for rating the 2025 Bonds. Any additional ratings shall be at the option and expense of the bidder.

Purchase Price

The purchase price bid for the 2025 Bonds shall not be less than the principal amount of the 2025 Bonds (\$70,000,000).

Interest Rates

Bidders must specify the rate of interest with respect to each maturity of 2025 Bonds. Bidders will be permitted to bid different rates of interest for each separate maturity of 2025 Bonds, but:

1. the highest interest rate bid for any of the 2025 Bonds shall not exceed 5.00% per annum;
2. the minimum price for any maturity of the 2025 Bonds shall not be less than 98.00%;
3. each interest rate specified in any bid must be in a multiple of 1/8th or 1/20th of 1% per annum;
4. no 2025 Bond shall bear more than one rate of interest;
5. interest shall be computed from the dated date of a 2025 Bond to its stated maturity date at the single interest rate specified in the bid for the 2025 Bonds of such maturity;
6. the same interest rate shall apply to all 2025 Bonds maturing at one time;

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 immediately available funds;
8. any premium must be paid in the funds specified for the payment of the 2025 Bonds as part of the purchase price;
9. there shall be no supplemental interest coupons;
10. a zero percent (0%) interest rate may not be used; and
11. interest shall be computed on the basis of a 360-day year of 12, 30-day months.

Interest will be payable semiannually on March 15 and December 15 of each year, commencing March 15, 2026.

Bond Registrar and Paying Agent; Place of Payment

Zions Bancorporation, National Association, Salt Lake City, Utah, will be the paying agent and bond registrar for the 2025 Bonds. The Issuer may remove any paying agent and any bond registrar, and any successor thereto, and appoint a successor or successors thereto. So long as the 2025 Bonds are outstanding in book-entry form, the principal of and interest on the 2025 Bonds will be paid under the standard procedures of The Depository Trust Company (“DTC”).

Redemption Provisions

Optional Redemption. The 2025 Bonds are subject to redemption prior to maturity in whole or in part at the option of the Issuer on September 15, 2035, or any date thereafter, from such maturities or parts thereof as shall be selected by the Issuer at the redemption price of 100% of principal amount of the 2025 Bonds to be redeemed plus accrued interest (if any) thereon to the redemption date.

The 2025 Bonds may be subject to optional mandatory sinking fund redemption at the option of the successful bidder(s).

Extraordinary Optional Redemption in The Event of Damage, Destruction or Condemnation. The 2025 Bonds are subject to redemption prior to maturity in whole or in a prorated portion from time to time at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, together with accrued interest thereon to the redemption date, but without premium, in the event that (a) the Project is damaged or destroyed, in whole or in part, or the Project or any portion thereof is taken in a condemnation proceeding, or certain events occur with respect to the title to the Project or construction defects in the Project as described in the Lease, (b) the Net Proceeds of any insurance policy, performance bond or condemnation award made available by reason of one or more such occurrences are insufficient to pay in full the cost of rebuilding, replacing or repairing the Project and the failure to repair, rebuild or replace shall not materially detract from the value of the Project and (c) the District Board elects to waive its obligation to rebuild, repair or replace the affected portion of the Project in accordance with the Lease. If so, called for redemption, the 2025 Bonds will be subject to redemption on the next Bond Interest Payment Date for which timely notice can be given as provided in the Indenture

Security

The 2025 Bonds are limited obligations of the Issuer payable solely from the revenues and receipts received pursuant to a Master Lease Agreement, dated as of October 1, 2025 (the “*Lease*”), between the Issuer and the Board of Education of Provo City School District, Utah County, Utah (the “*District Board*”) that are produced from annual appropriations (if any) by the District Board and other funds or amounts held by the Trustee as security for the 2025 Bonds. The Issuer has also mortgaged, pledged and assigned to the Trustee all of the Issuer’s right, title and interest in and to the Project and the Lease, including the right to receive the Base Rentals, as security for the payment of the

principal of, and premium (if any) and interest on, the 2025 Bonds pursuant to a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement.

Under the Lease, the District Board has agreed to pay Base Rentals in amounts and at times that are sufficient to pay the principal of and interest on the 2025 Bonds coming due in each fiscal year, but only if and to the extent that the District Board annually appropriates funds sufficient to pay the Base Rentals coming due during each succeeding Renewal Term of the Lease plus such Additional Rentals as are necessary to operate and maintain the Project during such period. The Lease specifically provides that nothing therein shall be construed to require the District Board to appropriate any moneys to pay the Base Rentals or Additional Rentals (collectively, the “Rentals”) thereunder and the District Board shall not be obligated to pay the Rentals except to the extent appropriated. THE OBLIGATION OF THE DISTRICT BOARD TO PAY ANY RENTALS IS SUBJECT TO ANNUAL APPROPRIATIONS BY THE DISTRICT BOARD AS PROVIDED IN THE LEASE. NEITHER THE OBLIGATION OF THE DISTRICT BOARD TO PAY SUCH RENTALS NOR THE OBLIGATION OF THE ISSUER TO PAY THE 2025 BONDS WILL CONSTITUTE A DEBT OF THE STATE OF UTAH, THE DISTRICT BOARD OR ANY POLITICAL SUBDIVISION OF THE STATE OF UTAH. THE ISSUANCE OF THE 2025 BONDS DOES NOT DIRECTLY OR CONTINGENTLY OBLIGATE THE DISTRICT BOARD TO PAY ANY RENTALS BEYOND THOSE APPROPRIATED FOR THE DISTRICT BOARD’S THEN CURRENT FISCAL YEAR. THE ISSUER HAS NO TAXING POWER.

Award

Award or rejection of bids will be made by the Issuer, acting through its Designated Officer, on Thursday, October 2, 2025. The 2025 Bonds will be awarded to the responsible bidder offering to pay not less than the principal amount of the 2025 Bonds and specifying a rate or rates of interest that result in the lowest effective interest rate to the Issuer. The effective interest rate to the Issuer shall be the interest rate per annum determined on a per annum true interest cost (“TIC”) basis by discounting the scheduled semiannual debt service payments of the Issuer on the 2025 Bonds (based on such rate or rates of interest so bid) to the dated date of the 2025 Bonds (based on a 360-day year consisting of 12, 30-day months), compounded semiannually and to the bid price.

Prompt Award

The Designated Officer will take action awarding the 2025 Bonds or rejecting all bids not later than 6:00 p.m., Mountain Daylight Time, on Thursday, October 2, 2025, unless such time of award is waived by the successful bidder.

Notification

The Municipal Advisor, on behalf of the Issuer, will notify the apparent successful bidder (electronically via PARITY®) as soon as possible after the Designated Officer’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 by the Designated Officer not later than 6:00 p.m., Mountain Daylight Time, on Thursday, October 2, 2025.

Procedures Regarding Electronic Bidding

A prospective bidder must communicate its bid for the 2025 Bonds electronically via PARITY® on or before 9:30:00 a.m., Mountain Daylight Time, on Thursday, October 2, 2025. 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 Municipal Advisor at One South Main Street, 18th Floor, Salt Lake City, Utah 84133-1109, 801.844.7381 or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, 212.849.5021.

For purposes of PARITY®, the time as maintained by PARITY® shall constitute the official time.

Each prospective bidder shall be solely responsible to register to bid via PARITY® as described above. 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 Issuer nor i-Deal LLC shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Issuer nor i-Deal LLC shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The Issuer is using PARITY® as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the 2025 Bonds.

Form of Bid

Each bidder is required to transmit electronically via PARITY® an unconditional bid specifying the lowest rate or rates of interest and the purchase price, which shall not be less than the principal amount of the 2025 Bonds, at which the bidder will purchase the 2025 Bonds. Each bid must be for all the 2025 Bonds herein offered for sale.

For information purposes only, bidders are requested to state in their bids the effective interest rate for the 2025 Bonds represented on a TIC basis, as described under "Award" above, 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 Municipal Advisor by telephone at 801.844.7381. Thereafter, it may submit its bid by telephone to the Municipal Advisor at 801.844.7381, who shall transcribe such bid into written form, or by email transmission to the Municipal Advisor at brian.baker@zionbancorp.com, in either case before 9:30:00 a.m., Mountain Daylight Time, on Thursday, October 2, 2025. For purposes of bids submitted telephonically to the Municipal Advisor (as described above) or by email transmission (as described above), the time as maintained by PARITY® shall constitute the official time. Each bid submitted as provided in this paragraph must specify: (a) an offer to purchase not less than all of the 2025 Bonds; and (b) the lowest rate of interest at which the bidder will purchase the 2025 Bonds at a price of not less than the principal amount of the 2025 Bonds, as described under "Award" above. The Municipal Advisor will seal transcribed telephonic bids and facsimile transmission bids for submission to an official of the Issuer. Neither the Issuer nor the Municipal 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 telephone lines or otherwise). No bid will be received after the time for receiving such bids specified above.

If requested by the Secretary, the apparent successful bidder will provide written confirmation of its bid (by facsimile transmission) to the Secretary prior to 2:00 p.m., Mountain Daylight Time, on Thursday, October 2, 2025.

Right of Cancellation

The successful bidder shall have the right, at its option, to cancel its obligation to purchase the 2025 Bonds if the Issuer shall fail to execute the 2025 Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying its bid.

Good Faith Deposit

A good faith deposit in the amount of \$700,000 (the "Deposit"), is required only from the successful bidder. The Deposit shall be payable to the order of the Issuer in the form of a wire transfer in federal funds as instructed by the Municipal Advisor no later than 12:00 p.m., Mountain Daylight Time, on the date of sale. As an alternative to wiring funds, a bidder may deliver a cashier's or certified check, payable to the order of the Issuer, with its bid. 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 Issuer shall, as security for the faithful performance by the successful bidder of its obligation to take up and pay for the 2025 Bonds when tendered, cash the Deposit check, if applicable, of the successful bidder and hold the proceeds of the Deposit of the successful bidder or invest the same (at the Issuer's risk) in obligations that mature at

or before the delivery of the 2025 Bonds as described under the caption “Manner and Time of Delivery” below, until disposed of as follows: (a) at such delivery of the 2025 Bonds and upon compliance with the successful bidder’s obligation to take up and pay for the 2025 Bonds, the full amount of the Deposit held by the Issuer, without adjustment for interest, shall be applied toward the purchase price of the 2025 Bonds at that time, and the full amount of any interest earnings thereon shall be retained by the Issuer; and (b) if the successful bidder fails to take up and pay for the 2025 Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the Issuer as liquidated damages.

Sale Reservations

The Issuer, acting through its Designated Officer, reserves the right: (a) to waive any irregularity or informality in any bid or in the electronic bidding process; (b) to reject any and all bids for the 2025 Bonds; and (c) to resell the 2025 Bonds as provided by law.

Manner and Time of Delivery

The successful bidder will be given at least seven business days’ advance notice of the proposed date of the delivery of the 2025 Bonds when that date has been determined. It is now estimated that the 2025 Bonds will be delivered in book-entry form on or about October 15, 2025. The 2025 Bonds will be delivered as a single bond certificate for each maturity of the 2025 Bonds, registered in the name of DTC or its nominee. Delivery of the 2025 Bonds will be made in Salt Lake City, Utah, except that the successful bidder may at its option and expense designate some other place of delivery, that expense to include travel expenses of two Issuer officials or two representatives of the Issuer and closing expenses. The successful bidder must also agree to pay for the 2025 Bonds in federal funds that will be immediately available to the Issuer in Salt Lake City, Utah, on the day of delivery.

CUSIP® Numbers

It is anticipated that CUSIP® identification numbers will be printed on the 2025 Bonds, but neither the failure to print such numbers on any 2025 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the 2025 Bonds in accordance with terms of the contract of sale. All expenses in relation to the providing of CUSIP® numbers for the 2025 Bonds shall be paid for by the Issuer.

Tax-Exempt Status

In the opinion of Farnsworth Johnson PLLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the 2025 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2025 Bonds.

It is further the opinion of Bond Counsel that under the existing laws of the State of Utah, as presently enacted and construed, interest on the 2025 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the 2025 Bonds may result in other state and local tax consequences to certain taxpayers; Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

Issue Price: In order to enable the Issuer to comply with certain requirements of the Code, as amended, the successful bidder will be required to provide a certificate as to the “issue price” of the 2025 Bonds in substantially the form attached hereto as *Exhibit 1*. Each bidder, by submitting its bid, agrees to complete, execute and deliver such certificate, in form and substance satisfactory to Bond Counsel, by the date of delivery of the 2025 Bonds, if its bid is

accepted by the Issuer. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation or otherwise to ascertain the facts necessary to make such certification. Any questions regarding the certificate should be directed to Farnsworth Johnson PLLC, Bond Counsel, telephone: 801.510.6303, e-mail: brandon@farnsworthjohnson.com.

For purposes of federal tax issue price regulations, the Issuer expects that the sale of the 2025 Bonds will qualify as a competitive sale. In the event that the competitive sale requirements are not satisfied, the Issuer will advise the successful bidder. In that case, the Issuer will treat the first price at which 10% of a maturity of the 2025 Bonds is sold to the public as the issue price of that maturity (the “10% Test”). The winning bidder shall advise the Issuer which, if any, maturities of the 2025 Bonds satisfy the 10% Test as of the date of sale of the 2025 Bonds. The Issuer will *not* require bidders to comply with the “hold-the-offering-price rule”.

In the event the competitive sale requirements are not satisfied, the successful bidder shall promptly report to the Issuer the price for each maturity of the 2025 Bonds for which the 10% Test has been satisfied. This reporting obligation shall continue until the 10% Test has been satisfied for all maturities of the 2025 Bonds. If the 10% Test for any maturity of the 2025 Bonds has not been satisfied by the date of delivery of the 2025 Bonds, the successful bidder shall provide a “date down” certificate as to the “issue price” after the date of delivery of the 2025 Bonds when the 10% Test has been satisfied with respect to such maturity.

Legal Opinion and Closing Certificates

The unqualified approving opinion of Farnsworth Johnson PLLC covering the legality of the 2025 Bonds will be furnished to the successful bidder. Closing certificates will also be furnished, dated as of the date of delivery of and payment for the 2025 Bonds, including a statement that there is no litigation pending or, to the knowledge of the signer thereof, threatened affecting the validity of the 2025 Bonds.

Disclosure Certificate

The closing papers will include a certificate executed by the President, the Secretary or other officer of the District confirming to the successful bidder that, to the best of the knowledge of the signers thereof, and after reasonable investigation: (a) the Preliminary Official Statement (the “Preliminary Official Statement”) circulated with respect to the 2025 Bonds 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 made therein, in the light of the circumstances under which they were made, not misleading; and (b) the final Official Statement (the “Official Statement”) did not as of its date and does not at the time of the delivery of the 2025 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 the light of the circumstances under which they were made, not misleading; provided, should the Official Statement be supplemented or amended subsequent to the date thereof, the foregoing confirmation as to the Official Statement shall relate to the Official Statement as so supplemented or amended.

Continuing Disclosure

The District Board covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “*Undertaking*”) to provide ongoing disclosure about the District Board for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of Rule 15c2-12 (the “*Rule*”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed upon in writing by the successful bidder. The District Board has not failed to comply in all material respects with each and every Undertaking previously entered into by it pursuant to the Rule.

Delivery of Copies of Official Statement

The Issuer shall deliver to the successful bidder on such business day as directed in writing by the successful bidder, which is not earlier than the second business day or later than the seventh business day after the award of the

2025 Bonds as described under the caption “Award” above, a final Official Statement in electronic format, to comply with paragraph (b)(4) of the Rule and the Rules of the Municipal Securities Rulemaking Issuer.

After the original issuance and delivery of the 2025 Bonds, if any event relating to or affecting the Issuer shall occur as a result of which it is necessary in the opinion of counsel for the successful bidder to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a prospective purchaser, the Issuer shall, for so long as the successful bidder is obligated by the Rule to deliver an Official Statement to prospective purchasers, forthwith prepare and furnish to the successful bidder such information with respect to itself as the successful bidder deems necessary to amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, in the light of the circumstances existing at the time the Official Statement is delivered to a prospective purchaser.

Municipal Advisor

The Issuer has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the Issuer with respect to preparation for sale of the 2025 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2025 Bonds.

Waiver of Conflicts

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Issuer in the 2025 Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the Issuer in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel. If a bidder does not agree to such consent and waiver, such bidder should not submit a bid for the 2025 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 the Municipal Advisor, Zions Public Finance, Inc., One South Main Street, 18th Floor, Salt Lake City, Utah 84133-1109, 801.844.7381, Brian.Baker@zionsbancorp.com, Cara.Bertot@zionsbancorp.com. The Preliminary Official Statement (including the Official Notice of Bond Sale) is also available at <http://www.i-dealprospectus.com>, <http://www.fmhub.com> and <http://www.munios.com>.

Dated September 19, 2025.

Exhibit 1

**Certificate of Purchaser
(Competitive Sale Requirements Satisfied)**

[To be Dated the Closing Date]

The undersigned is an officer of _____ (the "*Purchaser*"), and as such officer I hereby certify as follows:

1. On October 2, 2025 (the "*Sale Date*") the Purchaser purchased the \$_____ Lease Revenue Bonds, Series 2025 (the "*Bonds*") of the Board of Education of Provo City School District, Utah (the "*Issuer*") by submitting electronically an "Official Bid Form" responsive to an "Official Notice of Sale" and having its bid accepted by the Issuer. The terms of the purchase have not been modified by the Purchaser since the Sale Date.

2. As of the Sale Date, the reasonably expected initial offering prices of the 2025 Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) (the "*Public*") are the prices shown on the inside cover page of the Official Statement, dated October 2, 2025, and related to the 2025 Bonds (the "*Expected Offering Prices*"). The Expected Offering Prices are the prices for the maturities of the 2025 Bonds used by the Purchaser in formulating its bid to purchase the 2025 Bonds. Attached as *Schedule A* is a true and correct copy of the bid provided by the Purchaser to purchase the 2025 Bonds.

3. The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

All terms not defined herein shall have the same meanings as in the tax certificate with respect to the 2025 Bonds, to which this Certificate is attached.

Very truly yours,

[PURCHASER]

By _____

Its _____

Schedule A

Copy of Purchaser's Bid

PRELIMINARY OFFICIAL STATEMENT

Municipal Building Authority of Provo City School District, Utah

\$70,000,000*

Lease Revenue Bonds, Series 2025

payable from lease payments to be made, subject to annual appropriation by



Provo City School District, Utah
pursuant to a Master Lease Agreement

On Thursday, October 2, 2025, up to 9:30:00 A.M., Mountain Daylight Time, electronic bids will be received by means of the **PARITY**® electronic bid submission system. See the “OFFICIAL NOTICE OF BOND SALE—Procedures Regarding Electronic Bidding.”

The 2025 Bonds, as defined herein, will be awarded to the successful bidder(s), and issued pursuant to a resolution of the Municipal Building Authority of Provo City School District, Utah (the “Authority”), adopted on February 25, 2025.

The Authority has deemed this PRELIMINARY OFFICIAL STATEMENT final as of the date hereof, for purposes of paragraph (b)(1) of Rule 15c2–12 of the Securities and Exchange Commission, subject to completion with certain information to be established at the time of sale of the 2025 Bonds as permitted by the Rule.

For copies of the OFFICIAL NOTICE OF BOND SALE, the PRELIMINARY OFFICIAL STATEMENT, and other related information with respect to the 2025 Bonds contact the Municipal Advisor:



ZIONS PUBLIC FINANCE, INC.

One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484
cara.bertot@zionsbancorp.com

This PRELIMINARY OFFICIAL STATEMENT is dated September 19, 2025 and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

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PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 19, 2025

NEW ISSUE

Ratings: Moody's "Aa3"

See "MISCELLANEOUS—Bond Ratings" herein.

In the opinion of Farnsworth Johnson PLLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from taxes imposed by the Utah Individual Income Tax Act. In the further opinion of Bond Counsel, interest on the 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2025 Bonds. See "TAX MATTERS" herein

Municipal Building Authority of Provo City School District, Utah

\$70,000,000* Lease Revenue Bonds, Series 2025

payable from lease payments to be made, subject to annual appropriation by the



Board of Education of Provo City School District, Utah

pursuant to a Master Lease

The \$70,000,000* Lease Revenue Bonds, Series 2025 are issuable by the Authority as fully-registered bonds and, when initially issued, will be in book-entry only form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, which will act as securities depository for the 2025 Bonds.

Principal of and interest on the 2025 Bonds (interest payable March 15 and September 15 of each year, commencing March 15, 2026) are payable by Zions Bancorporation, National Association, Salt Lake City, Utah, as Trustee and Paying Agent, to the registered owners thereof, initially DTC. See "THE 2025 BONDS—Book-Entry System" herein.

The 2025 Bonds are subject to optional redemption prior to maturity; may be subject to mandatory sinking fund redemption at the option of the successful bidder(s); and are subject to extraordinary optional redemption (in the event of damage to, or destruction, seizure, or condemnation to the 2025 Projects) prior to maturity. See "THE 2025 PROJECTS—The 2025 Projects Financed With The 2025 Bonds" and "THE 2025 BONDS—Redemption Provisions For The 2025 Bonds" and "—Mandatory Sinking Fund Redemption At Bidder's Option" herein.

The 2025 Bonds are being issued to finance a portion of the cost of the construction, improvements and equipping of school buildings and to pay the costs associated with the issuance of the 2025 Bonds. See "THE 2025 BONDS—Sources And Uses Of Funds" and "THE 2025 PROJECTS" herein. The 2025 Bonds will be equally and ratably secured under the Indenture.

Under the Master Lease, the Authority has agreed to pay Base Rentals, which are sufficient to pay principal of and interest on the 2025 Bonds, coming due in each year, but only if and to the extent that the Board appropriates funds sufficient to pay the Base Rentals plus such Additional Rentals as are necessary to operate and maintain the 2025 Projects. The Master Lease specifically provides that nothing therein shall be construed to require the Board to appropriate any moneys to pay the Base Rentals or Additional Rentals and the Board is not obligated to pay such Rentals except to the extent appropriated. Neither the obligation of the Board to pay such Rentals nor the obligation of the Authority to pay the principal of and interest on the 2025 Bonds will constitute a debt, general obligation, or liability of, or a charge against the general credit or taxing power of, the State of Utah or the Board. The issuance of the 2025 Bonds does not directly or contingently obligate the Board to pay any Rentals beyond those appropriated for the Board's then current Fiscal Year. The Authority has no taxing power.

The purchase of the 2025 Bonds involves certain investment risks which are discussed throughout this OFFICIAL STATEMENT. Certain of such risks are described under "INVESTMENT CONSIDERATIONS" herein.

Dated: Date of Delivery¹

Due: March 15, as shown on inside front cover

See the inside front cover for the maturity schedule of the 2025 Bonds

The 2025 Bonds will be awarded pursuant to competitive bidding received by means of the *PARITY*® electronic bid submission system on Thursday, October 2, 2025 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated as of the date of this PRELIMINARY OFFICIAL STATEMENT).

Zions Public Finance, Inc., Salt Lake City, Utah, is acting as Municipal Advisor.

This cover page contains certain 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 October __, 2025, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

¹ The anticipated date of delivery is Wednesday, October 15, 2025.

Municipal Building Authority of Provo City School District, Utah

\$70,000,000*

Lease Revenue Bonds, Series 2025

Dated: Date of Delivery¹

Due: March 15, as shown below

Due March 15	CUSIP®	Principal Amount*	Interest Rate	Yield/ Price
2028.....		\$2,315,000	%	%
2029.....		2,430,000		
2030.....		2,550,000		
2031.....		2,675,000		
2032.....		2,810,000		
2033.....		2,950,000		
2034.....		3,100,000		
2035.....		3,255,000		
2036.....		3,415,000		
2037.....		3,590,000		
2038.....		3,765,000		
2039.....		3,955,000		
2040.....		4,155,000		
2041.....		4,360,000		
2042.....		4,535,000		
2043.....		4,725,000		
2044.....		4,925,000		
2045.....		5,135,000		
2046.....		5,355,000		

\$ _____ % Term Bond due March 15, 20__—Price of _____ %
(CUSIP® _____)

* Preliminary; subject to change.

¹ The anticipated date of delivery is Wednesday, October 15, 2025.

® CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Global Services, managed by FactSet Research Systems, on behalf of the American Bankers Association.

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2025 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by either the Municipal Building Authority of Provo City School District, Utah (the “Authority”); the Board of Education of Provo City School District, Utah (the “Board”); Zions Bancorporation, National Association, Salt Lake City, Utah, (as Trustee, Bond Registrar and Paying Agent); Zions Public Finance, Inc., Salt Lake City, Utah (as Municipal Advisor); the successful bidder(s); or any other entity. All information contained herein has been obtained from the Authority, the Board, The Depository Trust Company, New York, New York, and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery, or exchange of the 2025 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the Authority or the Board since the date hereof.

The 2025 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Any registration or qualification of the 2025 Bonds in accordance with applicable provisions of the securities laws of the states in which the 2025 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

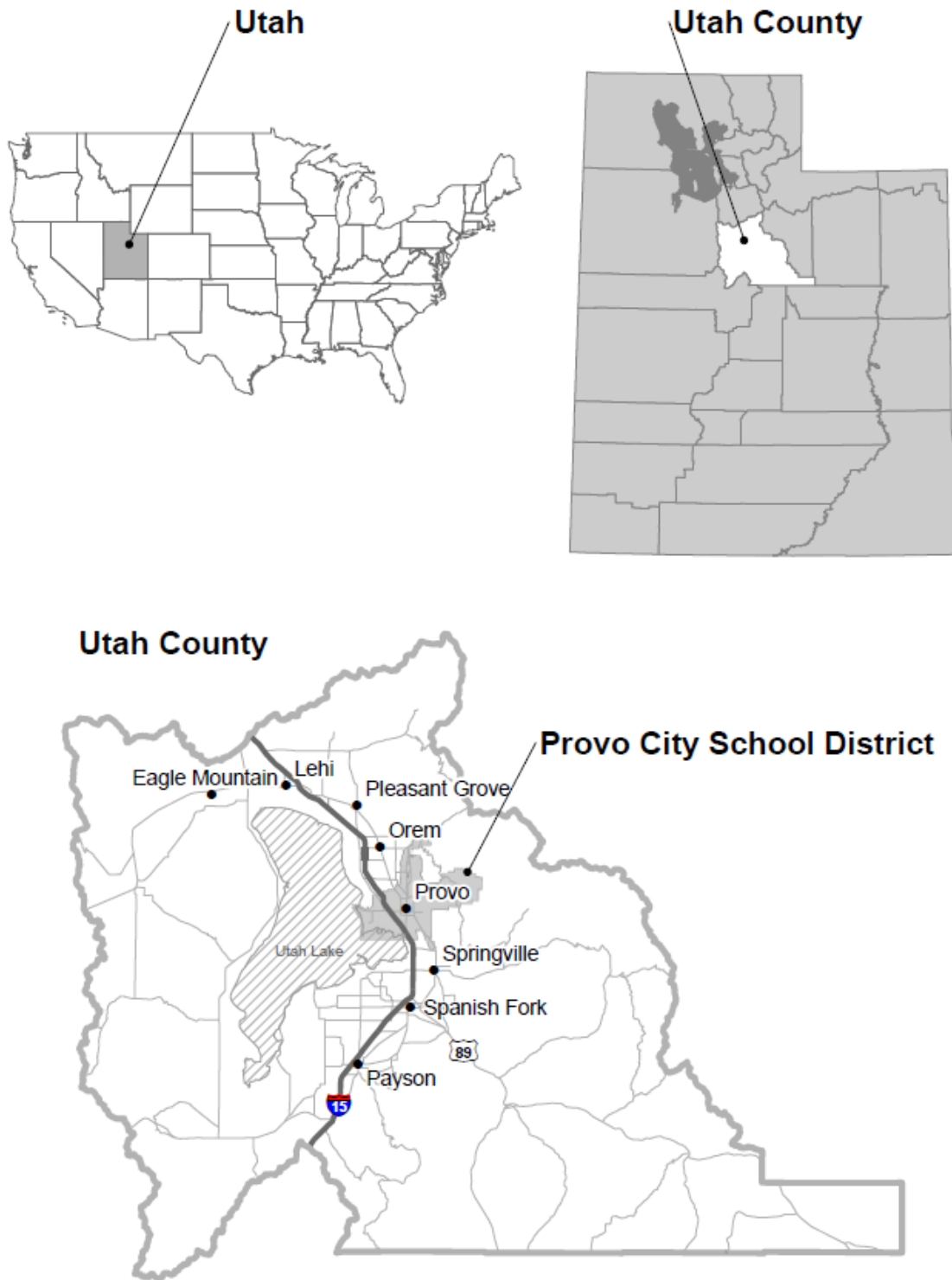
The yields/prices at which the 2025 Bonds are offered to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the successful bidder(s) may allow concessions or discounts from the initial offering prices of the 2025 Bonds to dealers and others. With any offering of the 2025 Bonds, the successful bidder(s); may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2025 Bonds. Such transactions may include overallocments in connection with the purchase of 2025 Bonds to stabilize their market price and to cover the successful bidder(s) short positions. Such transactions, if commenced, may be discontinued at any time.

Forward-Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT may constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “project,” “forecast,” “expect,” “estimate,” “budget” or other similar words. ***The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Board does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.***

The CUSIP® (Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside 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 2025 Bonds because of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2025 Bonds.

The information available at websites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided relating to the offering of the 2025 Bonds and is not a part of this OFFICIAL STATEMENT.

Location Map Of The District



OFFICIAL STATEMENT RELATED TO

Municipal Building Authority of Provo City School District, Utah

\$70,000,000* Lease Revenue Bonds, Series 2025

payable from lease payments to be made, subject to annual appropriation by the

Board of Education of Provo City School District, Utah

pursuant to a Master Lease

INTRODUCTION

This introduction is only a brief description of the 2025 Bonds, as hereinafter defined, the security and source of payment for the 2025 Bonds. The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT, including the appendices. Investors are urged to make a full review of the entire OFFICIAL STATEMENT.

See the following appendices that are attached hereto and incorporated herein by reference: “APPENDIX A—GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT;” “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024;” “APPENDIX C—FORM OF OPINION OF BOND COUNSEL;” “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING;” and “APPENDIX E—BOOK-ENTRY SYSTEM.”

This OFFICIAL STATEMENT also includes summaries of the terms of the 2025 Bonds, the Indenture, the Security Documents, and the Master Lease (all as more fully defined hereinafter). All references herein to the Indenture and the Master Lease, are qualified in their entirety by reference to such documents and references herein to the 2025 Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the Indenture, copies of which are available upon request from the contact persons as indicated under “INTRODUCTION—Contact Persons” below. Descriptions of the Indenture, the Master Lease, the Security Documents and the 2025 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. The summaries of and references to all documents, statutes, reports, and other instruments referred to herein do not purport to be complete, comprehensive, or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the Indenture or the Master Lease. See “APPENDIX A—GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT—GENERAL INDENTURE OF TRUST—DEFINITIONS” (page A-16).

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] June 30, 20YY” shall refer to the year ended or ending on June 30 of the year indicated and beginning on July 1 of the preceding calendar year. The terms “Calendar Year[s] 20YY” or “Tax Year[s] 20YY” shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the Resolution, as hereinafter defined.

* Preliminary; subject to change.

Public Sale/Electronic Bid

The 2025 Bonds will be awarded pursuant to competitive bidding received by means of the **PARITY**[®] electronic bid submission system on Thursday, October 2, 2025 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated as of the date of the PRELIMINARY OFFICIAL STATEMENT). See the “OFFICIAL NOTICE OF BOND SALE” above.

The 2025 Bonds; The Municipal Building Authority Of Provo City School District, Utah

The 2025 Bonds. This OFFICIAL STATEMENT, including the cover page, introduction, and Appendices (the “OFFICIAL STATEMENT”), provides information in connections with the issuance and sale of \$70,000,000* aggregate principal amount of Lease Revenue Bonds, Series 2025 (the “2025 Bond” or “2025 Bonds”), by the Municipal Building Authority of Provo City School District, Utah (the “Authority”).

The Municipal Building Authority of Provo City School District, Utah. The Authority is a nonprofit corporation incorporated, organized and existing pursuant to the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a (the “Nonprofit Corporation Act”), Utah Code Annotated 1953, as amended (the “Utah Code”) and as provided in the Local Building Authority Act, Title 17D, Chapter 2, Utah Code (the “Building Authority Act” and together with the Nonprofit Corporation Act, the “Acts”). The Authority was created pursuant to a resolution adopted on February 18, 1992, by the Board of Education of Provo City School District, Utah (the “Board”) for the purpose of acquiring, improving, or extending one or more projects on behalf of the Board pursuant to the Building Authority Act. See “MUNICIPAL BUILDING AUTHORITY OF PROVO CITY SCHOOL DISTRICT, UTAH” below.

Provo City School District, Utah

The Provo City School District, Utah (the “District”) is located in Utah County, Utah (the “County”) and shares approximately the same boundaries with Provo City, Utah (the “City”). The City was incorporated in 1851 and covers an area of approximately 44 square miles and is located in the central portion of the County. The County is located in the north central portion of the State of Utah (the “State”) approximately 30 miles south of metropolitan Salt Lake City, Utah. The City had 115,479 residents according to the 2024 population estimate by the U.S. Census Bureau which ranks the City as the fourth most populated city in the State. See location map above and “PROVO CITY SCHOOL DISTRICT, UTAH” above.

Authorization For And Purpose Of The 2025 Bonds; The Indenture; Master Lease

Authorization for and Purpose of the 2025 Bonds. The Indenture. The 2025 Bonds are being issued pursuant to (i) the Acts; (ii) authorizing resolutions adopted by the Authority and the Board on February 25, 2025 (the “Resolution(s)”; and (iii) an Indenture of Trust, dated as of October 1, 2025 (the “Indenture”), by and between the Authority and Zions Bancorporation, National Association, as trustee (the “Trustee”).

The 2025 Bonds are being issued to finance a portion of the cost of the acquisition, construction, improvements and equipping of school buildings (collectively, the “2025 Projects”), and pay the costs associated with the issuance of the 2025 Bonds. See “THE 2025 BONDS—Sources And Uses Of Funds” and “THE 2025 PROJECTS—The 2025 Projects Financed With The 2025 Bonds—The 2025 Projects” below.

Master Lease. The Authority will lease the 2025 Projects to the Board, pursuant to a Master Lease Agreement dated as of October 1, 2025 (the “Master Lease”).

The 2025 Bonds are the first series of bonds to be issued under the Indenture and the Master Lease.

Security For The 2025 Bonds

Security for the 2025 Bonds. The 2025 Bonds are limited obligations of the Authority solely from the revenues and other amounts received pursuant to the Master Lease and other funds or amounts held by the Trustee pursuant to the Indenture as security for the 2025 Bonds, subject to certain limitations.

The Authority has granted a security interest in the 2025 Projects pursuant to a Leasehold Deed of Trust, Assignment of Rents and Security Agreement dated as of October 1, 2025 (the “Leasehold Deed of Trust”). In addition, the Authority has

* Preliminary; subject to change.

assigned all its rights and interest in the 2025 Projects pursuant to an Assignment of Ground Lease Agreement dated as of October 1, 2025 (the “Assignment of Ground Lease”) for the equal and proportionate benefit of the owners of the Bonds (the “Bondowners”), subject to the release of the 2025 Projects upon the terms and conditions set forth in the Master Lease. The Leasehold Deed of Trust, the Assignment of Ground Lease, and any financing statements filed in connection therewith are sometimes collectively referred to herein as the “Security Documents.” The Security Documents are being executed for the equal and proportionate benefit of the Bondholders. The 2025 Bonds are limited obligations of the Authority payable solely from the Base Rentals (defined below) received by the Authority pursuant to the Master Lease and other funds or amounts held by the Trustee under the Indenture as security for the 2025 Bonds.

The Board has agreed to make payments pursuant to the Master Lease in stated amounts which are sufficient to pay the principal of and interest on the 2025 Bonds when due (the “Base Rentals”), but only if and to the extent that the Board has appropriated funds sufficient to pay the Base Rentals coming due during each succeeding Renewal Term (as described herein) of the Master Lease plus such additional amounts as are necessary to operate and maintain the 2025 Projects during such period (the “Additional Rentals” and collectively, with the Base Rentals, the “Rentals”). The Master Lease specifically provides that nothing therein shall be construed to require the Board to appropriate any money to pay any Rentals thereunder and that the Board nor any political subdivision thereof is obligated to pay such Rentals except to the extent of funds appropriated for that purpose. *Neither the obligation of the Board to pay Rentals nor the obligation of the Authority to pay the principal of and interest on the 2025 Bonds will constitute or give rise to a debt, a general obligation or liability of, or a charge against the general credit or taxing power of, the Board. The issuance of the 2025 Bonds does not directly or contingently obligate the Board to pay any Rentals beyond those appropriated for the Board’s then current Fiscal Year. The Authority has no taxing power.* See “INVESTMENT CONSIDERATIONS” and “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS” below.

The Board owns the sites on which the 2025 Projects will be constructed (the “Project Sites”) and will lease the Project Sites to the Authority pursuant to a Ground Lease Agreement dated as of October 1, 2025 (the “Ground Lease”).

Pursuant to the Indenture, the Authority will assign all rights and interest in the Ground Lease to the Trustee and will create a leasehold interest to the Project Sites. The Project Sites consist solely of the parcels of property on which the 2025 Projects will be built. The 2025 Bonds are limited obligations of the Authority payable solely from the Rentals received pursuant to the Master Lease and other funds or amounts held by the Trustee under the Indenture as security for the 2025 Bonds.

The Indenture creates a lien on and a security interest in the 2025 Projects and any additional Projects for the benefit of the Registered Owners of the 2025 Bonds and any Additional Bonds, and any Refunding Bonds.

Initial Bonds And Additional Bonds And Additional Projects

The 2025 Bonds are the initial series of bonds to be issued under the Indenture. The Authority may issue additional bonds to refund outstanding bonds of the Authority (“Refunding Bonds”) or bonds to finance the completion of the 2025 Projects or improvements or alterations thereto or additional projects for lease to the Board (“Additional Bonds”) ranking on a parity basis with the 2025 Bonds under the Indenture on the terms and conditions specified in the Indenture and the Master Lease. *The 2025 Bonds and any Refunding Bonds and Additional Bonds issued under the Indenture are sometimes collectively referred to herein as the “Bonds.”* See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS—Additional Bonds And Refunding Bonds” herein and “APPENDIX A—FORMS OF THE INDENTURE AND THE MASTER LEASE—The Indenture of Trust—Article II The Bonds—Section 214 Additional Bonds.”

In the event the Authority determines to issue Additional Bonds to finance additional projects (the “Additional Projects” and collectively with the 2025 Projects, the “Projects”), the Projects will be leased to the Board pursuant to the Master Lease. Such Projects will be cross collateralized with the 2024 Project to provide security for the Bonds. *As of the date of this Official Statement, the Authority does not anticipate issuing Additional Bonds for Additional Projects.* Accordingly, upon the issuance of the 2025 Bonds and until the Authority determines to issue Additional Bonds to finance additional projects, if any, the 2025 Projects leased under the Master Lease will constitute the only project leased under the Master Lease and the 2025 Bonds will constitute the only bonds issued under the Indenture.

The Authority may determine to issue additional lease revenue bonds under documents other than the Indenture and the Master Lease. Such additional lease revenue bonds will also be payable from funds appropriated by the Board but will not be secured by the 2025 Projects nor will the projects financed with such additional lease revenue bonds provide security for the Bonds nor be cross collateralized with the Projects.

Prior Issuance Of Lease Revenue Bonds By The Authority

The Authority has previously issued the following lease revenue bonds which are still outstanding under prior indentures. *The following lease revenue bonds are not secured by the Indenture and the Master Lease and are not cross collateralized with the Projects, including:*

- (i) \$6,462,000 Lease Revenue Bonds, Series 2010, Federally Taxable Issuer Subsidy–Qualified School Construction Bonds, (the “2010 Bonds”) currently outstanding in the amount of \$6,462,000. The proceeds from the 2010 Bonds were used for the acquisition, construction, renovation, rehabilitation and improvement of a new elementary school and related improvements. The 2010 Bonds were issued (through a direct purchase) under a 2010 indenture and master lease.
- (ii) \$100,355,000 Lease Revenue Bonds, Series 2022 (the “2022 Bonds”) currently outstanding in the amount of \$90,590,000. The proceeds from the 2022 Bonds were used for the acquisition, construction, renovation, rehabilitation and improvement of a new middle school and related improvements. The 2022 Bonds were issued under a 2022 indenture and master lease.

Also see “MUNICIPAL BUILDING AUTHORITY OF PROVO CITY SCHOOL DISTRICT, UTAH—Debt Structure” herein.

No Debt Service Reserve For The 2025 Bonds

There is no Debt Service Reserve Requirement for the 2025 Bonds, and the Debt Service Reserve Fund will not be funded. See “SECURITY AND SOURCE OF PAYMENTS FOR THE 2025 BONDS—No Debt Service Reserve Fund For The 2025 Bonds” below.

Redemption For The 2025 Bonds

The 2025 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s) and are subject to extraordinary optional redemption (in the event of damage to, or destruction, seizure, or condemnation to the 2025 Projects) prior to maturity. See “THE 2025 BONDS—Redemption Provisions For The 2025 Bonds” and “—Mandatory Sinking Fund Redemption At Bidder’s Option” below.

Tax Matters Regarding The 2025 Bonds

In the opinion of Farnsworth Johnson PLLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from taxes imposed by the Utah Individual Income Tax Act. In the further opinion of Bond Counsel, interest on the 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2025 Bonds.

See “TAX MATTERS” below for a more complete discussion.

Professional Services

In connection with the issuance of the 2025 Bonds, the following have served the Authority in the capacity indicated.

Attorney for the Authority and the Board

Seiler, Anderson, Fife & Marshall, LC
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Conditions Of Delivery, Anticipated Date, Manner, And Place Of Delivery

The 2025 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s), subject to the approval of legality of the 2025 Bonds by Farnsworth Johnson PLLC, Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed on for the Authority and the Board by Seiler, Anderson, Fife & Marshall, LC, Provo, Utah. Certain matters regarding this OFFICIAL STATEMENT will be passed on for the Authority by Farnsworth Johnson PLLC. It is expected that the 2025 Bonds, in book-entry form only, will be available for delivery to DTC or its agent on or about Wednesday, October 15, 2025.

Risks Inherent In The Ownership Of The 2025 Bonds

The purchase of the 2025 Bonds involves certain investment risks which are discussed throughout this OFFICIAL STATEMENT. Accordingly, each prospective purchaser of the 2025 Bonds should make an independent evaluation of all of the information presented in this OFFICIAL STATEMENT in order to make an informed investment decision. Certain investment risks are described under “INVESTMENT CONSIDERATIONS” below.

Continuing Disclosure Undertaking

The Board will enter a continuing disclosure undertaking for the benefit of the Owners of the 2025 Bonds. For a detailed discussion of this disclosure undertaking, previous undertakings and timing of submissions see “CONTINUING DISCLOSURE UNDERTAKING” below and “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the Authority, the Board, the 2025 Bonds, the Indenture, the Master Lease, the Ground Lease (as defined herein) and Security Documents are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture, the Master Lease, the Ground Lease, and the Security Documents are qualified in their entirety by reference to such documents, and references herein to the 2025 Bonds are qualified in their entirety by reference to the form thereof included in the Indenture. The “basic documentation” which includes the Indenture, the Master Lease, the Ground Lease, the Security Documents, the closing documents, and other documentation, authorizing the issuance of the 2025 Bonds and establishing the rights and responsibilities of the Authority, the Board, and other parties to the transaction, may be obtained from the “contact persons” as indicated below.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Salt Lake City, Utah (the “Municipal Advisor”) the Municipal Advisor to the Authority and the Board.

Brian Baker, Senior Vice President, brian.baker@zionsbancorp.com
Cara Bertot, Vice President, cara.bertot@zionsbancorp.com
Zions Public Finance Inc
One S Main St 18th Fl
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801.844.7381

As of the date of this OFFICIAL STATEMENT, the chief contact person for the Authority and the Board concerning the 2025 Bonds is:

Devyn Dayley, Business Administrator, devynd@provo.edu
Provo City School District
280 W 940 N
Provo UT 84604-3394
801.374.4828

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking For 2025 Bonds

The Board (as an “obligated person” to the Authority pursuant to the “Rule” defined in this paragraph) will enter into a Continuing Disclosure Undertaking (the “Disclosure Undertaking”) for the benefit of the Beneficial Owners of the 2025 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) 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, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment, and remedies, are set forth in the proposed form of Disclosure Undertaking in “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

During the five years prior to the date of this OFFICIAL STATEMENT, the Board has not failed to comply in any material respects with its prior undertakings pursuant to the Rule.

Based on prior disclosure undertakings the Board submits its comprehensive annual financial report for each Fiscal Year Ending June 30 (the “ACFR”) and other operating and financial information on or before February 5 (220 days from the end of the Fiscal Year). The Board will submit the FISCAL YEAR 2024 ACFR and other required operating and financial information for the 2025 Bonds on or before February 5, 2026, and annually thereafter on or before each February 5.

A failure by the Board to comply with the Disclosure Undertaking will not constitute a default under the Indenture or Master Lease and Beneficial Owners of the 2025 Bonds are limited to the remedies described in the respective disclosure undertakings. A failure by the Board to comply with a disclosure undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the 2025 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2025 Bonds and their market price.

INVESTMENT CONSIDERATIONS

This section contains a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this OFFICIAL STATEMENT, in evaluating an investment in the 2025 Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the 2025 Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the 2025 Bonds are advised to consider the following factors, among others, and to review this entire OFFICIAL STATEMENT to obtain information essential to making of an informed investment decision. Any one or more of the investment considerations discussed below, among others, could adversely affect the financial condition of the Board or its ability to make scheduled Rental payments which are applied to payment of the 2025 Bonds. There can be no assurance that other risks not discussed herein will not become material in the future.

Limited Obligations

The 2025 Bonds are payable from amounts due under the Master Lease on a parity basis with all other bonds, if any, that may be outstanding under the Indenture. The Board’s obligation under the Master Lease does not constitute a general obligation or other indebtedness of the Board, the Authority or any agency or political subdivision thereof within the meaning of any constitutional or statutory debt limitation. The Authority has no taxing power.

The term of the Master Lease will commence upon the delivery of the 2025 Bonds and will expire on June 30, 2026 (the “Initial Term”). The Board has the option to extend the term of the Master Lease for consecutive one-year Renewal Terms (each renewal term, and all existing renewals are referred to herein as the “Renewal Terms”). The next Renewal Term of the Master Lease will commence on July 1, 2026 and will expire on June 30, 2027. *The Board currently expects to appropriate moneys in June 2026 for the Renewal Term beginning July 1, 2026 through June 30, 2027.* Unless terminated sooner, this annual renewal option will continue through June 30, 2045 with a final renewal term commencing July 1, 2045 and ending March 16, 2046. Any such extension must be made with respect to all, and not less than all, of the 2025 Projects with respect to which 2025 Bonds are then outstanding.

Non-Appropriation

There is no assurance the Board will, in its sole discretion, exercise its option to extend the term of the Master Lease for any Renewal Term. Accordingly, the likelihood the Board will extend the term of the Master Lease for all Renewal Terms and continue to pay the Base Rentals to enable the Authority to timely pay the principal of, premium, if any, and interest on the Bonds in the future depends upon several factors beyond the control of the Authority, including, but not limited to:

(a) the ability of the Board to generate sufficient funds from property taxes and other sources of revenue to pay obligations associated with the Master Lease and other existing or hereafter created obligations of the Board (the source of funds used for payments on the 2025 Bonds are the same source of funds used for all outstanding lease revenue bonds of the Authority); and

(b) the continuing need of the Board for the 2025 Projects.

(c) the value of the 2025 Projects if relet or sold (to the extent authorized in the Indenture) and subject to the Ground Leases and the Board’s ownership interest in a foreclosure or other liquidation proceeding instituted by the Trustee in the event of the termination of the term of the Master Lease as a result of the occurrence of certain events described herein or the expiration of any Renewal Term if the Board does not appropriate sufficient funds to extend the term of the Master Lease as provided in the Master Lease.

Neither the Indenture nor the Master Lease limits the ability of the Board to incur additional obligations against its revenues.

No Reserve Fund For The 2025 Bonds

No debt service reserve has been or will be funded to secure the 2025 Bonds issued under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 Bonds—No Debt Service Reserve For The 2025 Bonds” below.

Expiration Or Termination Of The Master Lease

If the Board does not renew the term of the Master Lease in any year by not appropriating sufficient funds to pay Rentals due thereunder for the succeeding Fiscal Year, the Board’s obligation to pay Rentals under the Master Lease will terminate on the June 30 occurring at the end of the then-current Renewal Term. Upon (a) the expiration of any Renewal Term of the Master Lease during which an Event of Nonappropriation occurs or (b) an Event of Default under the Master Lease and an election by the Trustee to terminate the possessory interest of the Board under the Master Lease, the Board’s right of possession of the 2025 Project, under the Master Lease will expire or be terminated, as appropriate.

See ““APPENDIX A—FORMS OF THE INDENTURE AND THE MASTER LEASE—The Indenture of Trust—Article IX Events Of Default And Remedies” and “—Section 906 Limitation On Remedies.”

Possible Difficulties In Selling Or Re-letting The 2025 Projects

If the Board’s right of possession of the 2025 Projects under the Master Lease expires or is terminated for any of the reasons described in the Indenture, the obligation of the Board to pay Rentals under the Master Lease will continue through the then-current Renewal Term, but not thereafter, and the 2025 Bonds will be payable from, among other sources, such moneys as may be available by way of recovery from the Board of the Rentals which are due through the then-current Renewal Term. As set forth in the Building Authority Act, the Indenture, and the Master Lease, if the Board fails to pay any Rentals due to the Authority under the terms of the Master Lease, the Board shall immediately surrender, and vacate the 2025 Projects, and the rental or lease obligation under the Master Lease shall then cease. Should the Master Lease expire at the end of a Renewal Term without any extension for the next succeeding Renewal Term, or if an event occurs pursuant to which the

Trustee terminates the Board's right of possession of the 2025 Projects under the Master Lease, the Trustee may repossess, complete construction, and relet or sell the 2025 Projects as provided in the Indenture subject to the terms of the Master Lease and the Board's interest in the Project Sites.

No assurance can be given that the Trustee could relet or sell the 2025 Projects for the amount necessary to pay the principal of and the interest due on the 2025 Bonds. *The 2025 Projects constitutes facilities to be used in the operation of public primary education and may not be readily usable by other types of tenants.* See "THE 2025 PROJECTS" herein. In addition, any reletting or resale of the 2025 Projects is subject to the terms of the Ground Lease and the Board's interest in the Project Sites as well as certain other easements and encumbrances on the Project Sites. Such restrictions may cause difficulty in reletting or selling the 2025 Projects. The net proceeds of any reletting or sale of the 2025 Projects, together with certain other moneys then held by the Trustee under the Indenture, if any, are required to be used to pay the 2025 Bonds to the extent of such moneys. No assurance can be given as to the amount of funds available from any such source for the payment of the aggregate principal amount of the 2025 Bonds then outstanding plus accrued interest thereon. Furthermore, no assurance can be given that any amount realized upon any liquidation of the 2025 Projects will be available to provide for the payment of the 2024 Bonds on a timely basis.

A Bondowner should not anticipate that it will be possible to foreclose and liquidate, relet, or sell the 2025 Projects (subject to the Master Lease) after the occurrence of an Event of Nonappropriation or an Event of Default for an amount equal to the aggregate principal amount of the 2025 Bonds then Outstanding plus accrued interest thereon. See "THE 2025 PROJECTS" herein.

Delays In Exercising Remedies; Limitations On Enforceability

The enforceability of the Master Lease and the Indenture is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, the police powers of the State, the exercise of judicial authority by State or federal courts and the exercise by the United States of America of the powers delegated to it by the federal constitution. Because of the unique uses to which the 2025 Projects may be suited and the delays inherent in obtaining foreclosure upon real property and judicial remedies, no assurance can be given that these remedies could be accomplished rapidly. Any delays in or failure on the part of the Trustee to obtain possession of or to foreclose the lien on the 2025 Projects, if necessary, will likely result in delays in any payment of principal of or interest on the 2025 Bonds.

No Capitalized Interest; Possible Shortfall In Costs Of Construction Of The 2025 Projects

No Capitalized Interest. No capitalized interest is being provided with respect to the 2025 Bonds. Appropriation of Rentals by the Board will need to occur during the period of construction of the 2025 Projects to provide for funds to pay the debt service requirements of the 2025 Bonds. Absence of a completed 2025 Project may affect the Board's decision about whether it will appropriate Rentals. See "Non-Appropriation," herein.

Possible Shortfall In Costs Of Acquisition And Construction Of The 2025 Projects. As of the date of this OFFICIAL STATEMENT, the Board believes, but there can be no assurance, that the proceeds of the sale of the 2025 Bonds will be sufficient to complete the acquisition, construction and equipping of the 2025 Projects. However, in the event 2025 Bond proceeds are insufficient, the Authority is authorized, pursuant to the Master Lease, to complete the acquisition, construction and equipping of the 2025 Projects from legally available funds, which may include the issuance of Additional Bonds issued pursuant to the Indenture or from moneys otherwise legally available for that purpose. The Master Lease and the Indenture provide that Additional Bonds may be issued for completing the 2025 Projects or making additions or improvements to the 2025 Projects or acquiring or constructing additional projects, subject to satisfaction of certain conditions provided in the Indenture. There can be no assurance that such Additional Bonds will be permitted under then applicable law or that the Board will approve the issuance of Additional Bonds at that time. If issued, Additional Bonds will be secured under the Indenture on a parity with the Bonds previously issued, including the 2025 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Additional Bonds and Refunding Bonds" below and "APPENDIX A—SUSTANTIALLY FINAL FORMS OF THE INDENTURE AND THE MASTER LEASE—The Indenture—Article II The Bonds—Section 214—Additional Bonds and The Master Lease—Article V Acquisition and Financing of the New Facilities—Section 5.07 Financing the Acquisition of the Project."

Also see "SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS—Additional Parity Bonds And Refunding Bonds" below and "APPENDIX A—GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT—THE GENERAL INDENTURE OF TRUST—Additional Bonds" (page A-30).

Destruction Of The 2025 Projects

The Master Lease requires the 2025 Projects to be insured by policies of insurance (including casualty and property damage insurance) as described in “APPENDIX A—GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT—MASTER LEASE AGREEMENT—Insurance Provisions” (page A-23). In the event of damage to or destruction of all or any part of the 2025 Projects, the Board is nevertheless required to continue to make payments under the Master Lease during the period for which the Board has appropriated moneys to do so. In such event, the Board will decide whether the proceeds from available insurance (and any other legally available source) are sufficient to repair and rebuild such 2025 Projects or whether to apply the available proceeds to redemption or payment of the applicable Series of Bonds. If the net proceeds from insurance or certain other sources are insufficient to repair or replace such Projects, the Board may terminate its obligations under the Master Lease with respect to such 2025 Projects and cause such proceeds to be distributed for the redemption of the applicable Series of Bonds in whole or in part as provided in the Indenture. See “THE 2025 BONDS—Redemption Provisions For The 2025 Bonds—Extraordinary Optional Redemption in the Event of Damage, Destruction or Condemnation” below.

There can be no assurance as to the adequacy of a timely payment under property damage insurance in effect at that time. Furthermore, there can be no assurance that such insurance proceeds will be sufficient to redeem the applicable Series of Bonds in whole or that the Trustee will be able to realize any additional funds from such Projects at that time. See “APPENDIX A—GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT—THE MASTER LEASE AGREEMENT—Damage, Destruction And Condemnation” (page A-28).

Release Of The 2025 Projects Upon Payment Of Related Series Of The 2025 Bonds

Pursuant to the Master Lease, the Board may, by depositing with the Trustee amounts sufficient to pay or provide for the payment of Bonds issued to finance or refinance a portion of the 2025 Projects, purchase the related portion of 2025 Projects, which may result in the release of the purchased portions of 2025 Projects as security for the 2025 Bonds which remain outstanding. The release of one or more portions of 2025 Projects may diminish the amount which could be realized by the Trustee upon the occurrence of an Event of Default or an Event of Non-Appropriation or the likelihood that the Board will renew the Master Lease for any Renewal Term. See “THE 2025 PROJECTS—Release Of The 2025 Projects Upon Payment Of Related Series Of The 2025 Bonds” below.

Depreciation And Lack Of Residual Value

Certain components of the 2025 Projects may become obsolete, may depreciate in value or may wear out during the time that the 2025 Bonds are outstanding. In addition, components of the 2025 Projects may be difficult or impossible to remove from their points of service or use. Consequently, following an Event of Nonappropriation, an Event of Default under the Master Lease or the termination of the Master Lease for any reason, it is possible that any revenues realized by the Trustee from a reletting or sale, as appropriate, of the Authority’s interest in the 2025 Projects may be insufficient to repay the outstanding 2025 Bonds in full.

Tax Status Of The 2025 Bonds; Continuing Compliance With Certain Covenants

Failure by the Authority or the Board with respect to any of the 2025 Bonds to comply with certain covenants in the Indenture, the Master Lease and the 2025 Bonds, on a continuing basis, so long as any of the 2025 Bonds are outstanding under the Indenture and thereafter as required by such document provisions and applicable law, could result in interest on the 2025 Bonds becoming includible in federal gross income, retroactive to the date of their original issuance. See “TAX MATTERS” below. The Indenture and the 2025 Bonds do not provide for the payment of any additional interest or penalty in the event that interest on the 2025 Bonds becomes includible in federal gross income.

Changes In Board Governance

The obligation of the Board to pay Rentals under the Master Lease is subject to annual appropriation by the Board, based upon a budget initially presented to the Board by the Superintendent of the District. The decision to renew or not to renew the term of the Master Lease is to be made solely by the Board at the time it considers for adoption the final budget relating to each Renewal Term and not by any official of the Board, acting in his or her individual capacity.

The Board consists of seven members who are elected officials serving four-year terms. There can be no assurance that a future Board will support the 2025 Projects or continue to make appropriations of Rentals under the Master Lease.

Other Factors Regarding The 2025 Projects

The ownership or operation of the 2025 Projects creates a potential for environmental liability on the part of both the owner and operator of the 2025 Projects as well as any party secured by mortgages, deeds of trust or other encumbrances. If hazardous substances are discovered at the 2025 Projects' sites or discovered to be emanating from the 2025 Projects' sites, the Board and the Authority may be held strictly liable for all costs and liabilities relating to the disposing of or dealing with such hazardous substances. This liability could be for an amount far in excess of the value of the 2025 Projects. The existence of such hazardous substances could hinder the Trustee in exercising certain of its remedies or rights under the Master Lease and the Indenture upon the occurrence of an Event of Default thereunder.

The Authority has agreed and represented in the Master Lease that it has carried on, and will carry on, the business and operations at the 2025 Projects in a manner that complies in all respects, and will remain in compliance with all applicable federal, state, regional, Board, or local laws, statutes, rules, regulations, or ordinances concerning public health, safety, or the environment.

The 2025 Projects will be located on two sites owned by the Board: a site for a high school rebuild with new construction and another for additional education spaces, see "THE 2025 PROJECTS," herein. As of the date of this OFFICIAL STATEMENT, the Authority or the Board have not discovered any hazardous substances (or emanating hazardous substances) at project sites land on which the 2025 Projects. See "THE 2025 PROJECTS" below.

Climate Change Risk, Natural Disasters And Global Health Emergencies

There are potential risks to the Board that are associated with changes to the climate over time and with increases in the frequency, timing, and severity of extreme weather events or droughts.

Natural disasters (including earthquakes, mudslides, wildfires/forest fires, heat waves, floods, windstorms, droughts, and avalanches) and continued, or future, global health emergencies are possible and may affect the State or the District economies.

The State is in a region of seismic activity subject to earthquakes in varying strengths. On March 18, 2020 an earthquake of moderate size occurred with the epicenter located in Magna Metro Township, Utah (located approximately 15 miles west of Salt Lake City, Utah and approximately 52 miles south of the District). The magnitude of such earthquake registered 5.7 on the Richter scale. The District suffered no damage to its properties or infrastructure. See "PROVO CITY SCHOOL DISTRICT, UTAH—Risk Management; Seismic Activity; Cybersecurity" below.

Certain areas of the State have experienced drought conditions for at last part of the year in each of the last 10 years. The State has experienced large wildfire/forest fire seasons in which air quality across the State has been negatively impacted (including diminished air quality from wildfires/forest fires located outside the State from drifting air currents). Wildfires/forest fires can impact the State's and the District's economy; cause respiratory health problems; result in loss of infrastructure, homes, and property; and destroy forestland, wildlife habitat and other resources.

The Authority and the Board cannot predict how or when any climate-change-related events, natural disasters, or health emergencies may occur; nor can they quantify the impact of such events on the Authority or District and its operations.

SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS

The Master Lease And The Indenture

The 2025 Bonds are payable from the Base Rentals due under the Master Lease and certain other revenues as provided in the Indenture and are secured under the Indenture. The term of the Master Lease may be extended, solely at the option of the Board, beyond the termination of the Initial Term for an additional year and for consecutive Renewal Terms thereafter, each of one year in duration (except that the final Renewal Term commences on July 1, 2045 and ends on March 16, 2046). For circumstances under which the Master Lease will be terminated, see "APPENDIX A—GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT—MASTER LEASE AGREEMENT—Expiration or Termination of the Term of the Lease" (page A-7). The continuation of the term of the Master Lease and the obligation of the Board to pay Base Rentals after each current Renewal Term are subject to the appropriation by the Board of sufficient funds to extend the term of the Master Lease for the next Renewal Term and for each succeeding Renewal Term thereafter. Neither the Master Lease

nor the 2025 Bonds constitute a general obligation or indebtedness of the Board within the meaning of any constitutional or statutory debt limitation. The Board has not pledged its full faith and credit to the payment of the Master Lease or the 2025 Bonds, and the Board is not directly or contingently obligated to apply money from, or to levy or pledge, any form of taxation to the payment of the Master Lease or the 2025 Bonds. The Authority has no taxing power.

The Authority, as lessor under the Master Lease and pursuant to the Indenture, has assigned to the Trustee its rights to receive Base Rentals under the Master Lease for the benefit of the Bondowners. In addition, the Authority has, for the benefit of the Bondowners, granted or will grant a mortgage and security interest in all its right, title, and interest in and to the projects, including the 2025 Projects, and any additional projects to be acquired under the Master Lease.

So long as the Master Lease does not expire by its terms in the event the Board appropriates sufficient funds to extend the term of the Master Lease for each successive Renewal Term, the Board is required by the provisions of the Master Lease to pay semiannually to the Trustee specified Base Rentals for the 2025 Projects which are designed to be sufficient, in both time and amount, to pay, when due, the principal of and interest on the 2025 Bonds.

The Board has covenanted in the Master Lease to cause to be included in its annual tentative budget submitted to the Board a request for appropriation, in accordance with applicable law, of an amount necessary (after taking into account any moneys then legally available for such purpose) to pay the Base Rentals and any reasonably anticipated Additional Rentals under the Master Lease for the 2025 Projects during the next succeeding Renewal Term. See “APPENDIX A—GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT—THE MASTER LEASE—Covenant to Request Appropriations” (page A-12).

In the event the Board does not appropriate sufficient funds to extend the term of the Master Lease, and the Master Lease thereby expires by its terms at the end of any Renewal Term, the Board will have no further payment obligation under the Master Lease, except for the Base Rentals which are payable prior to the termination of the Master Lease. Upon such expiration, the Trustee may exercise one or more of the rights provided in the Master Lease, the Indenture, the Ground Leases, or the Security Documents, including an option to dispose of the Authority’s interest in the 2025 Projects, and apply the proceeds of such disposition, if any, together with the moneys in the Bond Fund and other amounts available under the Indenture to the payment of principal of all then outstanding Bonds and accrued interest thereon. However, due to the nature of the 2025 Projects, it is unlikely that revenues from such sources would be sufficient to pay in full all then outstanding Bonds if payment were then due by acceleration or otherwise. Should a shortfall occur, the 2025 Bonds would be paid on a pro rata basis as provided in the Indenture. See “INVESTMENT CONSIDERATIONS” above.

Pursuant to the provisions of the Master Lease, the Board may, in its sole discretion, purchase all or a portion of the 2025 Projects by payment of the applicable Option Price as defined in the Master Lease. Neither the Authority, nor the Board may be compelled to exercise the purchase option provided in the Master Lease. See “APPENDIX A—GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT—MASTER LEASE AGREEMENT—Representations, Covenants and Warranties of the Lessor.” (page A-36).

The Ground Leases And The Security Documents

The Board owns, or holds a leasehold interest, in the Board Sites. Pursuant to the Ground Lease, the Board, as lessor, has leased to the Authority, as lessee, the Board Sites. See “THE 2025 PROJECTS—The 2025 Projects Financed With The 2025 Bonds” below.

The Authority under the Security Documents has irrevocably warranted, granted, transferred, conveyed and assigned to the Trustee, in trust with power of sale, all of its right, title and interest in the 2025 Projects, including, but not limited to real property, rents, issues, profits, royalties, income, interest in the leases or subleases, options to purchase, easements, rights of way, proceeds of insurance or condemnation and tangible personal property in order to provide additional security for the Authority’s payment obligations under the 2025 Bonds and the Indenture. The Security Documents generally provide for the procedure by which the Trustee can foreclose the lien on the Authority’s interest (which may be a leasehold interest) in the 2025 Projects to pay the Authority’s payment obligations under the 2025 Bonds and the Indenture. If an Event of Default occurs under the Indenture, and if the Trustee accelerates the payment of the 2025 Bonds pursuant thereto, the Trustee shall also direct the Trustee under the Security Documents to foreclose the lien created under the Security Documents, either by public sale or by proceedings in equity. The Trustee shall receive any proceeds from such sale and apply them in accordance with the Indenture. Subject to the limitation on remedies and acceleration during construction of the 2025 Projects, any proceeds shall be applied to the payment of principal and interest then due and unpaid on all the 2025 Bonds, ratably, according to the amounts due respectively for principal and interest, to the Bondowners.

No deficiency judgment upon foreclosure of the lien of the Indenture or Security Documents may be entered against the Board or the Authority, and no judgment requiring a payment of money may be entered against the Board thereunder or under the Master Lease.

Additional Parity Bonds And Refunding Bonds

In the future, the Authority may issue Additional Parity Bonds, consisting of Additional Bonds, Refunding Bonds, or a combination of both, ranking on a parity with the 2025 Bonds. All Additional Parity Bonds will be secured by the lien of the Indenture and the Security Documents and will rank on a parity with the 2025 Bonds. Such Additional Parity Bonds shall be payable solely from the Base Rentals and, if paid by the Board, the Purchase Option Price and other amounts derived from the leasing of the 2025 Projects.

So long as the Master Lease is in effect and no Event of Default under the Indenture or the Master Lease has occurred and is continuing and so long as no Event of Nonappropriation has occurred and is continuing, one or more series of Additional Parity Bonds may be issued, authenticated, and delivered for the purpose of financing Costs of Acquisition and Construction of a Project or Projects for the use and benefit of the Board in accordance with the restrictions set forth in the Indenture.

To the extent permitted by law, the Authority may, at the request of the Board, authorize the issuance of Refunding Bonds upon the terms and conditions provided in the Indenture and in the Master Lease. Refunding Bonds may be issued to provide funds to refund the 2025 Bonds then Outstanding, in whole or in part, to make additional deposits to the Reserve Fund, and to pay the costs of the issuance and sale of the Refunding Bonds and other costs reasonably related to the financing as shall be agreed upon by the Board and the Authority; provided, however, that (i) the Authority shall not be in default under the Indenture or the Master Lease or any provision thereof, and the issuance of Refunding Bonds shall not constitute a default under the Master Lease or cause any violation of the covenants or representations of the Board or the Authority in the Master Lease or in the Indenture; (ii) no Event of Default or Event of Nonappropriation shall have occurred and be continuing under the Master Lease; and (iii) the Authority shall have otherwise complied with the provisions of the Indenture with respect to the issuance of such Refunding Bonds.

See “APPENDIX A—GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT—THE GENERAL INDENTURE OF TRUST—Additional Bonds” (page A-30).

Insurance On The 2025 Projects

The 2025 Projects are required to be insured by policies of insurance or by self-insurance to the extent described in “APPENDIX A—GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT—THE MASTER LEASE AGREEMENT—Insurance Provisions” (page A-23). All Net Proceeds of performance bonds, proceeds (including any monies derived from any self-insurance program) from policies of insurance (except the policy of public liability and property damage insurance) required by the Master Lease or condemnation awards which are received by the Trustee will be deposited into a separate trust fund under the Indenture. Such Net Proceeds will be used either to repair, restore, modify, or improve the applicable Projects or to redeem or defease the related Bonds, as more fully described in “APPENDIX A—GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT—THE MASTER LEASE AGREEMENT—Damage, Destruction And Condemnation” (page A-28) and “—Alterations, Additions, and Improvements to the Leased Property” (page A-27). See also “PROVO CITY SCHOOL DISTRICT, UTAH—Risk Management; Seismic Activity; Cybersecurity” below.

No Debt Service Reserve For The 2025 Bonds

The Indenture establishes a separate account in the Debt Service Reserve Fund for each Series of Bonds issued. The Indenture also authorizes the Authority to obtain a Reserve Instrument in place of fully funding an account in the Debt Service Reserve Fund. The amount on deposit in an account of the Debt Service Reserve Fund secures only those Series of Bonds issued under the Indenture.

The Authority will not fund an account in the debt service reserve fund for the 2025 Bonds.

NO DEFAULTED AUTHORITY BONDS OR FAILURES BY BOARD TO RENEW LEASE

To the best knowledge of current officials of the Authority, the Authority has never failed to pay when due the principal of and interest on its bonded indebtedness and other payment obligations related thereto. To the best knowledge of current officials of the Board, the Board has never failed to renew, or defaulted on any payments due under, any annually renewable lease with the Authority.

THE 2025 BONDS

General

The 2025 Bonds will be dated the date of their original issuance and delivery¹ (the “Dated Date”) and will mature on March 15 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT.

Interest on the 2025 Bonds is payable semiannually on each March 15 and September 15 and be computed based on a 360 day year comprised of 12, 30 day months. Zions Bancorporation, National Association, Salt Lake City, Utah is the Registrar (the “Bond Registrar”), Paying Agent (the “Paying Agent”) and Trustee with respect to the 2025 Bonds.

The 2025 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

Registration, Denominations, Manner Of Payment

The 2025 Bonds are issuable only as fully-registered bonds 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”). DTC will act as securities depository of the 2025 Bonds. Purchases of 2025 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC Participants (as defined herein). Beneficial Owners of the 2025 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 2025 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined under “APPENDIX E—BOOK-ENTRY SYSTEM.”

Principal of and interest on the 2025 Bonds (interest payable March 15 and September 15 of each year, commencing March 15, 2026) are payable by the Paying Agent, to the registered owners of the 2025 Bonds. So long as Cede & Co. is the sole registered owner, as nominee of DTC, it is required in turn to remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2025 Bonds.

So long as DTC or its nominee is the registered owner of the 2025 Bonds, neither the Authority, the Board, the successful bidder(s) nor the Trustee will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants, or the Beneficial Owners of the 2025 Bonds. *Under these same circumstances, references herein and in the Indenture to the “Bondowners” or “Registered Owners” of the 2025 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2025 Bonds.*

Regular Record Date; Transfer Or Exchange Of The 2025 Bonds

Regular Record Date means the first day of the month (whether or not a Business Day) in which each Interest Payment Date occurs. The Authority and the Trustee shall not be required to transfer or exchange any Bond: (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date; (ii) during the period from and including the day ten days prior to any Special Record Date (as herein defined), to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day ten days prior to the mailing of notice calling any Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such Bond for redemption. “Special Record Date” means such date as may be fixed for the payment of defaulted interest on 2025 Bonds in accordance with the Indenture.

¹ The anticipated date of delivery is Wednesday, October 15, 2025.

Sources And Uses Of Funds

The proceeds from the sale of the 2025 Bonds are estimated to be applied as set forth below:

<i>Sources:</i>	
Par amount of 2025 Bonds	\$
[Net] original issue premium	
Total	\$
<i>Uses:</i>	
Deposit to Project Construction Account	\$
Costs of Issuance ⁽¹⁾	
Successful bidders Discount	
Total	\$

(1) Includes legal fees, Trustee, Bond Registrar and Paying Agent fees, Municipal Advisor fees, rating agency fees, rounding amounts and other miscellaneous costs of issuance.

(Source: the Municipal Advisor.)

Redemption Provisions For The 2025 Bonds

Optional Redemption Provisions. The 2025 Bonds are subject to optional redemption prior to maturity at any time on and after September 15, 2035, in whole or in part, at the option and direction of the Authority, at a redemption price of 100% of the principal amount of the 2025 Bonds to be redeemed, plus accrued interest to the date of redemption.

Extraordinary Optional Redemption in the Event of Damage, Destruction or Condemnation. The 2025 Bonds are also callable for redemption prior to maturity in whole on any date, if (i) the 2025 Projects or a material portion thereof is damaged or destroyed or taken in a condemnation proceeding, or a material defect in the construction of the 2025 Projects shall become apparent, or title to or the use of all or any material portion of the 2025 Projects shall be lost by reason of a defect in title thereto, (ii) the Net Proceeds of any insurance policy, performance bond or condemnation award made available by reason of one or more such occurrences shall be insufficient to pay in full the cost of repairing and replacing the 2025 Projects, and (iii) the Board elects to discharge its obligation to repair and replace the 2025 Projects by depositing such Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds in the Bond Fund, the payment obligations of the Board with respect to the 2025 Projects under the Master Lease shall terminate and the Board shall have no further obligation for the payment of Base Rentals and Additional Rentals under the Indenture with respect to the 2025 Projects, and possession of the 2025 Projects shall be surrendered to the Authority and all right, title and interest of the Board and the Authority in any funds or accounts created under the Indenture with respect to the 2025 Projects shall be surrendered to the Trustee, as trustee for the Bondowners. Thereafter, the Indenture and the Security Documents applicable to the 2025 Projects may, subject to the limitations of the Indenture, be foreclosed and the Authority’s interest in the 2025 Projects liquidated and the proceeds of such liquidation and the Net Proceeds of any insurance policy, performance bond or condemnation award so deposited in the Bond Fund, as well as all other moneys on deposit in any fund created under the Indenture with respect to the 2025 Projects (except moneys held in the Rebate Fund or for the payment of Bonds not then deemed outstanding), shall be applied to the redemption of the 2025 Bonds at the earliest date practicable, as specified in a written notice from the Authority to the Trustee. Such redemption of the 2025 Bonds shall be made upon full or partial payment of the principal amount of the 2025 Bonds then Outstanding plus accrued interest thereon, all in accordance with the Indenture. In the event there are moneys remaining in the Bond Fund after payment in full of all Bonds of said Series issued under the Indenture, the Trustee is authorized and directed to transfer said moneys to the Board. *If the 2025 Bonds are redeemed subsequent to the occurrence of an event described in this paragraph by payment of an amount less than the outstanding principal amount thereof and accrued interest to the redemption date, no further claim for payment may be had by the holders of the 2025 Bonds against the Authority, the Board, or the Trustee.*

For purposes of the extraordinary optional redemption in the event of damage, destruction, or condemnation of the 2025 Projects, the Authority may designate subseries for the 2025 Bonds that correspond to each discreet portion of the 2025 Projects. The Authority can exercise its extraordinary optional redemption right with respect to the subseries relating to the portion of the 2025 Projects that has been damaged, destroyed or condemned without redeeming any other subseries or all the 2025 Bonds. See in this section “Partial Redemption of 2025 Bonds” below.

Notice of Redemption. Notice of the call for any redemption, identifying the 2025 Bonds (or portions thereof) to be redeemed, will be given by the Trustee (upon being satisfactorily indemnified as to expenses) by mailing a redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner

(initially DTC) of each 2025 Bond to be redeemed (in whole or in part) at the address shown on the registration books, provided, however, that failure to give such notice by mailing, or any defect therein, will not affect the validity of any proceedings for the redemption of any 2025 Bond or portion thereof as to which no such failure occurred. All 2025 Bonds so called for redemption shall cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment, at that time. Any notice mailed as provided in the Indenture will be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

Each such notice will be dated and will be given in the name of the Authority and will state the following information: (i) the complete official name of the 2025 Bonds, including series, to be redeemed, the identification numbers of 2025 Bond certificates and the CUSIP® numbers, if any, of the 2025 Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP® numbers either as printed on such 2025 Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such 2025 Bonds; (ii) any other descriptive information needed to identify accurately the 2025 Bonds being redeemed, including, but not limited to, the original issuance date and maturity date of, and interest rate on, such 2025 Bonds; (iii) in the case of partial redemption of any 2025 Bonds, the respective principal amounts thereof to be redeemed; (iv) the date of mailing of redemption notices, the record date and the redemption date; (v) the redemption price; (vi) that on the redemption date the redemption price will become due and payable upon each such 2025 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (vii) the place where such 2025 Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

If at the time of mailing of any notice of redemption there shall not be deposited with the Trustee moneys sufficient to redeem all the 2025 Bonds called for redemption, such notice will state that such redemption is conditional upon the deposit of the redemption moneys with the Trustee or Paying Agent not later than the opening of business on the redemption date, and such notice will be of no effect unless such moneys are so deposited.

A second notice of redemption shall be given, not later than 90 days subsequent to the redemption date, to Bondowners of 2025 Bonds, or portions thereof, redeemed but who failed to deliver 2025 Bond certificates for redemption prior to the 60th day following such redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Bondowners of such 2025 Bonds receive the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Bondowners shall not affect the validity of the proceedings for the redemption of the 2025 Bonds.

Redemption Payments. On or prior to the date fixed for redemption, funds shall be deposited by the Authority with the Trustee to pay to the Paying Agent. Upon the giving of notice and the deposit of funds for redemption with the Paying Agent, interest on the 2025 Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption and said 2025 Bonds shall cease to be entitled to any lien, benefit or security under the Indenture or the Security Documents, and the Bondowners of said 2025 Bonds shall have no rights in respect thereof except to receive payments of the redemption price thereof.

As provided in the Indenture, the Trustee is required to give further notice of redemption to at least one national information service, provided, however, that failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

Partial Redemption of 2025 Bonds. If less than all of the 2025 Bonds of any maturity are to be redeemed prior to maturity, (a) if the 2025 Bonds to be redeemed are in book-entry form at the time of such redemption, the Trustee shall instruct DTC to instruct the DTC Participants to select the specific 2025 Bonds for redemption pro rata, and neither the Authority nor the Trustee shall have any responsibility to insure that DTC or its Participants properly select such 2025 Bonds for redemption, and (b) if the 2025 Bonds are not then in book-entry form at the time of such redemption, on each redemption date, the Trustee shall select the specific 2025 Bonds for redemption pro rata. The portion of any registered 2025 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof, and in selecting portions of such 2025 Bonds for redemption, the Trustee will treat each such 2025 Bonds as representing that number of 2025 Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such 2025 Bonds by \$5,000.

Mandatory Sinking Fund Redemption At Bidder's Option

The 2025 Bonds may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See "OFFICIAL NOTICE OF BOND SALE—Term Bonds and Mandatory Sinking Fund Redemption at Bidder's Option."

Book–Entry System

DTC will act as securities depository for the 2025 Bonds. The 2025 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 2025 Bond certificate will be issued for each maturity of the 2025 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See “APPENDIX E—BOOK–ENTRY SYSTEM” for a more detailed discussion of the book–entry system and DTC.

In the event the book–entry system is discontinued, interest on the 2025 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 2025 Bonds will be payable at the principal office of the Paying Agent.

Debt Service On The 2025 Bonds

Debt Service based on Base Rental Payment Schedule. The Master Lease requires semi–annual Base Rental payments to be made by the Board to the Authority (on March 1 and September 1 of each year), which Base Rentals have been assigned to the Trustee pursuant to the Indenture. The 2025 Bond principal and/or interest payments are then paid by the Trustee on March 15 and September 15.

The following table shows the scheduled Base Rental Payments on the 2025 Bonds for the entire term of the Master Lease (assuming the Board renews the Master Lease for all Renewal Terms) which are equal to the payments of principal of and interest on such 2025 Bonds for each of the Board’s Fiscal Years.

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Due (Base Rental Payment) Date	2025 Bonds*		Period Total	Fiscal Total
	Principal*	Interest		
March 1, 2026	\$ 0.00	\$ 0.00	\$ 0.00	
September 1, 2026	0.00	0.00	0.00	\$ 0.00
March 1, 2027	0.00	0.00	0.00	
September 1, 2027	0.00	0.00	0.00	0.00
March 1, 2028	2,315,000.00	0.00	0.00	
September 1, 2028	0.00	0.00	0.00	0.00
March 1, 2029	2,430,000.00	0.00	0.00	
September 1, 2029	0.00	0.00	0.00	0.00
March 1, 2030	2,550,000.00	0.00	0.00	
September 1, 2030	0.00	0.00	0.00	0.00
March 1, 2031	2,675,000.00	0.00	0.00	
September 1, 2031	0.00	0.00	0.00	0.00
March 1, 2032	2,810,000.00	0.00	0.00	
September 1, 2032	0.00	0.00	0.00	0.00
March 1, 2033	2,950,000.00	0.00	0.00	
September 1, 2033	0.00	0.00	0.00	0.00
March 1, 2034	3,100,000.00	0.00	0.00	
September 1, 2034	0.00	0.00	0.00	0.00
March 1, 2035	3,255,000.00	0.00	0.00	
September 1, 2035	0.00	0.00	0.00	0.00
March 1, 2036	3,415,000.00	0.00	0.00	
September 1, 2036	0.00	0.00	0.00	0.00
March 1, 2037	3,590,000.00	0.00	0.00	
September 1, 2037	0.00	0.00	0.00	0.00
March 1, 2038	3,765,000.00	0.00	0.00	
September 1, 2038	0.00	0.00	0.00	0.00
March 1, 2039	3,955,000.00	0.00	0.00	
September 1, 2039	0.00	0.00	0.00	0.00
March 1, 2040	4,155,000.00	0.00	0.00	
September 1, 2040	0.00	0.00	0.00	0.00
March 1, 2041	4,360,000.00	0.00	0.00	
September 1, 2041	0.00	0.00	0.00	0.00
March 1, 2042	4,535,000.00	0.00	0.00	
September 1, 2042	0.00	0.00	0.00	0.00
March 1, 2043	4,725,000.00	0.00	0.00	
September 1, 2043	0.00	0.00	0.00	0.00
March 1, 2044	4,925,000.00	0.00	0.00	
September 1, 2044	0.00	0.00	0.00	0.00
March 1, 2045	5,135,000.00	0.00	0.00	
September 1, 2045	0.00	0.00	0.00	0.00
March 1, 2046	5,355,000.00	0.00	0.00	
Totals	<u>\$70,000,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

* Preliminary; subject to change.

(Source: the Municipal Advisor.)

MUNICIPAL BUILDING AUTHORITY OF PROVO CITY SCHOOL DISTRICT, UTAH

Establishment And Statutory Powers

In 1992, the Board created the Authority as a nonprofit corporation in accordance with the provisions of the predecessor to the Building Authority Act. The Authority is to be of perpetual duration as set forth in its Articles of Incorporation. The Authority at the present time has no full-time employees or other personnel other than its governing board as described below. The Authority has no property, money, or other assets, except for the 2025 Projects, 2022 Project, and the 2010 Project (herein defined) as described in this OFFICIAL STATEMENT. The principal place of business of the Authority is in the District offices at the address shown under “INTRODUCTION—Contact Persons” above.

The Authority has been incorporated for the purpose of acquiring, improving, or extending one or more projects and financing and/or refinancing their costs on behalf of the Board in accordance with the procedures and subject to the limitations of the Building Authority Act, in order to accomplish the public purposes for which the Board exists.

The Authority has all of the powers provided for in the Building Authority Act and in the Constitution and other laws of the State. The Authority may not, however, undertake any of the activities provided for in its Articles of Incorporation without prior authorization therefor by the governing body of the Board. The Authority has been organized as a nonprofit corporation and its Articles of Incorporation expressly require that it remain a nonprofit corporation.

The Authority may not be dissolved unless all of its outstanding bonds and other obligations are paid in full as to principal, interest, and redemption premiums, if any, or unless provision for the payment of the same when due has been made. Whenever bonds, notes or other evidence of indebtedness issued by the Authority are satisfied, discharged, and retired, title to all real and personal property financed with the proceeds of such bonds, notes or other evidence of indebtedness is required to be transferred to the Board.

Under the Building Authority Act, the Authority has the power to: (i) acquire one or more projects, which, by definition, means that it may obtain or gain property of every kind or nature which a public body is authorized or permitted by law to own, and it may otherwise improve or extend such a project or projects and finance their costs on behalf of the public body which created the Authority in order to accomplish the public purposes for which the public body exists; (ii) enter into leasing contracts with the Board with respect to projects which the Authority has acquired, improved or extended or will acquire, improve or extend on behalf of the Board; (iii) issue and sell its bonds for the purpose of financing and refinancing the cost of acquiring, improving or extending a project; and (iv) exercise other powers as enumerated in the Building Authority Act, all in accordance with and subject to the specific requirements of the Building Authority Act with respect to such powers.

Organization

According to the By-Laws of the Authority, the affairs of the Authority are managed by the Board of Trustees of the Authority (the “Board of Trustees of the Authority”). The Board of Trustees of the Authority consists of the members of the Board as may from time to time serve. Each Trustee serves on the Board of Trustees of the Authority until death, incapacity, or removal from the board. Whenever a Trustee shall cease to be a member of the Board of Trustees of the Authority, a successor, upon their election and qualifying for office, thereupon becomes a Trustee of the Authority. Trustees may be removed and replaced by the Board of Trustees of the Authority at any time at its discretion.

The By-Laws further provide that the President of the Board of Trustees of the Authority shall be the President of the Board, the Vice President of the Board of Trustees of the Authority shall be the Vice President of the Board, the Secretary/Treasurer shall be the District’s Business Administrator.

Office	Person	Years In Position	Expiration of Current Term
President/Trustee	Jennifer Partridge	4	December 1, 2026
Vice President/Trustee	Gina Hales	3	December 1, 2028
Trustee	Lisa Boyce	2	December 1, 2026
Trustee	Melanie Hall	4	December 1, 2026
Trustee	Megan Van Wagenen	2	December 1, 2026
Trustee	Teri McCabe	3	December 1, 2028
Trustee	Emily Harrison	1	December 1, 2028
Clerk/Treasurer	Devyn Dayley	2	Appointed

(Source: the District.)

Outstanding Lease Revenue Bonds Of The Authority; The 2025 Bonds; The 2022 Bonds; The 2010 Bonds

Neither the bonds issued by the Authority nor the Board's obligations under the respective lease agreement relating to the Authority's bonds constitutes debt within the meaning of any constitutional provision or statutory limitation which is applicable to the Board.

As of the date of this OFFICIAL STATEMENT, the Authority has the following lease revenue bonds outstanding:

2025 Bonds Issued Under The Indenture. The 2025 Bonds are *not issued* on a parity with any outstanding lease revenue bonds as described herein.

Series ⁽¹⁾	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Amount
2025*	Building (high school)	\$70,000,000	March 15, 2046	<u>\$70,000,000</u>

* Preliminary; subject to change.

(1) For purposes of this OFFICIAL STATEMENT the 2025 Bonds will be considered issued and outstanding. Rated "Aa3" by Moody's Investors Service, Inc. ("Moody's"), as of the date of this OFFICIAL STATEMENT.

(Source: the Municipal Advisor.)

Debt Issuance Under Prior Indentures.

The 2022 Bonds. The 2022 Bonds were issued under a prior indenture. Bond proceeds of the 2022 Bonds were used for the acquisition, construction, equipping and improvement of elementary school facility and middle school facility related improvements.

Series ⁽¹⁾	Purpose	Original Principal Amount	Maturity Date	Current Principal Amount
2022.....	Buildings (middle/elementary)	\$100,355,000	March 15, 2042	<u>\$90,590,000</u>

(1) Rated "Aa3" by Moody's Investors Service, Inc. ("Moody's"), as of the date of this OFFICIAL STATEMENT.

(Source: the Municipal Advisor.)

The 2010 Bonds. The 2010 Bonds were issued under a prior indenture. Bond proceeds of the 2010 Bonds were used for the acquisition, construction, equipping and improvement of an elementary school facility and related improvements.

Series ^{(1) (2)}	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Amount
2010	Building (elementary)/QSCB	\$6,462,000	March 15, 2026	<u>\$6,462,000</u>

(1) These bonds were placed with a private investor and were not rated (no rating was applied for).

(2) This bond is not rated and was issued as a direct purchase. The bonds are federally taxable, QSCBs bonds, and were issued with a supplemental interest rate of 1.23% per annum. The purchaser also received a qualified federal tax credit of 5.86% at the time of the sale of the bonds. The bonds are scheduled to mature on March 15, 2026. However, the Authority is required to make an annual sinking fund deposit of \$460,000 (or less, depending on interest earnings) into a sinking fund account held by Zions Bancorporation as escrow agent (interest income within the sinking account may not exceed 4.30% per annum). As of March 15, 2025, the sinking fund is scheduled to have a balance of approximately \$5,980,000.

(Source: the Municipal Advisor.)

The 2010 Bonds and 2022 Bonds are not secured by the Indenture, or the Master Lease and the projects financed therewith are not cross collateralized with the 2025 Projects. The Board may decide to appropriate Rentals to one or any of the 2010 Project, 2022 Project, and the 2025 Projects.

Summary. In total, the Authority has the following lease revenue bonds outstanding.

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2024 ^(a)	Building (high school)	\$ 70,000,000	March 15, 2046	\$70,000,000
2022.....	Buildings (middle/elementary)	100,355,000	March 15, 2042	90,590,000
2010 ⁽¹⁾⁽²⁾	Building (elementary)/QSCB	6,642,000	March 15, 2026	<u>6,642,000</u>
Total lease revenue debt.....				<u>\$167,232,000</u>

- (a) Preliminary; subject to change. For purposes of this OFFICIAL STATEMENT the 2025 Bonds will be considered issued and outstanding. Rated “___” by Moody’s, as of the date of this OFFICIAL STATEMENT.
- (1) Rated “___” by Moody’s as of the date of this OFFICIAL STATEMENT.
- (2) This bond is not rated and was issued as a direct purchase. The bonds are federally taxable, QSCBs bonds, and were issued with a supplemental interest rate of 1.23% per annum. The purchaser also received a qualified federal tax credit of 5.86% at the time of the sale of the bonds. The bonds are scheduled to mature on March 15, 2026. However, the Authority is required to make an annual sinking fund deposit of \$460,000 (or less, depending on interest earnings) into a sinking fund account held by Zions Bancorporation as escrow agent (interest income within the sinking account may not exceed 4.30% per annum). As of March 15, 2025, the sinking fund is scheduled to have a balance of approximately \$5,980,000.

(Source: the Municipal Advisor.)

The Authority’s debt does not constitute debt within the meaning of any constitutional provision or statutory limitation which is applicable to the Board.

For the Authority’s debt service schedule of lease revenue debt on a Fiscal Year basis as of Fiscal Year 2024 through Fiscal Year 2041 see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Notes to the Basic Financial Statements—Note 5. Long-Term Liabilities—B. General Obligation Bonds Payable—Qualified School Construction Bonds” (ACFR page 47) and “—Statistical Section—Schedule of Long-Term Debt Service” (ACFR page 108).

Future Issuance Of Debt By The Authority

The Authority does not currently have any plans to issue additional lease revenue bonds within the next 12-18 months under the Indenture, Master Lease, the 2022 Indenture, the 2022 Master Lease, the 2010 Indenture and/or 2010 Master Lease. However, the Authority reserves the right to issue any bonds or other obligations, if and when, its capital needs may require.

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Debt Service Schedule Of Outstanding Lease Revenue Bonds Of The Municipal Building Authority Of Provo City School District, Utah By Fiscal Year

Fiscal Year Ending June 30	Series 2025 \$70,000,000		Series 2022 \$100,355,000		Series 2010 QSCB \$6,462,000					Totals		
	Principal*	Interest ⁽¹⁾	Principal	Interest	Principal	Federal Tax Credit Taken By Purchaser	Interest ⁽⁴⁾	Estimated Annual Con- tributions to Sinking Fund Account ⁽⁵⁾	Total Payment Required For Debt Service	Principal	Interest	Debt Service
2025	\$ 0	0	\$3,465,000	\$3,753,200	\$ 0	⁽³⁾	\$79,483	\$ 460,000	\$ 539,483	\$3,925,000	\$4,292,683	\$8,217,683
2026	0	1,366,159	3,635,000	3,579,950	6,462,000 ⁽²⁾	⁽³⁾	59,612	482,000	541,612	4,117,000	5,487,721	9,604,721
2027	0	3,278,781	3,820,000	3,398,200	—	—	—	—	—	3,820,000	6,676,981	10,496,981
2028	2,315,000	3,278,781	4,010,000	3,207,200	—	—	—	—	—	6,325,000	6,485,981	12,810,981
2029	2,430,000	3,163,031	4,210,000	3,006,700	—	—	—	—	—	6,640,000	6,169,731	12,809,731
2030	2,550,000	3,041,531	4,420,000	2,796,200	—	—	—	—	—	6,970,000	5,837,731	12,807,731
2031	2,675,000	2,914,031	4,640,000	2,575,200	—	—	—	—	—	7,315,000	5,489,231	12,804,231
2032	2,810,000	2,780,281	4,875,000	2,343,200	—	—	—	—	—	7,685,000	5,123,481	12,808,481
2033	2,950,000	2,639,781	5,115,000	2,099,450	—	—	—	—	—	8,065,000	4,739,231	12,804,231
2034	3,100,000	2,492,281	5,375,000	1,843,700	—	—	—	—	—	8,475,000	4,335,981	12,810,981
2035	3,255,000	2,337,281	5,590,000	1,628,700	—	—	—	—	—	8,845,000	3,965,981	12,810,981
2036	3,415,000	2,174,531	5,810,000	1,405,100	—	—	—	—	—	9,225,000	3,579,631	12,804,631
2037	3,590,000	2,003,781	6,045,000	1,172,700	—	—	—	—	—	9,635,000	3,176,481	12,811,481
2038	3,765,000	1,824,281	6,225,000	991,350	—	—	—	—	—	9,990,000	2,815,631	12,805,631
2039	3,955,000	1,636,031	6,410,000	804,600	—	—	—	—	—	10,365,000	2,440,631	12,805,631
2040	4,155,000	1,438,281	6,605,000	612,300	—	—	—	—	—	10,760,000	2,050,581	12,810,581
2041	4,360,000	1,230,531	6,800,000	414,150	—	—	—	—	—	11,160,000	1,644,681	12,804,681
2042	4,535,000	1,056,131	7,005,000	210,150	—	—	—	—	—	11,540,000	1,266,281	12,806,281
2043	4,725,000	869,063	—	—	—	—	—	—	—	4,725,000	869,063	5,594,063
2044	4,925,000	668,250	—	—	—	—	—	—	—	4,925,000	668,250	5,593,250
2045	5,135,000	458,938	—	—	—	—	—	—	—	5,135,000	458,938	5,593,938
2046	5,355,000	234,281	—	—	—	—	—	—	—	5,355,000	234,281	5,589,281
Totals	\$70,000,000	\$40,886,040	\$94,055,000	\$35,842,050	\$6,462,000	\$0	\$139,095	\$942,000	\$1,081,095	\$164,997,000	\$77,809,188	\$242,806,185

* Preliminary; subject to change.

(1) Preliminary; subject to change. Annual interest is estimated at 4.56% per annum.

(2) Principal amount to be paid from sinking fund on March 15, 2026.

(3) Federally taxable bonds sold as a private placement. The purchaser received the qualified federal tax credit of 5.86% at the time of the sale of the 2010 MBA Bonds.

(4) Interest is based on 1.23% per annum.

(5) The Authority is required to make an annual sinking fund deposit of \$460,000 (or less, depending on interest earnings) into a sinking fund account held by Zions Bancorporation as escrow agent (interest income within the sinking account may not exceed 4.30% per annum).

(Source: the Municipal Advisor.)

THE 2025 PROJECTS

The 2025 Projects As Security For The 2025 Bonds

The 2025 Bonds are equally and ratably secured by the lien of the Indenture, the Security Documents, and the Master Lease, subject to the terms, conditions, limitations, and exceptions set forth therein. Upon the occurrence of an Event of Default under the Indenture or the occurrence of an Event of Nonappropriation under the Master Lease, the Board shall be required to surrender and vacate the 2025 Projects, the Trustee shall have all rights and remedies to take possession of the 2025 Projects as trustee for the benefit of the Beneficial Owners of the 2025 Bonds, and the Trustee may exercise various remedies against or with respect to the 2025 Projects under the Indenture and the Master Lease for the proportionate benefit of the Beneficial Owners of the 2025 Bonds, subject to the limitation on remedies and acceleration during construction of any of the 2025 Projects. See in this section “Cross-Collateralization” below and “INVESTMENT CONSIDERATIONS—Destruction Of The 2025 Projects” and “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS—The Master Lease And The Indenture” above. Under the Master Lease, an Event of Nonappropriation will occur if the Board fails or refuses to specifically appropriate moneys sufficient to pay the Rentals with respect to all or any portion of the 2025 Projects coming due in any Fiscal Year under the Master Lease.

The 2025 Projects Financed With The 2025 Bonds

The 2025 Projects

The 2025 Projects consist of the following: (i) the completion of an addition and remodel of a portion of Timpview High School, located in Provo, Utah. This includes an approximately \$65–68 million, 100,000 square-foot expansion to the existing building. The new construction involves the demolition and replacement of the auditorium and classrooms dedicated to Performing Arts, Career and Technical Education (CTE), Special Education, Arts, and Administration. Additionally, the cafeteria and kitchen are being remodeled, and the mechanical systems are being replaced. Upon completion, the updated high school will accommodate approximately 2,200 students in grades 9–12. (ii) Approximately \$2–3 million will be allocated toward preparing the Dixon site, which will be used for additional educational spaces.

The first phase of construction began in May 2025, with the next phase scheduled to begin in January 2026. Full completion is expected by December 2029. The Board currently owns the land on which the 2025 Projects are being constructed. The parcels of land on which the 2025 Projects are located are being leased by the Board to the Authority pursuant to a Ground Lease. The 2025 Projects, including the Authority’s interest in the Ground Lease (and any additional Projects) are being leased by the Board to the Authority under the Master Lease.

Cross-Collateralization Of Future Projects

Pursuant to the Indenture and the Master Lease, all of the 2025 Bonds issued under the Indenture are cross-collateralized in that the Authority has granted to the Trustee, for the benefit of the Owners of all of the 2025 Bonds, a security interest in all of the Authority’s right, title and interest in all of the projects. The occurrence of an Event of Default under the Indenture or an Event of Nonappropriation under the Master Lease will entitle the Trustee to take possession of the projects and to exercise its rights and remedies to the extent provided in the Indenture against the projects in such manner and order as the Trustee determines to be in the best interests of the Owners of the bond then outstanding. However, the security interest in some of the 2025 Projects may be released prior to the payment of all of the 2025 Bonds as described in the following section “Release Of The 2025 Projects Upon Payment Of The 2025 Bonds.”

Release Of The 2025 Projects Upon Payment The 2025 Bonds

Pursuant to the Master Lease, the Board has the option of purchasing a Project in advance of the final maturity of a Series of Bonds issued to finance that Project. So long as no Event of Default shall have occurred and be continuing under the Indenture and so long as no Event of Default or Event of Nonappropriation shall have occurred and be continuing under the Master Lease, the 2025 Project may be released as security for the 2025 Bonds and may be transferred to the Board if (i) the Board shall deposit with the Trustee the Purchase Option Price for such Project; and (ii) there shall have been delivered to the Trustee an opinion of nationally-recognized bond counsel to the effect that the release of the 2025 Project will not adversely affect the excludability of interest on the 2025 Bonds from the federal gross income of the owners thereof. Pursuant to the Indenture and the Master Lease, the Board may exercise this option with respect to any portion of the 2025 Projects.

Additionally, a project may be released from the lien of the Indenture upon payment in full of the Rentals related to such Project. The Authority has created a schedule of Rentals relating to each project. Consequently, the Authority can release portions of the 2025 Projects upon payment of the related Rental schedule by the Board.

2025 Project Release Date

The following information regarding the 2025 Projects release date upon the payment of 2025 Bonds due under the Indenture (assuming no purchase of a project or full payment Rentals related to a project).

<u>Project</u>	<u>Construction Status</u>	<u>Scheduled Date of Release from Lien</u>
2025 Project.....	Estimated completion–Winter 2029	March 16, 2046
(Source: Municipal Advisor.)		

Maintenance Of The 2025 Projects

The Board has agreed in the Master Lease, at its own expense, to maintain, manage and operate the 2025 Projects and all improvements thereon in good working order, condition, and repair, and to pay all costs associated therewith. As provided in the Master Lease, the Authority, the Trustee and the Bondowners have no obligation to incur any expense of any kind or character for the management, operation, or maintenance of the 2025 Projects during the term of the Master Lease. See “APPENDIX A—GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT—THE MASTER LEASE AGREEMENT–Maintenance and Operation” (page A–22).

PROVO CITY SCHOOL DISTRICT, UTAH

General

The District is located in the County and shares approximately the same boundaries with the City. The City was incorporated in 1851 and covers an area of approximately 44 square miles and is located in the central portion of the County. The County is located in the north central portion of the State approximately 30 miles south of metropolitan Salt Lake City, Utah. The County covers an area of approximately 2,143.5 square miles. The County had 747,234 residents according to the 2024 population estimates by the U.S. Census Bureau and ranked as the second most populous county in the State (out of 29 counties). Additionally, for educational purposes, Alpine School District serves the northern portion of the County and Nebo School District serves the southern portion of the County. In November 2024, residents within the Alpine School District voted to split into three districts, which are set to go into effect July 2027, with districts operational the 2027-28 school year. See location map above.

The City is located approximately 45 miles from Salt Lake City, Utah and is the most populated city in the County with a 2024 U.S. Census population estimate of 115,479 and ranks the City as the fourth most populous city in the State. The District’s main administration building is in the City and the District maintains a website at <https://www.provo.edu>.

The District also operates the Provo School District Foundation (the “Foundation”). The Foundation is a separate legal 501(c)(3) entity and is reported as a special revenue fund in the District’s financial statements. The Foundation is a not-for-profit entity that solicits financial support of public education through local school communities and community business partners. For the balance sheet and revenues and expenditures and changes in fund balances for the Foundation see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024–Component Unit–Provo School District Foundation” (ACFR pages 30 and 31).

The District presently operates 21 schools/buildings (consisting of 13 elementary schools, three middle schools, two high schools, one independent high school, two special purpose schools, e-school, and the District office building). For building facilities see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Statistical Section–Building Information” (ACFR page 111).

The historical October 1 enrollment for the past 10 years within the District is as follows.

October	Total	% Change Over Prior Year
2025–26 ⁽¹⁾	13,387	(0.6)
2024–25.....	13,463	0.1
2023–24.....	13,455	(1.2)
2022–23.....	13,612	(0.1)
2021–22.....	13,623	2.3
2020–21 ⁽²⁾	13,317	(19.8)
2019–20.....	16,603	2.7
2018–19.....	16,165	1.1
2017–18 ⁽³⁾	15,991	(10.4)
2016–17.....	17,840	5.0

(1) Projected; subject to change.

(2) The decrease of approximately 3,200 students was the result of (i) a pre-COVID-19 Board decision to change the District’s online school (which was operated by a costly third-party vendor), resulted in the decrease of approximately 2,500 online students; and (ii) a decrease of approximately 700 students due to the uncertainties related to COVID-19.

(3) The enrollment decrease is due to a Board approved change to the District’s online school. This change resulted in out-of-boundary-student’s ability to enroll full time with the District; however, part-time online options for those students were discontinued to collect full (weighted pupil) State funding.

(Source: Utah State Board of Education; compiled by the Municipal Advisor.)

Charter Schools. According to the Utah State Board of Education’s Utah Schools Directory, the District has three operating charter schools located within the boundaries of the District. The projected October 1, 2025 enrollment within these three charter schools is approximately 2,975 students. Students who attend charters schools in the District may live outside the boundaries of the District and the District cannot determine the number of charter school students who live outside the boundaries of the District.

Funding for charter schools comes directly from the State based on student attendance. Beginning in Fiscal Year 2017, the State imposed a tax rate levy for the funding of charter schools, including those charter schools within the District. Property tax revenues from the charter school tax rate levy is not received by the District but paid directly by the County to the State. Also, see “FINANCIAL INFORMATION REGARDING PROVO CITY SCHOOL DISTRICT, UTAH—Historical Tax Rates Of The District” below.

Additional Information. For a history of Fiscal Year average daily membership, average daily membership and October 1 student enrollments within the District see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Statistical Section—Student Enrollment” (ACFR pages 107 through 109).

Form Of Government

Board of Education. The determination of policies for the management of the District is the responsibility of the Board, the members of which are elected by the qualified electors within the District. The District is divided into seven representative precincts, and a member of the Board is elected from each precinct. 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. 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. Pursuant to State law, the Superintendent is required to prepare and submit to the Board an annual budget itemizing

anticipated revenues and expenditures for the next school year. The Superintendent is appointed for a two-year term and until a successor is appointed.

Business Administrator. The Business Administrator is appointed by the Board and reports to the Superintendent. The duties of the Business Administrator, among others, are to (i) attend all meetings of the Board and keep a journal of the proceedings, (ii) countersign all warrants drawn upon the District treasury, (iii) keep an account and prepare and publish an annual statement of moneys received by the District and amounts paid out of the treasury, and (iv) have custody of the records and papers of the Board. The Business Administrator is the custodian of all moneys belonging to the District and is required to prepare and submit to the Board a monthly report of the receipts and disbursements of the Business Administrator's office. The Business Administrator is appointed for a two-year term and until a successor is appointed.

Current members of the Board, the Superintendent, the Business Administrator, and other administrators and their respective terms in office are as follows:

Office	Person	Years In Position	Expiration of Current Term
President	Jennifer Partridge	4	December 1, 2026
Vice President	Gina Hales	3	December 1, 2028
Member	Lisa Boyce	2	December 1, 2026
Member	Melanie Hall	4	December 1, 2026
Member	Megan Van Wagenen	2	December 1, 2026
Member	Teri McCabe	3	December 1, 2028
Member	Emily Harrison	1	December 1, 2028
Superintendent	Wendy Dau	2	Appointed
Business Administrator	Devyn Dayley	2	Appointed

(Source: the District.)

Employee Workforce And Retirement System; Early Retirement Incentive And Post-Employment Benefits

Employee Workforce and Retirement System. As of Fiscal Year 2024 the District employed 1,709 full-time equivalent employees. The District participates in cost-sharing multiple employer public employee retirement systems which are defined benefit pension plans and defined contribution plans covering public employees of the State and employees of participating local government entities administered by the Utah State Retirement Systems ("URS"). The retirement system provides refunds, retirement benefits, annual cost of living adjustment and death benefits to plan members and beneficiaries in accordance with retirement statutes. The District also participates in deferred compensation plans with URS. The retirement and deferred compensation plans are administered by the URS under the direction of the URS board, which consists of six members appointed by the Governor of the State and the State Treasurer. For a detailed discussion regarding URS retirement benefits and contributions see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Notes to Basic Financial Statements—Note 6. Employee Retirement Systems and Pension Plan" (ACFR page 52)" and "—Required Supplemental Information" (ACFR pages 64 through 69).

Early Retirement Incentive and Post-Employment Benefits. The District provides a voluntary early retirement incentive program. Eligibility is restricted to those employees hired prior to September 1, 2005 and has a minimum of 12 years of service in the District for those who retire under provisions of the URS. Those qualifying under this program, who choose to retire early, may receive a salary benefit for up to five years and a health and accident benefit up to eight years.

The District also provides a life-time Medicare supplemental insurance benefit for retired employees who have completed at least 20 years of service as of January 1, 2005; the plan also provides coverage for spouses of employees who have completed 30 years of service by January 1, 2005. There are approximately 287 retirees receiving benefit coverage, 70 spouses of retirees and 40 present employees who have earned vested coverage upon retirement. The 40 present employees will receive a prorated benefit. There are no inactive employees who are entitled to benefits.

The District contributes the full cost of the current year benefits for eligible retirees. The contribution is pay-as-you-go, no plan assets are accumulated. District contributions for Fiscal Years 2024, 2023 and 2022 were \$1,394,211, \$1,901,612, and \$2,147,470, respectively.

The actuarial accrued liability of the District's post-employment benefit plan as of Fiscal Year 2023 and Fiscal Year 2024 was \$13,646,466 and \$12,535,511, respectively. All of which is unfunded. As of Fiscal Year 2024, the District has committed \$12,535,511 of the general fund balance for future funding of the District's post-employment benefit plans.

As of the date of this OFFICIAL STATEMENT, the Board currently does not expect its current or future policies regarding post-employment benefits to have a negative financial impact on the District. See "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Notes to the Basic Financial Statements—Note 7. Early Retirement Incentive and Post Employment Health Care Benefit Obligation (ACFR page 59).

Risk Management And Cybersecurity

Risk Management. The District is a member of a risk pool through which the State self-insures portions of certain property and liability claims and purchases commercial insurance for claims above the self-insured retention amounts. This is done through the State's Administrative Services Risk Management Fund. The fund is maintained via premiums charged to its members—State agencies, institutions of higher education, school districts and charter schools.

As of Fiscal Year 2024, the Administrative Services Risk Management Fund contained approximately \$74.387 million in reserves available to pay for claims incurred.

For a general discussion of insurance coverage, health and accident insurance and unemployment compensation see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Notes to Basic Financial Statements—Note. 13. Risk Management" (ACFR page 62).

Cybersecurity. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the District's technology systems for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage by cybersecurity incidents or cyberattacks, the District invests in multiple forms of cybersecurity and operational safeguards. The costs of remedying any damage from a cyberattack or protecting against future attacks could be substantial and expose the District to material litigation and other legal risks; therefore, the District maintains cybersecurity and privacy coverage under separate insurance policies. These policies provide both response and recovery services and coverage for third-party liability and first-party damages including business interruption. To date, the District has not experienced a material breach of cybersecurity.

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 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 B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Notes to Basic Financial Statements—Note 2. Deposits and Investments” (ACFR page 47).

Investment of 2025 Bond Proceeds. The proceeds of the 2025 Bonds will be held by the Trustee and invested in accordance with the Indenture to be readily available. The 2025 Bond proceeds may also be invested in the PTIF or other available investment funds authorized under the Money Management Act.

Population

The following historical population information is provided for the City and the County.

	Provo City	% Change From Prior Period	Utah County	% Change From Prior Period
2024 Census estimate ⁽¹⁾	115,479	0.3	747,234	13.3
2020 Census	115,178	2.4	659,399	78.9
2010 Census	112,488	7.0	368,536	39.8
2000 Census	105,166	21.1	263,590	20.9
1990 Census	86,835	17.2	218,106	58.3
1980 Census	74,111	39.5	137,776	28.8
1970 Census	53,131	47.4	106,991	30.6

(1) U.S. Bureau of the Census estimates for July 1, 2024. Percentage change is calculated from the 2020 Census.

(Source: U.S. Department of Commerce, Bureau of the Census.)

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Labor Force, Nonfarm Jobs, And Wages Within Utah County

	Calendar Year					% change from prior year				
	2024	2023	2022	2021	2020	2023–24	2022–23	2021–22	2020–21	2019–20
Civilian labor force	364,286	357,253	347,815	333,873	318,538	2.0	2.7	4.2	4.8	2.4
Employed persons	352,413	347,715	340,040	325,798	306,186	1.4	2.3	4.4	6.4	0.8
Unemployed persons	11,873	9,538	7,775	8,075	12,352	24.5	22.7	(3.7)	(34.6)	69.1
Total private sector(average)	275,464	272,150	268,853	256,024	236,748	1.2	1.2	5.0	8.1	0.3
Agriculture, Forestry, Fishing & Hunting	1,245	1,130	1,172	1,265	1,222	10.2	(3.6)	(7.4)	3.5	(0.5)
Mining	302	274	271	256	170	10.2	1.1	5.9	50.6	13.3
Utilities	501	463	340	288	283	8.2	36.2	18.1	1.8	(0.7)
Construction	30,154	29,820	29,594	26,893	25,803	1.1	0.8	10.0	4.2	3.4
Manufacturing	23,739	23,462	22,937	21,044	19,413	1.2	2.3	9.0	8.4	(1.4)
Wholesale trade	7,147	7,418	7,988	7,838	7,180	(3.7)	(7.1)	1.9	9.2	1.1
Retail trade	33,778	34,175	34,248	35,960	33,059	(1.2)	(0.2)	(4.8)	8.8	(0.2)
Transportation and warehousing	5,390	5,043	5,005	4,997	4,061	6.9	0.8	0.2	23.0	11.8
Information	12,723	13,278	15,436	14,722	13,655	(4.2)	(14.0)	4.8	7.8	(1.1)
Finance and insurance	8,567	9,432	9,400	9,364	7,171	(9.2)	0.3	0.4	30.6	17.8
Real estate, rental and leasing	3,887	3,854	3,583	3,499	321	0.9	7.6	2.4	990.0	(89.9)
Professional, scientific, and technical services	25,600	25,996	26,083	23,416	3,215	(1.5)	(0.3)	11.4	628.3	(85.3)
Management of companies and enterprises	2,930	2,886	2,621	1,919	1,851	1.5	10.1	36.6	3.7	7.9
Admin., support, waste mgmt., remediation	17,156	16,506	17,413	1,718	15,881	3.9	(5.2)	913.6	(89.2)	2.8
Education services	27,367	26,746	25,629	24,638	24,330	2.3	4.4	4.0	1.3	(4.6)
Health care and social assistance	38,552	36,177	34,209	32,607	30,703	6.6	5.8	4.9	6.2	2.4
Arts, entertainment, and recreation	4,672	4,368	3,941	3,141	2,779	7.0	10.8	25.5	13.0	(8.5)
Accommodation and food services	23,959	23,656	22,005	19,993	18,061	1.3	7.5	10.1	10.7	(6.6)
Other services	7,789	7,463	6,979	6,461	5,823	4.4	6.9	8.0	11.0	(1.3)
Unclassified	4	4	2	5	0	0.0	100.0	(60.0)	4900.0	(95.0)
Total public sector (average)	36,014	34,835	33,369	32,818	32,055	3.4	4.4	1.7	2.4	(0.3)
Federal	1,146	1,155	1,091	1,080	1,163	(0.8)	5.9	1.0	(7.1)	8.4
State	9,886	9,530	9,275	9,234	9,226	3.7	2.7	0.4	0.1	1.3
Local	24,982	24,150	23,003	22	21,666	3.4	5.0	2.2	3.9	(1.4)
Total payroll (in millions)	\$18,701,493	\$17,721,376	\$17,122,874	\$15,498,581	\$13,729,391	5.5	3.5	10.5	12.9	7.6
Average monthly wage	\$5,003	\$4,811	\$4,721	\$4,471	\$4,256	4.0	1.9	5.6	5.1	7.3
Average employment	311,478	306,985	302,222	288,842	268,803	1.5	1.6	4.6	7.5	0.3
Establishments	22,544	21,839	21,388	22,372	20,858	3.2	2.1	(4.4)	7.3	4.7

(Source: Utah Department of Workforce Services.)

Personal Income; Per Capita Personal Income; Median Household Income Within Utah County And The State Of Utah

	Calendar Year				
	2023	2022	2021	2020	2019
<i>Total Personal Income (in \$1,000's) ⁽¹⁾:</i>					
Utah County	\$ 41,438	\$ 38,180	\$ 35,716	\$ 31,264	\$ 28,205
% change from prior year	8.5	6.2	14.2	10.8	12.3
State of Utah	219,331,628	205,519,377	194,315,554	169,921,127	155,711,460
% change from prior year	6.7	5.8	14.4	9.1	7.7
<i>Total Per Capita Personal Income⁽¹⁾:</i>					
Utah County	57,619	54,335	52,065	47,113	43,610
% change from prior year	6.0	4.4	10.5	8.0	9.7
State of Utah	64,175	60,782	58,191	51,742	48,163
% change from prior year	5.6	4.5	12.5	7.4	5.9
<i>Median Household Income⁽²⁾:</i>					
Utah County	100,617	95,085	86,597	81,804	79,505
% change from prior year	5.8	9.8	5.9	2.9	5.6
State of Utah	93,030	88,531	79,449	77,785	75,705
% change from prior year	5.1	11.4	2.1	2.7	6.1

(1) U.S. Bureau of Economic Analysis: County personal income and per capita income, accessed August 25, 2025.

(2) U.S. Census Bureau Small Area Income and Poverty Datasets—median income.

Construction Within Provo City

Calendar year	New			Additions, Alterations and Repairs		Total Construction Value	
	New Dwelling Units	Residential Value (\$000)	New Non-residential Value (\$000)	Residential Value (\$000)	New Non-residential Value (\$000)	Value (\$000)	% change from prior period
2024	130	\$18,410.6	\$ 10,011.5	\$ 5,308.0	\$ 8,399.3	\$ 42,129.4	(73.4)
2023	344	39,057.9	17,828.4	17,390.7	84,149.3	158,426.3	(56.3)
2022	361	75,223.0	214,397.7	14,141.7	58,587.4	362,349.8	85.7
2021	353	96,331.9	53,102.7	10,499.0	35,244.8	195,178.4	(36.7)
2020	339	55,711.9	216,612.7	13,321.2	22,854.2	308,500.0	317.4

(1) Source: University of Utah Kem C. Gardner Policy Institute, Ivory–Boyer Utah Report and Database.

Sales Taxes Within Provo City, Utah County, And The State Of Utah

	Calendar Year				
	2024	2023	2022	2021	2020
Taxable Sales (in \$1,000's):					
Utah County	\$ 18,479,090	\$ 17,737,195	\$ 17,488,593	\$ 15,630,707	\$ 12,811,206
% change from prior year	4.2	1.4	11.9	22.0	14.0
State of Utah	105,190,983	102,657,373	100,893,345	90,105,222	74,730,706
% change from prior year	2.5	1.7	12.0	20.6	8.4

Sales Taxes Within, Provo City, Utah County And The State Of Utah—continued

	Fiscal Year				
	2025	2024	2023	2022	2021
Local Sales and Use Tax Distribution:					
Utah County (and all cities)	\$ 197,604,796	\$ 193,803,544	\$ 183,883,574	\$ 173,621,734	\$ 144,947,404
% change from prior year	2.0	5.4	5.9	19.8	17.2
Provo City	26,623,739	27,934,733	27,717,822	26,967,838	22,886,598
% change from prior year	(4.7)	0.8	2.8	17.8	11.2

(Source: Utah State Tax Commission.)

Additional Information. For the District’s presentation of economic statistics and demographic information see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Statistical Section” (ACFR pages 103 and 104).

Largest Employers

The following is a list of the largest employers in the City and County with employment over 1,000 individuals.

Firm	Business	Employees
<i>Major Employers in the City</i>		
Brigham Young University	Higher education	15,000-19,999
Utah Valley Regional Medical Center (Intermountain).....	Health care	5,000-6,999
Vivint, Inc.....	Building equipment contractors	2,000-2,999
Central Utah Medical Clinic.....	Health care	1,000-1,999
Chrysalis Utah.....	Individual and family services	1,000-1,999
Provo City	Local government	1,000-1,999
Provo City School District.....	Public education	1,000-1,999
Qualtrics, LLC	Custom computer programming services	1,000-1,999
<i>Major Employers in the County</i>		
Alpine School District (northern county-wide) ⁽¹⁾	Public Education	7,000-9,999
Utah Valley University.....	Higher education	5,000-6,999
Nebo School District.....	Public Education	4,000-4,999
Wal-Mart.....	Warehouse clubs/supercenters	3,000-3,999
Adobe Systems.....	Software publishers	1,000-1,999
Bamboo HR Inc.	Custom computer services	1,000-1,999
Costco Wholesale.....	Warehouse clubs/supercenters	1,000-1,999
Doterra International.....	Miscellaneous retailers	1,000-1,999
RBD Acquisitions Sub, Inc.	Janitorial services	1,000-1,999
Smith's Food & Drug.....	Supermarkets	1,000-1,999
State of Utah.....	State government	1,000-1,999
Texas Instruments.....	Semiconductor and device manufacturing	1,000-1,999
Utah County Government.....	County government	1,000-1,999

(1) In November 2024, residents within the Alpine School District voted to split into three districts, which are set to go into effect July 2027, with districts operational the 2027-28 school year.

(Source: Utah Department of Workforce Services. Updated February 2025, reflecting Major Employers of 2024.)

Additional Information. For the District’s presentation of top employers see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Statistical Section” (ACFR page 105).

Rate Of Unemployment—Annual Average

Year	Utah County	State of Utah	United States
2025 ⁽¹⁾	3.3%	3.2%	4.1%
2024.....	3.3	3.2	4.0
2023.....	2.7	2.7	3.6
2022.....	2.2	2.4	3.6
2021.....	2.4	2.8	5.4
2020.....	3.9	4.8	8.1

(1) Preliminary, subject to change. As of June 2025, seasonally adjusted.

(Source: Utah Department of Workforce Services.)

DEBT STRUCTURE OF PROVO CITY SCHOOL DISTRICT, UTAH

Outstanding General Obligation Bonded Indebtedness

Series ⁽¹⁾	Purpose	Original Principal Amount	Maturity Date	Current Principal Outstanding
2021B.....	Refunding	\$11,650,000	June 15, 2027	\$ 3,805,000
2021.....	School Building	73,670,000	June 15, 2041	67,110,000
2016.....	School Building	50,650,000	June 15, 2036	33,825,000
2015.....	School Building	50,615,000	June 15, 2035	29,840,000
Total general obligation bonds outstanding.....				<u>\$134,580,000</u>

(1) Rated “Aaa” (State of Utah Guaranty; underlying “Aa2”) unless otherwise indicated, by Moody’s, as of the date of this OFFICIAL STATEMENT.

(Source: the Municipal Advisor.)

State Of Utah Guaranty Of The Board’s General Obligation Bonds

There is no guaranty by the State (or any other entity) of the principal of or interest on the 2025 Bonds. The following discussion pertains solely to the Board’s general obligation bonds. All the Board’s outstanding general obligation bonds were issued under the provisions of the Utah school district bond guaranty, Title 53G, Chapter 4, Part 8 (the “Guaranty Act”), Utah Code Annotated 1953, as amended (the “Utah Code”).

Guaranty Provisions. Payment of the principal of and interest on general obligation bonds, issued under the Guaranty Act, when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State under the provisions of the Guaranty Act. The Guaranty Act establishes the default avoidance program (the “Program” or the “Utah School District Bond Guaranty Program”).

In addition, the Guaranty Act provides that the State pledges to and agrees with the holders of general obligation bonds guaranteed under the Guaranty Act that the State will not alter, impair, or limit the rights vested by the Program with respect to said general obligation bonds until said general obligation 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 general obligation bonds.

Purpose Of The Guaranty. The Guaranty Act is for the protection of the general obligation bondholders. Ultimate liability for the payment of the general obligation 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 general obligation bonds.

Additional Information. For the Board’s debt service schedule of general obligation debt on a Fiscal Year basis as of Fiscal Year 2021 through Fiscal Year 2041 see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Notes to the Basic Financial Statements—Note 5. Long–Term Liabilities–B. General Obligation Bonds” (ACFR page 50) and “–Statistical Section–Schedule of Long–Term Debt Service” (ACFR page 98-99).

Future Issuance Of Debt By The Board

The Board currently does not anticipate the issuance of any debt other than for any refunding opportunities. However, the Board reserves the right to issue any bonds or other obligations as its capital needs may require.

Other Financial Considerations

Note Payable. In Fiscal Year 2013, the Board entered into a note agreement with the Utah State Office of Energy Development in the amount of \$320,720. Principal and interest payments are approximately \$13,363 per year through FISCAL YEAR 2024. See “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Notes to the Basic Financial Statements—Note 5.–Long–Term Obligations–D. Note Payable” (ACFR page 50).

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Debt Service Schedule Of Outstanding General Obligation Bonds By Fiscal Year

Fiscal Year Ending June 30	Series 2021B \$11,650,000		Series 2021 \$73,670,000		Series 2016 \$50,650,000		Series 2015 \$50,615,000		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2025.....	\$2,080,000	\$294,250	\$2,710,000	\$2,093,048	\$2,475,000	\$1,260,813	\$2,510,000	\$1,006,700	\$ 9,775,000	\$4,654,810	\$14,429,810
2026.....	2,185,000	190,250	3,285,000	1,957,548	2,600,000	1,137,063	2,580,000	937,675	10,650,000	4,222,535	14,872,535
2027.....	1,620,000	81,000	3,280,000	1,793,298	2,725,000	1,007,063	2,655,000	860,275	10,280,000	3,741,635	14,021,635
2028.....	—	—	3,445,000	1,629,298	2,775,000	952,563	2,735,000	780,625	8,955,000	3,362,485	12,317,485
2029.....	—	—	3,615,000	1,457,048	2,825,000	897,063	2,830,000	684,900	9,270,000	3,039,010	12,309,010
2030.....	—	—	3,800,000	1,276,298	2,950,000	784,063	2,930,000	585,850	9,680,000	2,646,210	12,326,210
2031.....	—	—	3,990,000	1,086,298	3,075,000	666,063	3,035,000	483,300	10,100,000	2,235,660	12,335,660
2032.....	—	—	4,185,000	886,798	3,150,000	566,125	3,125,000	392,250	10,460,000	1,845,173	12,305,173
2033.....	—	—	4,270,000	803,098	3,275,000	463,750	3,220,000	298,500	10,765,000	1,565,348	12,330,348
2034.....	—	—	4,355,000	717,698	3,375,000	357,313	3,315,000	201,900	11,045,000	1,276,910	12,321,910
2035.....	—	—	4,445,000	630,598	3,475,000	247,625	3,415,000	102,450	11,335,000	980,673	12,315,673
2036.....	—	—	4,520,000	552,810	3,600,000	126,000	—	—	8,120,000	678,810	8,798,810
2037.....	—	—	4,600,000	473,710	—	—	—	—	4,600,000	473,710	5,073,710
2038.....	—	—	4,690,000	381,710	—	—	—	—	4,690,000	381,710	5,071,710
2039.....	—	—	4,780,000	292,600	—	—	—	—	4,780,000	292,600	5,072,600
2040.....	—	—	4,875,000	197,000	—	—	—	—	4,875,000	197,000	5,072,000
2041.....	—	—	4,975,000	99,500	—	—	—	—	4,975,000	99,500	5,074,500
Totals	<u>\$5,885,000</u>	<u>\$565,500</u>	<u>\$69,820,000</u>	<u>\$16,328,353</u>	<u>\$36,300,000</u>	<u>\$8,465,500</u>	<u>\$32,350,000</u>	<u>\$6,334,425</u>	<u>\$144,355,000</u>	<u>\$31,693,778</u>	<u>\$176,048,778</u>

(Source: the Municipal Advisor.)

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Overlapping And Underlying General Obligation Debt

Taxing Entity	2025 Taxable Value ⁽¹⁾	District's Portion of Taxable Value	District's Percentage	Entity's General Obligation Debt	District's Portion Of GO Debt
<i>Overlapping:</i>					
State of Utah.....	\$621,242,369,370	\$12,253,985,547	2.0	\$847,360,000	\$16,099,840
CUWCD ⁽²⁾	359,460,541,129	12,253,985,547	3.4	90,940,000	3,001,020
Provo City.....	10,993,950,686	12,253,985,547	111.5	68,490,000	68,490,000
Total overlapping.....					<u>\$87,590,860</u>
<i>Underlying:</i>					
Total underlying					<u>\$0</u>
Total overlapping and underlying general obligation debt.....					<u>\$87,590,860</u>
Total <i>overlapping</i> general obligation debt (excluding the State of Utah) ⁽³⁾					\$ 71,491,020
Total <i>direct</i> general obligation indebtedness.....					<u>134,580,000</u>
Total <i>direct</i> and <i>overlapping</i> general obligation debt (excluding the State of Utah) ⁽³⁾					<u>\$206,071,020</u>

This table excludes any additional principal amounts attributable to unamortized original issue bond premium.

- (1) Preliminary; subject to change. Taxable value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property and valuation on semiconductor manufacturing equipment.
- (2) Central Utah Water Conservancy District ("CUWCD") outstanding general obligation bonds are limited ad valorem tax bonds. Certain portions of the principal of and interest on CUWCD's general obligation bonds are paid from revenues from the sale of water.
- (3) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

(Source: the Municipal Advisor.)

Additional Information. For the overlapping and underlying general obligation of the District as of Fiscal Year 2020 see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Statistical Section—Overlapping and Underlying General Obligation Debt Fiscal Year Ending June 30, 2024" (ACFR page 101).

Debt Ratios Regarding General Obligation Debt

The following table sets forth the ratios of general obligation debt (excluding any additional principal amounts attributable to unamortized original issue bond premium) that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the taxable value of property within the District, the estimated market value of such property and the population of the District. *The State's general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.*

	To 2025 Est. Taxable Value ⁽¹⁾	To 2025 Est. Market Value ⁽²⁾	To 2024 Population Est. Per Capita ⁽³⁾
<i>Direct</i> general obligation debt.....	1.10%	0.72%	\$1,165
<i>Direct and overlapping</i> general obligation debt.....	1.68	1.11	1,784

- (1) Based on an estimated 2025 Taxable Value of \$12,253,985,547, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (2) Based on an estimated 2025 Market Value of \$18,585,325,244, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (3) Based on the 2024 population estimate of 115,479 from the U.S. Census Bureau.

(Source: the Municipal Advisor.)

Additional Information. For a 10 year history of various debt ratios calculated by the District see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Statistical Section—Ratios of Outstanding Debt June 30, 2015 through 2024" (ACFR page 100).

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

The general obligation indebtedness of the Board is limited by State law to 4% of the fair market value of taxable property in the District (based on the last equalized property tax assessment roll). The legal debt limit and additional debt incurring capacity of the Board are based on the fair market value for 2020 and the calculated valuation value from 2020 Uniform Fees, and are calculated as follows:

2025 Estimated "Fair Market Value".....	\$18,585,325,244
2024 valuation from uniform fees ⁽¹⁾	200,621,140
2025 Estimated "Fair Market Value for Debt Incurring Capacity" ".....	18,785,946,384
"Fair Market Value for Debt Incurring Capacity" times 4% (the "Debt Limit") ".....	\$751,437,855
Less: current outstanding general obligation debt ⁽²⁾ ".....	(158,187,271)
Estimated additional debt incurring capacity".....	\$593,250,584

- (1) 2025 final information is not available. For debt incurring capacity only, in computing the fair market value of taxable property in the District, the value of all motor vehicles and state-assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) will be included as a part of the fair market value of the taxable property in the District.
- (2) For legal debt limit purposes, the outstanding general obligation debt as shown above is increased by the premium associated with debt issued that is reported in the long-term debt notes of the Board's financial statements. Thus, for accounting purposes, the total unamortized bond premium was \$23,607,271 (as of June 30, 2024), and together with current outstanding debt of \$134,580,000, results in total outstanding debt of \$158,187,271.

(Source: the Municipal Advisor.)

Additional Information. For a 10-year Fiscal Year history of the Board's general obligation legal debt limit and debt capacity see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Statistical Section—Computation of Legal Debt Margin June 30, 2015 through June 30, 2025" (ACFR page 102).

No Defaulted Obligations Of The Board

To the best knowledge of current officials of the Board, the Board has never failed to pay when due the principal of and interest its financial obligations when due.

FINANCIAL INFORMATION REGARDING PROVO CITY SCHOOL DISTRICT, UTAH

Fund Structure; Accounting Basis

The accounting policies of the District conform to all generally accepted accounting principles for governmental units in general and the State's school districts.

The accounts of the District are organized based on funds or groups of accounts, each of which is a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues, and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled. The various funds are grouped by type in the combined financial statements. See "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Notes to Basic Financial Statements—Note 1. Summary of Significant Accounting Policies" (ACFR page 37).

Budgets And Budgetary Accounting

The District operates within the budget requirements for school districts as specified by State law and as interpreted by the State Superintendent of Public Instruction. The superintendent of each school district is the budget officer of each respective district.

For the fiscal year beginning July 1, the Business Administrator under the supervision of the Superintendent prepares a tentative budget for all funds which is presented to the Board by the Superintendent on or before June 1. State law requires budgets for all governmental fund types and the Board has adopted budgets for those funds.

After a public hearing has been held, the Board, by resolution, legally adopts the final budget prior to June 30. If the tax rate in the proposed budget exceeds the “certified tax rate,” the Board shall, if required by State law, comply with the notice and hearing requirements contained in the Property Tax Act, Chapter 2, Title 59, Utah Code (the “Property Tax Act”) in adopting the budget. See in this section “Ad Valorem Tax Levy And Collection” and “Public Hearing On Certain Tax Increases” below.

Once adopted, the budget can be amended by subsequent Board action. Reductions in appropriations can be approved by the Board upon recommendation of the Superintendent; however, increased appropriations require a public hearing prior to amending the budget.

Adjustments in estimated revenue and revisions of appropriations due to operational changes in categorical program funding are integrated into the amended budget approved by the Board.

A final amended budget is legally approved by the Board prior to the end of the fiscal year.

The total budgeted expenditures of a given fund may not exceed the revenues expected to be received for the fiscal year plus the fund balance. Control of the budget is exercised at the fund level.

All governmental funds are prepared using the modified accrual basis of accounting, adjusted for encumbrances. Unencumbered appropriations lapse at year end.

Undistributed Reserve in School Board Budget. A local school board may adopt a budget with an undistributed reserve. The reserve may not exceed 5% of the maintenance and operation budget adopted by each local board in accordance with a scale developed by the State Board of Education. The scale is based on the size of the school district’s budget.

Each local board may appropriate all or a part of the undistributed reserve made to any expenditure classification in the maintenance and operation budget by written resolution adopted by majority vote of such board setting forth the reasons for the appropriation.

The board may not use undistributed reserves in the negotiation or settlement of contract salaries for school district employees.

Limits on Appropriations–Estimated Expendable Revenue. A local school board may not make any appropriation more than its estimated expendable revenue, including undistributed reserves, for the following fiscal year.

In determining the estimated expendable revenue, any existing deficits arising through excessive expenditures from former years are deducted from the estimated revenue for the ensuing year to the extent of at least 10% of the entire tax revenue of the school district for the previous year.

In the event of financial hardships, a local board may deduct from the estimated expendable revenue for the ensuing year, by fund, at least 25% of the deficit amount.

All estimated balances available for appropriations at the end of the fiscal year shall revert to the funds from which they were appropriated and shall be fund balances available for appropriation in the budget of the following year.

A local school board may reduce a budget appropriation at its regular meeting if notice of the proposed action is given to all board members and the district superintendent at least one week prior to the meeting.

An increase in an appropriation may not be made by a local school board unless the following steps are taken: (a) the local school board receives a written request from the district superintendent that sets forth the reasons for the proposed increase; (b) notice of the request is published in a newspaper of general circulation within the school district at least one week prior to a local school board meeting at which the request will be considered; and (c) the local school board holds a public hearing on the request prior to the board’s acting on the request.

School District Interfund Transfers. The State Board of Education may authorize school district interfund transfers for financially distressed districts if the State Board of Education determines the following: (a) the school district has a significant deficit in its maintenance and operations fund which has resulted from circumstances not subject to the administrative decisions of the school district and which cannot be reasonably reduced under Section 53G–7–306 of the Utah Code; and

(b) without the transfer, the school district will not be capable of meeting statewide educational standards adopted by the State Board of Education.

Adoption of Ad Valorem Tax Levy. The governing body of each taxing entity shall, before June 22 of each year, adopt a proposed or, if the tax rate is not more than the certified tax rate, a final tax rate for the taxing entity. The governing body shall report the rate and levy, and any other information prescribed by rules of the county commission for the preparation, review, and certification of the rate, to the county auditor of the county in which the taxing entity is located.

Additional Information. See “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Notes to Basic Financial Statements—1. Summary of Significant Accounting Policies—E. Budgets and Budgetary Accounting” (ACFR page 39).

Management’s Discussion And Analysis Of Financial Operations

The administration of the District prepared a narrative discussion, overview, and analysis of the financial activities of the District for Fiscal Year 2024. For the complete discussion see “APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Management’s Discussion and Analysis” (ACFR page 19).

Economic Stabilization. As directed by the Board, the District has increased its fund balance commitment to economic stabilization in the General Fund. For FISCAL YEAR 2024, the District has committed \$4.34 million of the General Fund balance to economic stabilization. For FISCAL YEAR 2024, the District has approximately \$18.9 million of unassigned fund balances in the General Fund. As defined in State law as an “undistributed reserve,” the District maintains up to 5% of General Fund budgeted expenditures 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. 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). Also, defined by State law, the commitment is not to be used “in the negotiation or settlement of contract salaries for school district employees” and the use of this reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and the Utah State Auditor.

Financial Summaries Of The District

The summaries contained herein were extracted from the District’s basic financial statements. The summaries have not been audited. See “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024.”

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Statement of Net Position
Primary Government—Government Activities
(This summary has not been audited.)

		As of June 30				
		2024	2023	2022	2021	2020
Assets and deferred outflows of resources						
Assets						
Cash and investments		\$59,630,395	\$45,738,195	\$69,396,562	\$166,082,595	\$77,797,736
Restricted cash and investments		124,882,237	171,160,660	187,334,886	—	—
Receivables						
Property taxes		78,541,341	70,398,738	53,186,710	53,273,554	48,008,000
Other local		11,749,821	6,277,057	2,953,528	778,255	106,202
State		1,192,728	1,006,269	1,243,287	866,834	614,489
Federal		4,649,491	7,906,843	12,741,285	7,096,695	2,949,214
Inventories		274,703	359,327	268,107	133,525	118,333
Capital assets						
Buildings and equipment, net accumulated depreciation		180,039,443	176,697,749	185,337,763	194,057,510	201,140,484
Land, construction in progress, and works of art		168,068,642	115,847,247	55,522,909	23,339,493	14,075,695
Machinery & Equipment - right to use, net of accumulated depreciation		—	36,475	59,194	—	—
Restricted cash		—	—	—	6,700,723	4,891,792
Prepaid expenses		—	28,529	170,723	57,439	357,175
Net pension asset		—	—	13,914,970	345,226	—
Total assets		<u>629,028,801</u>	<u>595,457,089</u>	<u>582,129,924</u>	<u>452,731,849</u>	<u>350,059,120</u>
Deferred outflow of resources						
Deferred outflows relating to pensions		25,154,497	25,093,479	21,804,799	12,570,093	10,134,807
Deferred loss on refunding		—	—	—	108,086	172,420
Total deferred outflows of resources		<u>25,154,497</u>	<u>25,093,479</u>	<u>21,804,799</u>	<u>12,678,179</u>	<u>10,307,227</u>
Total assets and deferred outflows of resources		<u>\$654,183,298</u>	<u>\$620,550,568</u>	<u>\$603,934,723</u>	<u>\$465,410,028</u>	<u>\$360,366,347</u>
Liabilities, deferred inflows of resources and net position						
Liabilities						
Accounts payable		\$22,205,277	\$13,122,408	\$9,063,139	\$3,260,616	\$2,550,767
Accrued interest payable		1,321,631	1,355,935	1,499,241	244,789	170,153
Payroll and related payables		14,936,438	13,697,832	15,214,309	15,186,504	11,969,653
Lease payable		—	—	69,859	—	—
Other local		5,100	9,600	273,000	120,600	—
Federal		—	—	594,491	—	—
Noncurrent liabilities						
Due in more than one year						
Bonds, notes leases and compensated assets		\$255,342,636	\$271,154,086	\$285,025,057	\$184,603,972	\$109,935,834
Net OPEB liability		12,535,511	13,646,566	18,686,224	20,999,125	28,842,721
Net pension liability		35,962,326	38,426,671	—	22,542,911	38,375,101
Due within one year		15,217,134	13,107,333	11,901,474	7,905,507	7,313,688
Total liabilities		<u>357,526,053</u>	<u>364,520,431</u>	<u>342,326,794</u>	<u>254,864,024</u>	<u>199,157,917</u>
Deferred inflow of resources						
Deferred property tax revenue		78,125,247	70,164,272	52,942,548	49,547,014	44,820,060
Relating to pensions		910,732	606,271	51,595,408	24,777,959	13,462,576
Total deferred inflow of resources		<u>79,035,979</u>	<u>70,770,543</u>	<u>104,537,956</u>	<u>74,324,973</u>	<u>58,282,636</u>

*Continued on the following page.

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Statement of Net Position—continued
Primary Government—Government Activities
(This summary has not been audited.)

	As of June 30				
	2024	2023	2022	2021	2020
Net position					
Net invested in capital assets	99,407,415	111,605,150	97,458,082	107,909,657	99,594,734
Restricted for					
Debt service	7,914,696	6,370,160	4,827,246	1,775,205	1,637,708
Capital projects	43,463,843	17,571,620	24,216,927	22,519,963	13,952,631
Building reserve	20,372,240	20,372,240	20,372,240	18,372,240	18,372,240
Self insurance	2,890,938	—	—	—	—
School food services	2,890,384	3,138,232	3,281,437	1,904,379	2,104,952
State/federal restricted programs	3,010,094	3,166,675	8,457,380	10,605,193	3,087,148
Student activities	—	—	2,219,256	2,043,907	2,076,272
Unrestricted	37,671,656	23,035,517	(3,762,595)	(28,909,513)	(37,899,891)
Total net position	217,621,266	185,259,594	157,069,973	136,221,031	102,925,794
Total liabilities, deferred inflows of re- sources and position	\$654,183,298	\$620,550,568	\$603,934,723	\$465,410,028	\$360,366,347

(Source: Information taken from the District's audited basic financial statements. Compiled by the Municipal Advisor.)

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Statement of Activities
Primary Government—Total Government Activities
(This summary has not been audited.)

	Net Revenues (Expenses) and Changes in Net Position ⁽¹⁾				
	Fiscal Year Ended June 30				
	2024	2023	2022	2021	2020
Governmental activities					
Instructional services	\$ (12,506,348)	\$ (10,487,079)	\$ (75,968)	\$9,764,085	\$ (10,387,267)
Supporting services					
Students	(3,484,799)	(4,291,713)	(2,527,699)	(2,610,971)	(4,214,179)
Instructional staff	(1,849,009)	(7,867,514)	(5,478,813)	(5,943,114)	(6,888,972)
District administration	(1,755,071)	(1,474,760)	(1,215,665)	(1,363,172)	(2,188,993)
School administration	(8,623,215)	(8,113,166)	(6,156,405)	(6,196,554)	(7,230,687)
Central services	(18,516,360)	(6,983,529)	(5,128,698)	(5,157,364)	(5,374,946)
Operation and maintenance of facilities	(15,596,395)	(13,297,470)	(13,359,102)	(13,430,436)	(14,093,749)
Transportation	(1,044,698)	(106,822)	15,289	(170,551)	(565,825)
School food services	(539,211)	(143,480)	1,560,263	(102,441)	42,435
Community services	(2,266,075)	(1,773,070)	(1,624,249)	(1,957,885)	(1,836,195)
Interest on long-term liabilities	(7,276,006)	(7,790,608)	(7,591,577)	(3,133,033)	(3,532,523)
Total school district	(73,457,187)	(62,329,211)	(41,582,624)	(30,301,436)	(56,270,901)
General revenues					
Property taxes levied for					
Basis state supported program for regular K–12	19,083,627	18,306,451	13,223,696	13,709,010	12,244,530
Voted leeway for regular K–12 instruction	10,464,958	10,038,776	7,251,527	10,539,156	9,413,300
Board leeway and board local leeway	19,927,190	19,115,661	13,808,230	12,306,491	10,991,837
Debt service of general obligation bonds	15,502,463	14,871,130	10,742,186	11,187,721	9,992,580
Capital outlay for buildings and other capital needs	14,603,192	14,008,482	10,119,051	11,033,686	9,855,001
Earnings on investments	11,520,206	8,580,234	290,546	587,864	1,745,463
Gain (loss) on sale of assets	—	—	—	15,375	4,263
Lease revenue	7,487,329	—	—	—	—
Miscellaneous	7,229,894	5,598,098	7,005,983	4,217,370	4,317,999
Total general revenues	105,818,859	90,518,832	62,441,219	63,596,673	58,564,973
Change in net position	32,361,672	28,189,621	20,858,595	33,295,237	2,294,072
Net position—beginning, as restated	185,259,594	157,069,973	136,221,031	102,925,794	100,631,722
Prior period adjustments	—	—	(9,653)	—	—
Net position—ending	\$217,621,266	\$185,259,594	\$157,069,973	\$136,221,031	\$102,925,794

(1) This report is presented in summary format concerning the single item of “Net (Expense) Revenue and Changes in Net Assets” and is not intended to be complete.

(Source: Information taken from the District’s audited basic financial statements. Compiled by the Municipal Advisor.)

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Balance Sheet
General Fund
(This summary has not been audited.)

	Fiscal Year Ended June 30				
	2024	2023	2022	2021	2020
Assets					
Cash and investments	\$54,438,709	\$40,267,504	\$40,082,521	\$49,351,610	\$43,424,590
Restricted cash	3,010,094	3,166,675	4,039,026	3,116,148	1,520,930
Accounts receivable					
Property tax	49,518,667	43,692,839	33,066,831	38,685,693	34,854,581
Other local	11,534,786	6,213,470	2,907,818	778,255	106,202
State	1,018,647	995,246	1,097,658	727,679	401,021
Federal	4,588,806	7,827,386	12,688,926	6,876,995	2,594,054
Prepaid items	—	28,529	170,723	57,439	11,157
Total assets	\$124,109,709	\$102,191,649	\$94,053,503	\$99,593,819	\$82,912,535
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Payroll and related payables	\$14,639,440	\$13,334,494	\$ 14,653,849	\$14,589,989	\$11,478,706
Accounts payable	7,150,408	3,769,442	3,533,831	2,228,910	2,359,215
Unearned revenue					
Other local	5,100	9,600	273,000	120,600	—
Total liabilities	21,794,948	17,113,536	18,460,680	16,939,499	13,837,921
Deferred inflows of resources					
Deferred property tax revenue	48,854,504	43,370,892	32,941,667	38,943,448	35,059,381
Fund balances					
Committed to					
OPEB	13,448,244	13,448,244	13,448,244	14,198,244	14,198,244
Board voted contingency	4,344,402	4,344,402	4,344,402	4,344,402	4,344,402
Unassigned	18,949,517	17,130,371	16,230,407	14,505,594	12,374,282
Assigned to					
District initiative/encumbrances	13,708,000	3,589,000	4,418,354	7,489,045	1,566,218
Restricted for					
State/federal restricted programs	3,010,094	3,166,675	4,039,026	3,116,148	1,520,930
Nonspendable					
Inventories and prepaid items	—	28,529	170,723	57,439	11,157
Total fund balances	53,460,257	41,707,221	42,651,156	43,710,872	34,015,233
Total liabilities and fund balances	\$124,109,709	\$102,191,649	\$94,053,503	\$99,593,819	\$82,912,535

(Source: Information taken from the District's audited basic financial statements. Compiled by the Municipal Advisor.)

**Statement of Revenue, Expenditures and Changes in Fund Balance
General Fund**

(This summary has not been audited.)

	Fiscal Year Ended June 30				
	2024	2023	2022	2021	2020
Revenues					
Local sources					
Property taxes	\$49,096,894	\$41,473,053	\$35,541,844	\$37,861,708	\$33,046,806
Other local	5,457,701	5,530,159	4,517,820	3,812,494	3,787,734
Interest	7,097,506	3,819,527	281,708	494,043	1,652,653
State	95,009,658	85,206,842	77,841,829	90,307,945	85,411,264
Federal	19,989,985	14,771,764	19,690,191	14,790,719	8,905,035
Total revenues	176,651,744	150,801,345	137,873,392	147,266,909	132,803,492
Expenditures					
Current					
Instructional services	94,131,845	86,897,477	86,107,486	80,569,988	80,768,604
Supporting services					
Students	12,140,634	11,290,286	10,309,708	9,338,445	8,473,557
Instructional staff	15,021,585	15,918,194	12,131,958	11,866,384	10,550,190
District administration	1,805,670	1,730,609	2,759,644	2,535,537	2,854,541
School administration	10,035,195	9,401,217	8,472,995	7,918,849	7,718,485
Central services	7,089,136	6,960,522	6,018,253	5,748,200	5,181,189
Operation and maintenance of facilities	12,566,765	13,794,385	7,903,718	13,956,836	9,683,180
Transportation	2,491,962	2,230,094	2,212,681	2,003,125	2,056,407
Capital outlay					
Instructional services	94,209	158,294	140,928	146,216	985,589
Other support services	216,378	177,856	138,595	408,262	875,387
Instructional staff	29,900	12,856	6,623	99,009	593,679
Transportation	—	17,210	263,194	414,408	253,604
Operation and maintenance of facilities	388,093	—	150,518	2,260,703	37,541
Capital outlay (buildings/construction)	—	69,842	—	—	—
Community services	—	—	133,733	208,730	381,596
School food services	—	—	82,949	111,953	30,997
Total expenditures	156,011,372	148,658,842	136,832,983	137,586,645	130,444,546
Excess of (deficiency) revenues over (under) expenditures	20,640,372	2,142,503	1,040,409	9,680,264	2,358,946
Other financing sources and (uses):					
Proceeds from sale of capital assets	35,664	39,395	38,461	15,375	4,263
Transfers in (out)	(8,923,000)	(3,125,833)	(2,138,586)	—	(5,500,000)
Total other financing sources	(8,887,336)	(3,086,438)	(2,100,125)	15,375	(5,495,737)
Net changes in fund balance	11,753,036	(943,935)	(1,059,716)	9,695,639	(3,136,791)
Fund balance at beginning of year	41,707,221	42,651,156	43,710,872	34,015,233	37,152,024
Fund balance at end of year	<u>\$53,460,257</u>	<u>\$41,707,221</u>	<u>\$42,651,156</u>	<u>\$ 43,710,872</u>	<u>\$34,015,233</u>

(Source: Information taken from the District's audited basic financial statements. Compiled by the Municipal Advisor.)

Additional Information. For a 10-year financial history of various District funds see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Statistical Section" at the indicated pages as set forth below.

- (i) "Net Position by Component" (ACFR page 79);
- (ii) "Statements of Net Position" (ACFR page 80);
- (iii) "Changes in Net Position" (ACFR page 82);
- (iv) "Governmental Funds—Aggregate Fund Balances" (ACFR page 84);
- (v) "Governmental Funds—Net Changes in Aggregate Fund Balances" (ACFR page 85); and
- (vi) "Governmental Funds—Fund Balances" (ACFR page 86).

(vii) “Total Governmental Funds–Changes in Fund Balances” (ACFR page 88).

Certain Property Tax Matters

The following information with respect to certain property tax matters is included in this OFFICIAL STATEMENT to provide background information relating to a major source of general fund revenues of the Board. As described herein, the 2025 Bonds are not secured by any pledge of property tax revenues and do not constitute a debt or indebtedness of the Board or the Authority. Also see “INVESTMENT CONSIDERATIONS” above.

Ad Valorem Tax Levy And Collection

The Utah State Tax Commission (the “State Tax Commission”) must assess all centrally–assessed property (as defined under “Property Tax Matters” below) by May 1 of each year. County assessors must assess all locally–assessed property (as defined under “Property Tax Matters” below) 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 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 showing reasonable cause, may, 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, 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. On or before November 1, each county treasurer furnishes each taxpayer a notice containing, among other things, 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.

Without an extension by a County legislative body, taxes are due November 30 (and 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 Market Committee plus 6% from the January 1 following the delinquency date until paid (said interest may not be less than 7% nor 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 “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 above, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in “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 more than the certified tax rate. 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 eligible new growth. 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 the public hearing. In most cases, the taxing entity must advertise the notice of public hearing by publication in a newspaper. Such notices must state, among other things, the value of the property, the taxable value of the property, the deadline to make an application to appeal the valuation or equalization of the property, and the tax impact of the proposed increase.

Property Tax Matters

The Property Tax Act provides that all taxable property is required to be assessed and taxed at a uniform and equal rate based on 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 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 by using a State mandated mass appraisal system 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, motorcycles, recreational vehicles, and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft, commercial vehicles, and property subject to a fixed age-based fee. Motor vehicles weighing 12,000 pounds or less and certain other vehicles 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 in the same proportion in which revenue collected from ad valorem real property is distributed.

	Maximum Tax Rate ⁽¹⁾	Tax Rate (Fiscal Year)				
		2025-26*	2024-25	2023-24	2022-23	2021-22
General Fund						
Basic school levy ⁽²⁾	formula	0.001379	0.001408	0.001406	0.001652	0.001661
Board local levy ⁽³⁾	0.002500	0.001650	0.001724	0.001831	0.001760	0.001734
Voted local levy ⁽⁴⁾	0.001300	0.001300	0.001300	0.001300	0.000587	0.000911
Totals		0.004329	0.004432	0.004537	0.003999	0.004306
Debt service (general obligation bonds)						
Debt service ⁽⁵⁾	none	0.001342	0.001456	0.001469	0.001381	0.001349
Capital local levy ⁽⁶⁾	0.00300	0.001241	0.001196	0.001229	0.001847	0.001271
Charter school levy ⁽³⁾⁽⁷⁾	none	0.000105	0.000124	0.000098	0.000096	0.000091
Judgement recovery levy ⁽⁸⁾		0.000000	0.000000	0.000000	0.000000	0.000000
Total all funds		0.007017	0.007208	0.007333	0.007323	0.007017

* Preliminary; subject to change. The 2025-26 tax rate is currently under review and is subject to correction of county valuation and other Utah State Tax Commission determinations.

- (1) Maximum tax rate where applicable under current State law.
- (2) Set by law for the District's portion of the State Minimum School Program.
- (3) The Board local leeway and the Charter school levy are both included in calculating the maximum tax rate for the Board local leeway of .002500.
- (4) General maintenance and operation revenue. In 1991 and 2006 District residents approved a Voted Local Levy tax rate (which results in a maximum tax rate of .001300). In some circumstances, the State Tax Commission will allow this tax rate to exceed its maximum tax rate.
- (5) This maximum limitation is not applicable to levies made to provide for payment of the principal of and interest on general obligation bonds authorized by vote of school district electors.
- (6) Construction remodeling projects and purchase of school sites/equipment, etc.
- (7) Charter school levy revenues to be directed to State Charter School program.
- (8) A "judgment levy" is levied for collecting additional revenues. The Board has the legal right to levy a "judgment levy" in the succeeding tax year to make up for any tax revenue shortfall due to tax or revaluation "judgment" circumstances that the Board had no control over.

(Source: From records of the Utah State Tax Commission, compiled by the Municipal Advisor.)

See "STATE OF UTAH SCHOOL FINANCE" below.

Additional Information. For a 10-year Fiscal Year history of the Board's property tax rates see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Statistical Section—Property Tax Rates—Direct and Overlapping Governments (prior 10 Years)" (ACFR page 94).

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Comparative Ad Valorem Total Property Tax Rates Within Utah County

This table only reflects those municipal entities and property tax rates within the County, except as noted.

Tax Levying Entity ⁽¹⁾	Total Tax Rate Within Taxing Area				
	2025	2024	2023	2022	2021
<i>Alpine School District:</i>					
Alpine City	0.008705	0.008580	0.007992	0.008229	0.009632
American Fork City	0.009036	0.009000	0.008489	0.008602	0.010013
Bluffdale City ⁽²⁾	0.008879	0.008722	0.008212	0.008590	0.010449
Cedar Fort Town	0.007950	0.007810	0.007859	0.007393	0.008923
Cedar Hills City	0.008547	0.008444	0.007859	0.008046	0.009821
Draper City ⁽²⁾	0.009528	0.009352	0.008853	0.009076	0.010533
Eagle Mountain City	0.013021	0.009255	0.008569	0.008816	0.010684
Fairfield Town	0.008565	0.007921	0.007384	0.007551	0.009421
Highland City	0.008244	0.008096	0.007870	0.007740	0.009448
Lehi City	0.008673	0.008545	0.007552	0.008118	0.009763
Lindon City	0.008292	0.008112	0.007564	0.007830	0.009442
City of Orem ⁽³⁾	0.008264	0.008178	0.007609	0.007854	0.009428
Pleasant Grove City	0.008683	0.008569	0.007995	0.008226	0.009823
Provo City ⁽³⁾	0.009092	0.009066	0.008490	0.008621	0.010541
Saratoga Springs	0.008480	0.008336	0.007754	0.007951	0.009685
Vineyard Town	0.011300	0.010660	0.009553	0.009826	0.011655
Unincorporated Areas ⁽⁴⁾	0.009009	0.008814	0.008238	0.008424	0.010172
<i>Provo City School District</i>					
Provo City ⁽³⁾	0.025035	0.025159	0.025305	0.025220	0.010654
City of Orem ⁽³⁾	0.009207	0.009271	0.009424	0.009453	0.009541
<i>Nebo School District</i>					
Elk Ridge City	0.009666	0.009733	0.009707	0.009863	0.011595
Genola Town	0.009595	0.009668	0.009651	0.009716	0.011015
Goshen Town	0.009603	0.009672	0.009651	0.009157	0.010589
Mapleton City	0.010102	0.010208	0.010144	0.010259	0.012149
Payson City	0.019945	0.018326	0.018299	0.018463	0.011294
Provo City ⁽³⁾	0.010245	0.010408	0.010397	0.010480	0.012331
Salem City	0.013858	0.009934	0.009917	0.009997	0.011328
Santaquin City	0.010055	0.010042	0.010010	0.009705	0.011383
Spanish Fork City	0.009918	0.009702	0.009922	0.009881	0.011520
Springville City	0.010011	0.010075	0.009982	0.009929	0.011888
Woodland Hills City	0.011424	0.011954	0.012037	0.011980	0.014351
Unincorporated Areas ⁽⁴⁾	0.012029	0.012129	0.012044	0.012285	0.013971

(1) These tax rates represent a taxing district within the city or town with the highest combined total tax rates of all overlapping taxing districts.

(2) A portion of the city is also located in Salt Lake County.

(3) A small portion of the city lies within Alpine School District and Nebo School District.

(4) These tax rates represent a taxing district within the unincorporated municipalities within the County with the highest combined total tax rates of all overlapping taxing districts.

(Source: From records of the Utah State Tax Commission compiled by the Municipal Advisor.)

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Taxable, Fair Market And Market Value Of Property Within The District

Calendar Year	Taxable Value ⁽¹⁾	% Change Over Prior Year	Fair Market/ Market Value ⁽²⁾	% Change Over Prior Year
2025*.....	\$12,253,985,547	12.7	\$18,585,325,244	12.9
2024.....	10,875,149,494	4.5	16,461,643,041	4.1
2023.....	10,410,508,381	4.0	15,814,010,050	3.7
2022.....	10,006,191,848	26.9	15,242,906,265	28.4
2021.....	7,885,571,668	13.6	11,875,885,328	14.4

* Preliminary; subject to change.

- (1) Taxable valuation includes redevelopment agency valuation but excludes semi-conductor manufacturing equipment ("SCME"). The estimated redevelopment agency valuation for Calendar Year 2025 was approximately \$131.4 million; for Calendar Year 2024 was for \$177.4 million; for Calendar Year 2023 was approximately \$159.7 million; for Calendar Year 2022 was approximately \$155.8 million; and for Calendar Year 2021 was approximately \$153.4 million.
- (2) Estimated fair market values were calculated by dividing the taxable value of primary residential property by 55%, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Historical Summaries Of Taxable Value Of Property Within The District

	2025 Taxable Value*	% of TV	2024 Taxable Value	2023 Taxable Value	2022 Taxable Value	2021 Taxable Value
Set by State Tax Commission (centrally assessed)						
Total centrally as- sessed	\$187,460,229	1.5	\$128,991,878	\$128,991,878	\$167,048,134	\$192,048,170
Set by County Assessor (locally assessed)						
Real property (land and buildings)						
Primary residential	7,717,525,335	63.0	6,807,157,817	6,586,180,723	6,385,717,062	4,872,187,265
Secondary residential	214,666,941	1.8	189,344,600	165,533,000	177,793,000	65,508,200
Commercial and indus- trial	3,299,206,826	26.9	2,910,028,871	2,680,141,315	2,528,939,972	2,121,906,954
FAA (greenbelt)	1,773,538	0.0	1,564,330	1,501,842	1,319,339	1,329,794
Unimproved non FAA (vacant)	367,517,031	3.0	324,164,330	297,629,219	319,169,037	248,712,433
Agricultural	2,339,126	0.0	2,063,200	2,003,400	1,787,000	1,821,700
Total real property	11,603,028,797	94.7	10,234,323,148	9,732,989,499	9,414,725,410	7,311,466,346
Personal property						
Primary mobile homes	20,778,740	0.2	20,778,740	18,099,095	14,711,670	4,862,764
Secondary mobile homes	—	0.0	—	—	—	—
Other business	442,717,781	3.6	442,717,781	530,427,909	409,706,634	377,194,388
SCME	240	0.0	240	—	—	—
Total personal property	463,496,761	3.8	463,496,761	548,527,004	424,418,304	382,057,152
Total locally as- sessed	12,066,525,558	98.5	10,697,819,909	10,281,516,503	9,839,143,714	7,693,523,498
Total taxable value	\$12,253,985,787	100.0	\$10,826,811,787	\$10,410,508,381	\$10,006,191,848	\$7,885,571,668

* Preliminary; subject to change.

(Source: Calendar Year; information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Additional Information. For the District’s presentation of a 10–year history of taxable valuations and estimated actual valuations see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Statistical Section—Assessed Value and Estimated Actual Value of Taxable Property Tax Years 2014 through 2023” (ACFR page 92).

Tax Collection Record

Ad valorem property taxes are due on November 30 of each year. Fiscal Year 2025 taxes (Tax Year 2025) are due on November 30, 2025.

Tax Year End June 30	Total Taxes Levied ⁽¹⁾	Treasurer's Relief ⁽²⁾	Net Taxes Assessed	Current Collections	Delinquent, Personal Prop- erty, and Mis- cellaneous Collections ⁽³⁾	Total Col- lections ⁽⁴⁾	% of Cur- rent Collec- tions to Net Taxes As- sessed	% of Total Collections to Net Tax- es Assessed
2024	\$79,526,085	\$476,419	\$79,049,666	\$73,879,468	\$6,701,695	\$80,581,163	93.5	101.9
2023	76,334,773	453,975	75,880,798	72,509,872	4,957,546	77,467,418	95.6	102.1
2022	73,896,657	359,834	73,536,823	68,519,534	4,524,073	73,043,607	93.2	99.3
2021	55,393,471	257,859	55,135,612	51,869,428	3,640,942	55,510,370	94.1	100.7
2020	52,642,197	204,497	52,437,700	51,153,078	4,008,895	55,161,973	97.6	105.2

(1) Excludes redevelopment agencies valuation.

(2) Treasurer’s Relief includes abatements established by statute to low-income, elderly and for hardship situations. These Treasurer’s Relief items are levied against the property but are never collected and paid to the entity

(3) Delinquent Collections include reallocation of personal property; interest; sales of real and personal property; and miscellaneous delinquent collections. Does not include revenues collected from semi–conductor manufacturing equipment (“SCME”).

(4) In addition to the Total Collections indicated above, the District also collected Uniform Fees (fees–in–lieu payments) for the funds as indicated in the preceding paragraph for tax year 2024 of \$3,009,317, for tax year 2023 of \$3,589,743; for tax year 2022 of \$2,836,054; for tax year 2021 of \$2,880,722; and for tax year 2020 of \$2,611,043; from tax equivalent property as–sociated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State.

(Source: Information taken from Utah State Tax Commission reports and compiled by the Municipal Advisor.)

Additional Information. For the District’s presentation of a 10–year history of property tax levies and collections see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Statistical Section—Property Tax Levies and Collections December 30, 2014 through December 30, 2023” (ACFR page 90).

Some Of The Largest Taxpayers

The 10 largest ad valorem property taxpayers for Fiscal Year 2024 (Calendar Year or Tax Year 2024) are as follows:

Taxpayer	Type of Business	2024 Taxable Value ⁽¹⁾	% of District's 2024 Taxable Value
SIR Properties Trust	Buildings/real estate	\$117,677,800	1.1
IHC Hospitals Inc.	Health services	80,892,279	0.7
NuSkin International	Buildings/manufacturing	75,552,608	0.7
Duncan Aviation	Transportation	74,595,259	0.7
B+F Timpanogos Tech Center LLC	Buildings/real estate	67,483,000	0.6
Central Utah Investment Company	Buildings/real estate	54,637,500	0.5
Qualtrics Provo HQ LLC	Surveying and mapping	47,880,142	0.4
PEG PRV 200 Freedom Office LLC	Buildings/real estate	47,010,000	0.4
Noorda College of Osteopathic Medicine LLC	Colleges, Universities, and Prof. Schools	46,318,300	0.4
Questar Gas	Natural gas utility	42,985,884	0.4
Totals		<u>\$655,032,772</u>	6.0

(1) Taxable Value used in this table *excludes* the taxable value used to determine “uniform fees” on tangible personal property.

(Source: Information taken from reports of the State Tax Commission and Utah County Treasurer, compiled by the Municipal Advisor.)

STATE OF UTAH SCHOOL FINANCE

The following information with respect to funding sources of Utah school districts is included in this OFFICIAL STATEMENT to provide background information relating to revenue sources to fund the operations of the Board for public education. As described herein, the 2025 Bonds are not secured by any pledge of property tax revenues and do not constitute a debt or indebtedness of the Board or the Authority. Also see “INVESTMENT CONSIDERATIONS” above.

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 Fiscal Year 2024, approximately 53.8% of the District’s funding was provided by State Funding, approximately 34.9% was provided by Local District Funding, and approximately 11.3% was provided from Federal Funding.

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 “FINANCIAL INFORMATION REGARDING PROVO CITY SCHOOL DISTRICT, UTAH—Historical Tax Rates Of The District” 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, vocational education, and special education.

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Summary Of State And Federal Funding

During the past five–years, the District received the following in State and federal funding:

	Fiscal Year				
	2024	2023	2022	2021	2020
<i>State Funds</i>					
General.....	\$95,009,658	\$85,206,842	\$77,841,829	\$90,307,945	\$85,411,264
Total nonmajor funds.....	1,461,229	772,024	1,097,534	1,068,341	1,169,608
Capital projects.....	-	1,805,798	-		111,674
Total.....	<u>\$96,470,887</u>	<u>\$87,784,664</u>	<u>\$78,939,363</u>	<u>\$91,376,286</u>	<u>\$86,692,546</u>
% change over prior year.....	9.9	11.2	(13.6)	5.4	5.7
<i>Federal Funds</i>					
General.....	\$19,989,985	\$14,771,764	\$19,690,191	\$14,790,719	\$8,905,035
Total nonmajor funds.....	4,094,177	4,507,650	6,106,732	4,251,618	4,232,430
Capital projects.....	-	-	-	-	48173
Total.....	<u>\$24,084,162</u>	<u>\$19,279,414</u>	<u>\$19,690,191</u>	<u>\$19,042,337</u>	<u>\$13,185,638</u>
% change over prior year.....	24.9	(2.1)	3.4	44.4	48.8

(Source: Information taken from the District’s audited basic financial statements for the indicated years; compiled by the Municipal Advisor. This summary has not been audited.)

See also “FINANCIAL INFORMATION REGARDING PROVO CITY SCHOOL DISTRICT, UTAH—Financial Summaries” above.

LEGAL MATTERS

Absence Of Litigation Concerning The 2025 Bonds

There is no litigation pending or threatened against the 2025 Bonds questioning or in any manner relating to or affecting the validity of the 2025 Bonds.

On the date of the execution and delivery of the 2025 Bonds, certificates will be delivered by the Authority and the Board to the effect that to the knowledge of the Authority and the Board, there is no action, suit, proceeding or litigation pending or threatened against the Authority or the Board, which in any way materially questions or affects the validity or enforceability of the 2025 Bonds or any proceedings or transactions relating to their authorization, execution, authentication, marketing, sale or delivery or which materially adversely affects the existence or powers of the Authority or the Board.

A non–litigation opinion issued by Seiler, Anderson, Fife & Marshall, LC, Provo, Utah, dated the date of closing, will be provided stating, among other things, that there is not now pending, or to their knowledge threatened, any action, suit, proceeding, inquiry, or any other litigation or investigation, at law or in equity, before or by any court, public board or body, challenging the creation, organization or existence of the Board or the Authority, or the titles of their respective officers to their respective offices, or the ability of the Board, the Authority or their respective officers to authenticate, execute or deliver the 2025 Bonds or such other documents as may be required in connection with the issuance and sale of the 2025 Bonds, or to comply with or perform their respective obligations thereunder, or seeking to restrain or enjoin the issuance, sale or delivery of the 2025 Bonds, or directly or indirectly contesting or affecting the proceedings or the authority by which the 2025 Bonds are issued, the legality of the purpose for which the 2025 Bonds are issued, or the validity of the 2025 Bonds or the issuance and sale thereof.

General

All legal matters incident to the authorization and issuance of the 2025 Bonds are subject to the approval of Farnsworth Johnson PLLC, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority and the Board by Seiler, Anderson, Fife & Marshall, LC, Provo, Utah. Certain legal matters regarding this OFFICIAL STATEMENT will be passed upon by Farnsworth Johnson PLLC. The approving opinion of Bond Counsel will be delivered with the 2025 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in “APPENDIX C—FORM OF OPINION OF BOND COUNSEL.”

The various legal opinions to be delivered concurrently with the delivery of the 2025 Bonds express the professional judgment of the attorneys rendering the opinions 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 MATTERS

Federal Tax Income Of 2025 Bonds

In the opinion of Farnsworth Johnson PLLC (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). *In the further opinion of Bond Counsel, interest on the 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax.* Bond Counsel expects to deliver an opinion at the time of issuance of the 2025 Bonds substantially in the form set forth in “APPENDIX C—FORM OF OPINION OF BOND COUNSEL.”

To the extent the issue price of any maturity of the 2025 Bonds is less than the amount to be paid at maturity of such 2025 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2025 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2025 Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the 2025 Bonds is the first price at which a substantial amount of such maturity of the 2025 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2025 Bonds accrues daily over the term to maturity of such 2025 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2025 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2025 Bonds. Beneficial Owners of the 2025 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2025 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2025 Bonds in the original offering to the public at the first price at which a substantial amount of such 2025 Bonds is sold to the public.

2025 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2025 Bonds. The Authority and the Board have made certain representations and covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that interest on the 2025 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2025 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2025 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the 2025 Bonds may adversely affect the value of, or the tax status of interest on, the 2025 Bonds.

Although Bond Counsel is of the opinion that interest on the 2025 Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the 2025 Bonds may otherwise affect a Beneficial Owner’s federal, state, or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code, or court decisions may cause interest on the 2025 Bonds to be subject, directly, or indirectly, to federal income taxation or to be subject to or exempted from state income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code, or court decisions may also affect the market price for, or marketability of, the 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2025 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority and the Board or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority and the Board have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2025 Bonds ends with the issuance of the 2025 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority and the Board or the Beneficial Owners regarding the tax-exempt status of the 2025 Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the Beneficial Owners) other than the Authority and the Board and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority and the Board legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the 2025 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2025 Bonds, and may cause the Authority and the Board or the Beneficial Owners to incur significant expense.

Utah Income Taxation

In the opinion of Bond Counsel, under the existing laws of the State of Utah, as presently enacted and construed, interest on the 2025 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State of Utah or any other political subdivision thereof. Ownership of the 2025 Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult their tax advisors regarding the applicability of any such state or local taxes.

MISCELLANEOUS

Bond Ratings

As of the date of this OFFICIAL STATEMENT, the 2025 Bonds have been rated "Aa3" by Moody's. An explanation of this rating may be obtained from Moody's. *The Board has not directly applied to Fitch or S&P for a rating on the 2025 Bonds.*

Such ratings do not constitute a recommendation by the rating agency to buy, sell or hold the 2025 Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own.

There is no assurance that the rating given the 2025 Bonds will continue for any period or that the ratings will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of such rating may have an adverse effect on the market price of the 2025 Bonds.

Trustee

The obligations and duties of the Trustee are described in the Indenture and the Trustee has undertaken only those obligations and duties that are expressly set out in the Indenture. The Trustee has not independently passed upon the validity of the 2025 Bonds, the security therefore, the adequacy of the provisions for payment thereof or the exclusion from gross income for federal tax purposes of the interest on the 2025 Bonds. The Trustee may resign or be removed or replaced as provided in the Indenture.

Municipal Advisor

The Authority has requested, and the Board has entered into an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the Board with respect to preparation for sale of the 2025 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2025 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor 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 the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The financial statements of the Board as of June 30, 2024 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by HBME LLC, Bountiful, Utah (“HBME”), as stated in their report in “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024” (ACFR page 15) to this OFFICIAL STATEMENT.

HBME has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non-participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

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

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether expressly so stated, are intended as such and not as representation of fact.

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

This PRELIMINARY OFFICIAL STATEMENT is in a form deemed final for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the Authority and the Board.

Municipal Building Authority of Provo City School District, Utah

Board of Education of Provo City School District, Utah

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APPENDIX A

GENERAL INDENTURE OF TRUST AND MASTER LEASE AGREEMENT

The following are the Indenture and the Master Lease. Reference is hereby made to the Indenture and Master Lease for a complete recital of their terms.

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INDENTURE OF TRUST

Dated as of October 1, 2025

**MUNICIPAL BUILDING AUTHORITY OF PROVO SCHOOL DISTRICT
UTAH COUNTY, UTAH**

(Trustor and Debtor)

TO

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee (Trustee and Secured Party)**

Authorizing the Issuance of and Securing \$[Principal] Lease Revenue Bonds,
Series 2025, of the Municipal Building Authority of Provo School District, Utah
County, Utah.

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but is only for convenience of reference.)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of October 1, 2025 (the or this “*Indenture*”), by and between the Municipal Building Authority of Provo School District, Utah County, Utah, a Utah nonprofit corporation (the “*Issuer*”), whose mailing address is located at 280 West 940 North, Provo, Utah 84604, acting as a public entity and instrumentality of the State of Utah performing essential governmental functions on behalf of the Board of Education of Provo School District, Utah County, Utah, and Zions Bancorporation, National Association, as Trustee (the “*Trustee*”), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out, whose mailing address and principal corporate trust office are located at One South Main Street, 12th Floor, Salt Lake City, Utah 84133,

WITNESSETH:

WHEREAS, the Board of Education (the “*Board of Education*”) of Provo School District, Utah County, Utah (the “*District*”) has organized the Issuer solely for the purpose of (a) accomplishing the public purposes for which the Board of Education and the District exist by acquiring, improving or extending any improvements, facilities or properties (whether real or personal) and appurtenances to them which the Board of Education and the District are authorized or permitted by law to acquire, including, but not limited to, public buildings or other structures of every nature or any joint or partial interest in the same, which improvements, facilities, properties and appurtenances need not be situated within the boundaries of the District and (b) financing the costs of such projects on behalf of the Board of Education in accordance with the procedures and subject to the limitations of the Local Building Authority Act, Title 17D, Chapter 2 of the Utah Code Annotated 1953, as amended (the “*Act*”); and

WHEREAS, the Act provides that the Issuer may issue and sell its bonds for the purpose of paying the costs of acquiring, improving or extending a project (as such term is defined in the Act), and such bonds shall be secured by a pledge and assignment of the revenues received by the Issuer under the leasing contract (as such term is defined in the Act) with respect to the project financed with the proceeds of the sale of such bonds and may be secured by (a) a mortgage or deed of trust (as such term is defined in the Act) covering all or any part of such project, (b) a pledge and assignment of the leasing contract for that project, (c) amounts held in reserve funds or (d) such other security devices with respect to the project as may be deemed most advantageous by the Issuer; and

WHEREAS, the Board of Education, on behalf of the Board of Education and the District, desires the Issuer to undertake certain costs of the acquisition, construction, improvement and completion of all or a portion of Timpview High School and an education and community facility located on the former Dixon Middle School site on certain tracts of land situated in Utah County, Utah and more particularly described in *Exhibit A* attached hereto (the “*Project Sites*”), and related fixtures, chattels, equipment, appliances, furniture, furnishings, machinery, inventory, supplies and maintenance and repair equipment (collectively, the “*Facilities*”).

WHEREAS, the Board of Education, as owner of marketable fee simple title to the Project Sites, has agreed to lease to the Issuer, and the Issuer has agreed to lease from the Board of Education, the Project Sites pursuant to that certain Ground Lease, dated as of the date hereof, between the Issuer and the Board of Education; and

WHEREAS, the Issuer and the Board of Education will, simultaneously with the execution and delivery of this Indenture, enter into that certain Master Lease Agreement, dated as of the date hereof (the “Master Lease”), pursuant to which the Issuer has agreed to fund certain costs to acquire, construct and improve or to cause the acquisition, construction and improvement of the Facilities, and to lease the same to the Board of Education on the terms and conditions set forth therein; and

WHEREAS, the Board of Education has agreed, as agent of the Issuer pursuant to that certain Construction Agency Agreement, dated as of the date hereof, to acquire, construct and improve or cause the acquisition, construction and improvement of the Facilities on the Project Sites, all as provided therein and in the Master Lease; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, by resolution of the Board of Trustees of the Issuer, the Issuer has determined (a) to issue its \$[Principal] aggregate principal amount of Municipal Building Authority of Provo School District, Utah County, Utah, Lease Revenue Bonds, Series 2025 (the “Series 2025 Bonds”), to provide funds for the purpose of (i) paying a portion of the costs of acquiring, constructing and improving the Facilities on the Project Sites (the Facilities and the Project Sites are collectively referred to hereinafter as the “Leased Property”), for the use, occupancy and operation thereof by the Board of Education and any permitted sublessees as provided in the Master Lease, (ii) providing a portion of capitalized interest to pay interest accruing on the Series 2025 Bonds during the period of acquisition, construction and improvement of the Leased Property, and (iii) paying costs of issuance relating to the issuance, sale and delivery of the Series 2025 Bonds and (b) to lease the Leased Property to the Board of Education in consideration of certain base rentals and additional rentals to be paid as hereinafter described which will be sufficient (so long as the Board of Education extends the term of the Master Lease for each successive one-year renewal term) to pay the principal of, and premium, if any, and interest on, the Series 2025 Bonds and certain other costs and expenses as hereinafter described; and

WHEREAS, it is anticipated that additional amounts may be necessary to complete or improve the Leased Property or for other specified purposes and as a result thereof provision should be made for the issuance of additional parity bonds from time to time (hereinafter referred to as the “Additional Bonds”), which Additional Bonds together with the Series 2025 Bonds are hereinafter collectively referred to as the “Bonds”; and

WHEREAS, the execution and delivery of this Indenture and the Master Lease and the issuance of the Series 2025 Bonds under the Act have been in all respects duly and validly authorized by resolution duly passed and approved by the Board of Trustees of the Issuer subject to approval of the issuance of the Series 2025 Bonds and the terms thereof by resolution duly passed and approved by the governing body of the Board of Education; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, by resolution duly adopted by the governing body of the Board of Education, the Board of Education has heretofore approved the issuance of the Series 2025 Bonds and the terms thereof; and

WHEREAS, the proceeds of sale of the Bonds are to be held hereunder and applied by the Trustee in accordance with the terms hereof, including, to the extent provided herein, for the acquisition, construction and improvement of the Leased Property in accordance with the terms hereof and of the Master Lease; and

WHEREAS, the Series 2025 Bonds and the Trustee’s certificate of authentication to be endorsed thereon are to be in substantially the following form, and any Additional Bonds and the Trustee’s certificate of authentication thereon are also to be in substantially the following form (except as to redemption, sinking fund and other provisions peculiar to such Additional Bonds), with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, to wit:

[FORM OF SERIES 2025 BOND]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED
NUMBER R-____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF UTAH

MUNICIPAL BUILDING AUTHORITY OF
PROVO SCHOOL DISTRICT, UTAH COUNTY, UTAH
LEASE REVENUE BOND, SERIES 2025

INTEREST RATE	MATURITY DATE	DATED DATE
_____ %	_____, ____	_____, 2025

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT:----- DOLLARS-----

KNOW ALL MEN BY THESE PRESENTS that the Municipal Building Authority of Provo School District, Utah County, Utah, a Utah nonprofit corporation, (the “*Issuer*”) acting as a public entity and instrumentality of the State of Utah performing essential governmental functions on behalf of the Board of Education (the “*Board of Education*”) of Provo School District, Utah County, Utah (the “*District*”), for value received, hereby promises to pay, but only from the Trust Estate as provided in the Indenture (hereinafter defined), to the registered owner identified hereon, or registered assigns, on the maturity date specified hereon, upon presentation and surrender hereof, the principal amount specified hereon (the “*Principal Amount*”), and in like manner to pay to the registered owner hereof interest on the balance of the Principal Amount from time to time remaining unpaid from the Bond Interest Payment Date (as defined in the Indenture) next preceding the date of registration and authentication hereof, unless this Bond is registered and authenticated as of a Bond Interest Payment Date, in which event the Principal Amount shall bear interest from such Bond Interest Payment Date, or unless this Bond is registered and authenticated prior to the first Bond Interest Payment Date, in which event the Principal Amount shall bear interest from the dated date specified above (the “*Dated Date*”), or unless, as shown by the records of the Trustee (hereinafter defined), interest on the Bonds is in default, in which event the Principal Amount shall bear interest from the date to which such interest has been paid in full, or unless no interest has been paid on this Bond, in which event the Principal Amount shall bear interest from the Dated Date, at the rate specified hereon (calculated on the basis of a year of 360 days consisting of twelve 30-day months) semiannually thereafter on March 15 and September 15 of each year, commencing March 15, 2026, until payment in full of the Principal Amount, except as the provisions set forth in the Indenture with respect to redemption prior to maturity may become applicable hereto, and to pay interest on overdue principal at the lesser of the rate of ten percent (10%) per annum or the maximum rate permitted by law from the date on which such principal becomes due until the same is paid. The principal of and premium, if any, on this Bond shall be payable at the principal corporate trust office of the Trustee in Salt Lake City, Utah, or at the principal corporate trust office of its successor, upon presentation and surrender hereof, and interest on this Bond shall be paid to the person in whose name this Bond is registered (the “*registered owner*”) in the registration books of the Issuer maintained by the Trustee (the “*Register*”) as of the close of business on the first day of the month in which each Bond Interest Payment Date occurs (the “*Regular Record Date*”) and shall be paid by check or draft drawn on the Trustee or its successor and mailed on the Bond Interest Payment Date to the registered owner hereof at the address on the Register or at such other address as is furnished to the Trustee in writing by the registered owner hereof prior to the Regular Record Date. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof as of the close of business on the Regular Record Date and shall be payable to the person who is the registered owner hereof as of the close of business on a Special Record Date (as defined in the Indenture) for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest and notice of the Special Record Date shall be given to the registered owner hereof not less than ten days prior thereto. The principal of, and premium, if any, and interest on, the Bonds shall be paid in lawful money of the United States of America.

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Indenture or the Master Lease, as applicable.

This Bond is one of the first series of Bonds (the “*Series 2025 Bonds*”), limited in aggregate principal amount to \$[Principal], issued or to be issued under and by virtue of the Local Building Authority Act, of Title 17D, Chapter 2 Utah Code Annotated 1953, as amended, (the “*Act*”) and under and pursuant to, and equally and ratably with said other Bonds secured by, the Indenture of Trust, dated as of October 1, 2025 (the “*Indenture*”), between the Issuer and Zions Bancorporation, National Association, as Trustee (the “*Trustee*”), for the purpose of financing certain costs of certain projects pursuant to the Act consisting of the acquisition, construction, improvement and completion of all or a portion of Timpvew High School and an education and community facility located on the former Dixon Middle School site on certain tracts of land situated in Utah County, Utah and more particularly described in *Exhibit A* attached hereto (the “*Project Sites*”), and related fixtures, chattels, equipment, appliances, furniture, furnishings, machinery, inventory, supplies and maintenance and repair equipment (collectively, the “*Facilities*”) for the Board of Education (the “*Lessee*”).

As provided in the Indenture, the Issuer may hereafter issue Additional Bonds (as defined in the Indenture) from time to time under certain terms and conditions contained therein, and, if issued, such Additional Bonds will rank *pari passu* with the Series 2025 Bonds.

Pursuant to the Indenture, the Base Rentals (defined below) are assigned to the Trustee to secure the payment of principal of, premium, if any, and interest on the Bonds. Additionally, the Issuer has granted a security interest in its interest in the Facilities and the Project Sites pursuant to a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, dated as of October 1, 2025 (the “*Deed of Trust*”), by and among the Issuer, the Trustee, as trustee under the Deed of Trust and the Trustee as beneficiary under the Deed of Trust, to the Trustee to further secure its obligations under the Indenture. Copies of the Indenture and the Deed of Trust are on file at the principal corporate trust office of the Trustee in Salt Lake City, Utah, and reference is hereby made to the Indenture for a description of the rights, duties and obligations of the Issuer, the Trustee and the owners of the Bonds, a description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges, the rights with respect thereto, the issuance of Additional Bonds and the other terms and conditions upon which the Bonds are or may be issued and secured, to all of the provisions of which the owner hereof, by the acceptance of this Bond, does hereby assent and agree.

Under that certain Master Lease Agreement, dated as of October 1, 2025 (the “*Lease*”), the Project Sites and the Facilities (collectively, the “*Leased Property*”) have been leased by the Issuer to the Lessee, and the Lessee has agreed to pay directly to the Trustee (as assignee of the Issuer) the base rental payments (the “*Base Rentals*”) commencing on September 1, 2025, in consideration of the Lessee’s right to use, occupy and operate the Leased Property. In addition to the Base Rentals, the Lessee has agreed to make certain other payments (the “*Additional Rentals*”) sufficient to pay the fees and expenses of the Trustee, certain insurance premiums, taxes, utility charges, costs of maintenance and repair and other expenses expressly required to be paid by the Lessee under the Master Lease.

The term of the Master Lease is subject to annual renewal with respect to the rights and obligations of the Lessee. The obligation of the Lessee to pay the Base Rentals and the Additional Rentals (collectively, the “*Rentals*”) under the Master Lease will terminate in the event that the governing body of the Lessee fails or refuses to appropriate, specifically with respect to the Master Lease, moneys sufficient to pay all the Base Rentals and reasonably estimated Additional Rentals for the next succeeding renewal term of the Master Lease or in the event of the unavailability of such moneys for such purpose for any other reason. In the event that the term of the Master Lease is terminated as to the Lessee’s possessory rights in the Leased Property as a result of the occurrence of any event described in the foregoing sentence (herein referred to as an “*Event of Nonappropriation*”) or is terminated by reason of the occurrence of an Event of Default (as defined in the Master Lease), the principal of and interest on the Bonds will be payable from such moneys, if any, as may be available for such purpose, including any moneys received by the Trustee from foreclosure on and liquidation, reletting or sale of the Leased Property as provided in the Indenture and the Deed of Trust. Under certain circumstances, the principal of and interest on the Bonds may also be payable from the net proceeds of title or casualty insurance policies, performance bonds of contractors for the Facilities, or condemnation awards, or the net proceeds received as a consequence of default under construction contracts with respect to the Facilities.

The Bonds are issuable solely as fully-registered Bonds, without coupons, in denominations of \$5,000 (“*Authorized Denominations*”).

This Bond is transferable, as provided in the Indenture, only upon the Register, by the registered owner hereof in person or by such owner’s attorney duly authorized in writing upon surrender of this Bond to the Trustee together with a duly executed written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such duly authorized attorney. Upon such transfer, a new Bond or Bonds of the same aggregate principal amount and Series, designation, maturity and interest rate as the surrendered Bond will be issued to the transferee in exchange therefor, all subject to the terms and conditions set forth in the Indenture. The Issuer, the Trustee and any paying agent and registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether or not this Bond is overdue, for the purpose of receiving payment of or on account of principal or redemption price hereof and interest due hereon and for all other purposes, and neither the Issuer, the Trustee nor any paying agent and registrar shall be affected by any notice to the contrary.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Indenture.

The Bonds are subject to redemption at the option of the Issuer on _____ (the “*First Redemption Date*”), and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as will be selected by the Issuer, upon notice given as provided in the Resolution and described below, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the redemption date. Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

Any Bond subject to redemption shall be redeemed as provided in and subject to the terms of the Indenture.

Upon the termination of the Lessee’s possessory interests in the Leased Property under the Master Lease by reason of the occurrence of an Event of Nonappropriation or an Event of Default, the Trustee shall give notice to the Lessee to vacate the Leased Property immediately (but in no event earlier than the expiration of the Initial Term or the then current Renewal Term for which the Lessee has paid or appropriated moneys sufficient to pay all Rentals due for such Initial Term or Renewal Term, in the case of an Event of Nonappropriation) and shall have the right, at its option, without any further demand or notice, (a) to terminate the Master Lease or the Lessee’s possessory rights thereunder (without otherwise terminating the Master Lease), re-enter the Leased Property and eject all parties in possession thereof therefrom and relet the Leased Property or then or at any time thereafter commence proceedings for the foreclosure on and liquidation, reletting or sale of the Leased Property in the manner permitted by law and as otherwise provided in the Indenture and the Deed of Trust; (b) to exercise any of the remedies provided to the Trustee upon the occurrence of an Event of Default under the Indenture as the Trustee shall determine to be in the best interests of the Bondowners and as are consistent with the terms and provisions for the exercise of such remedies provided in the Indenture and the Deed of Trust, including but not limited to the exercise of such remedies as the Trustee may be entitled to as a secured party under the Utah Uniform Commercial Code; or (c) to take any action at law or in equity deemed necessary or desirable to enforce its and the Bondowners’ rights with respect to the Leased Property and the Lessee. All moneys then held in any fund or account under the Indenture shall be held by the Trustee for the benefit of the owners of the Bonds, except as otherwise provided in the Indenture. The net proceeds received on such foreclosure, liquidation, reletting or sale and such other moneys shall be applied as provided in the Indenture. A BONDOWNER SHOULD NOT ANTICIPATE THAT IT WILL BE POSSIBLE TO FORECLOSE ON THE LEASED PROPERTY AND LIQUIDATE, RELET OR SELL THE LEASED PROPERTY AFTER THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION OR AN EVENT OF DEFAULT FOR AN AMOUNT EQUAL TO THE AGGREGATE PRINCIPAL AMOUNT OF THE BONDS THEN OUTSTANDING PLUS ACCRUED INTEREST THEREON. The Indenture and ownership of any interest in the Leased Property following foreclosure is subject to Permitted Encumbrances.

The Trustee may waive an Event of Nonappropriation or an Event of Default under certain circumstances as provided in the Master Lease and the Indenture.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before their stated maturity dates, together with interest accrued thereon. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

Any consent or request by the registered owner of this Bond shall be conclusive and binding upon such registered owner and upon all future registered owners of this Bond and on any

Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent or request is made upon this Bond.

THIS BOND IS ISSUED WITH THE INTENT THAT THE LAWS OF THE STATE OF UTAH SHALL GOVERN ITS LEGALITY, VALIDITY, ENFORCEABILITY AND CONSTRUCTION. THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON SHALL BE PAYABLE SOLELY OUT OF BASE RENTALS RECEIVED BY THE TRUSTEE (AS ASSIGNEE OF THE ISSUER) UNDER THE MASTER LEASE. NOTHING HEREIN SHALL BE CONSTRUED AS REQUIRING THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION OF THE STATE OF UTAH TO PAY THIS BOND OR THE PREMIUM (IF ANY) OR INTEREST HEREON OR TO APPROPRIATE ANY MONEY TO PAY THE SAME. PURSUANT TO SECTION 17D-2-505 OF THE ACT, THE ISSUER HAS SECURED THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON BY THE INDENTURE, PURSUANT TO WHICH THE MONEYS IN CERTAIN FUNDS AND ACCOUNTS CREATED THEREBY ARE PLEDGED TO THE PAYMENT OF THIS BOND AND THE PREMIUM, IF ANY, AND INTEREST HEREON, TOGETHER WITH ALL OTHER SECURITY PROVIDED BY THE INDENTURE AND THE DEED OF TRUST, INCLUDING A LIEN ON THE LEASED PROPERTY AND ON THE LEASEHOLD ESTATE CREATED UNDER THE MASTER LEASE. NEITHER THIS BOND NOR THE INTEREST HEREON SHALL CONSTITUTE OR GIVE RISE TO A GENERAL OBLIGATION OR LIABILITY OF, OR A CHARGE AGAINST, THE GENERAL CREDIT OR TAXING POWER OF THE ISSUER, THE LESSEE, THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION OF THE STATE OF UTAH. THE ISSUER HAS NO TAXING POWER.

THE OBLIGATION OF THE LESSEE TO MAKE PAYMENTS OF BASE RENTALS AND OTHER AMOUNTS UNDER THE MASTER LEASE IS ANNUALLY RENEWABLE AS PROVIDED THEREIN. THE OBLIGATION OF THE LESSEE TO MAKE SUCH PAYMENTS WILL NOT CONSTITUTE A DEBT OF THE LESSEE, THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE ISSUANCE OF THE BONDS NOR THE EXECUTION AND DELIVERY OF THE MASTER LEASE DIRECTLY OR CONTINGENTLY OBLIGATE THE LESSEE TO APPROPRIATE ANY MONEY TO PAY RENTALS UNDER THE MASTER LEASE OR TO PAY ANY RENTALS BEYOND THOSE APPROPRIATED FOR THE LESSEE'S THEN CURRENT FISCAL YEAR OR OBLIGATE THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE LESSEE TO THE EXTENT PROVIDED IN THE MASTER LEASE) TO PAY ANY RENTALS DUE TO THE ISSUER UNDER THE TERMS OF THE MASTER LEASE. NO PERSON EXECUTING THE BONDS OR THE MASTER LEASE SHALL BE SUBJECT TO PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS OR THE EXECUTION OF THE MASTER LEASE.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution or statutes of the State of Utah and by the Act and the Indenture to exist, to have happened or to have been performed precedent to or in connection with the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the issue of the Series 2025 Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Municipal Building Authority of Provo School District, Utah County, Utah has caused this Bond to be signed in its name and on its behalf by its President and

attested by its Secretary and has caused its corporate seal to be imprinted hereon, all as of the Dated Date.

MUNICIPAL BUILDING AUTHORITY OF PROVO
SCHOOL DISTRICT, UTAH COUNTY, UTAH

By _____
President

ATTEST:

By _____
Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds of the issue described in the within-mentioned Indenture and is one of the Lease Revenue Bonds, Series 2025, of the Municipal Building Authority of Provo School District, Utah County, Utah.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,
as Trustee

By _____
Authorized Officer

Date of registration and authentication: _____, 2025.

TRUSTEE, BOND REGISTRAR AND PAYING
AGENT:

Zions Bancorporation, National Association
Corporate Trust Department
One South Main Street, 12th Floor
Salt Lake City, Utah 84133

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT—
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common	(Cust) (Minor) under Uniform Transfers to Minors Act of _____ (State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

Insert Social Security or Other
Identifying Number of Assignee

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of the MUNICIPAL BUILDING AUTHORITY OF PROVO SCHOOL DISTRICT, UTAH COUNTY, UTAH and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____ SIGNATURE: _____

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Bond Registrar, which requirements include membership or participation in STAMP or such other “signature guarantee program” as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid and binding trust instrument have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the owners thereof, the sum of Ten Dollars lawful money of the United States of America to it duly paid by the Trustee at or before the execution and delivery of these presents, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, and premium, if any, and interest on, the Bonds outstanding hereunder from time to time, according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, transfer, convey, assign, pledge and hypothecate unto the Trustee, its successors in trust and assigns, forever, and grants to the Trustee, its successors in trust and assigns, forever, a security interest in, except any Excepted Property (as hereinafter defined) hereinafter expressly excepted from the lien hereof, all and singular the following described properties, rights, interests and privileges (hereinafter sometimes collectively referred to as the "*Trust Estate*"):

GRANTING CLAUSE FIRST

The right, title and interest of the Issuer in and to the real estate situated in Utah County, State of Utah, as more particularly described in *Exhibit A* attached hereto, TOGETHER WITH (a) the entire interest of the Issuer in and to all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed or placed, upon such real estate, including all right, title and interest of the Issuer, if any, in and to all building material, building equipment and fixtures of every kind and nature whatsoever on any of said real estate or in any building, structure or improvement now or hereafter standing on said real estate, which are classified as fixtures under applicable law and which are used in connection with the operation, maintenance or protection of said buildings, structures and improvements as such, whether or not the same are used in connection with the operation of any business conducted upon any of said real estate, and the reversion or reversions, remainder or remainders, in and to any of said real estate, and together with the entire interest of the Issuer in and to all and singular the tenements, hereditaments, easements, rights-of-way, rights, privileges and appurtenances to said real estate, belonging or in any wise appertaining thereto, including without limitation the entire right, title and interest of the Issuer in, to and under any streets, ways, alleys, gores or strips of land adjoining said real estate, and all claims or demands whatsoever of the Issuer either in law or in equity, in possession or

expectancy of, in and to said real estate, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described, which is now owned or is hereafter acquired by the Issuer and is affixed or attached or annexed to said real estate, shall be and remain or become and constitute a portion of said real estate and the security covered by and subject to the lien of this Indenture, and together with all rents, income, revenues, issues and profits thereof, and the present and continuing right to make claim for, collect, receive and receipt for any and all of such rents, income, revenues, issues and profits arising therefrom or in connection therewith; (b) all appurtenances, easements, water and water rights belonging to or used upon or in connection with said real estate (however represented), pumps, pumping plants, pipes, flumes and ditches, rights-of-way and other rights used in connection therewith or as a means of access thereto, whether now or hereafter owned or constructed or placed thereupon; (c) all the equipment acquired by the Issuer with the proceeds of the Bonds and constituting a part of the Facilities and any other interest in personal property hereafter acquired by the Issuer for use in connection with the Facilities, together with all additions thereto and replacements, renewals and substitutions therefore; (d) all the estate, interest, right, title, property or other claim or demand of every nature whatsoever in and to the Trust Estate, including specifically, but without limitation, all deposits made with or other security given to utility companies by the Issuer with respect to the Trust Estate and claims or demands relating to insurance or condemnation awards which the Issuer now has or may hereafter acquire, including all advance payments of insurance premiums made by the Issuer with respect thereto; and (e) all right, title and interest of the Issuer in and to all ground leases, leases, subleases, licenses, occupancy agreements, concessions or other arrangements, whether written or oral, whereby any person, corporation or business or governmental entity has agreed to pay money or any consideration for the use, possession or occupancy of the premises hereby conveyed or subject to the lien hereof, or any part or portion thereof or space therein, and all rents, income, profits, benefits, advantages and claims against guarantors under any of the foregoing.

GRANTING CLAUSE SECOND

All right, title, interest, estate, claims and demands of the Issuer in and to the Revenues and as lessor in, to and under the Master Lease, including any and all extensions or renewals of the term thereof, together with all rights, powers, privileges, options and other benefits of the Issuer as lessor under the Master Lease, including, without limitation:

(a) the immediate and continuing right to receive and collect all Base Rentals, Additional Rentals (if any) payable pursuant to Section 4.01(b)(ix) of the Master Lease, amounts to be paid into the Bond Fund pursuant to Section 10.01 of the Master Lease from rentals or other payments by permitted sublessees, assignees and transferees, insurance proceeds (including any moneys derived from any self-insurance program), condemnation awards, performance bonds, proceeds from any foreclosure on the Leased Property or liquidation, reletting or sale of the Leased Property, and other payments, tenders and security now or hereafter payable or receivable by the Issuer under the Master Lease pursuant thereto;

(b) the right to make all waivers and agreements and to enter into any amendments relating to the Master Lease or any provision thereof; and

(c) the right to take such action upon the occurrence of an Event of Default or an Event of Nonappropriation with respect to the Master Lease or an event which, with the lapse of time or the giving of notice, or both, would constitute an Event of Default or an Event of Nonappropriation with respect to the Master Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Master Lease or by law, and to do any and all other things whatsoever which the Issuer or any lessor is or may be entitled to do under the Master Lease;

it being the intent and purpose hereof that the assignment and transfer to the Trustee of said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Trustee shall have the right to collect and receive all Revenues, Base Rentals, and any other sums payable under the Master Lease (except Additional Rentals, other than Additional Rentals payable pursuant to Section 4.01(b)(ix) of the Master Lease) and other moneys receivable with respect to the leasing, use, occupancy and operation of the Leased Property, all for application in accordance with the provisions hereof at all times during the period from and after the date of this Indenture until the Interests Hereby Secured have been fully paid and discharged; *provided, however*, that the assignment made by this Clause shall not impair or diminish any obligation of the Issuer under the provisions of the Master Lease.

GRANTING CLAUSE THIRD

The Funds (as hereinafter defined), including moneys and obligations therein, held by the Trustee (except moneys or obligations deposited with or paid to the Trustee for payment or redemption of Bonds that are deemed no longer to be outstanding hereunder) pursuant to the terms of this Indenture.

GRANTING CLAUSE FOURTH

Any and all other moneys and securities from time to time held by the Trustee under the terms of this Indenture and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder by the Issuer or by anyone in its behalf or with its written consent to the Trustee which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

To the extent that the Trust Estate is not comprised of real property, this Indenture constitutes or shall be treated as constituting a security agreement, so that the Trustee shall have and may enforce a security interest to secure payments of all sums due or to become due under this Indenture in any or all of the aforesaid fixtures, accessions, machinery, equipment, tangible personal property, accounts, contract rights and general intangibles and other articles of property, real, personal and mixed, now owned or hereafter acquired, in addition to, but not in limitation of the lien upon the same as part of the realty imposed by the foregoing provisions hereof, such security interest to attach at the earliest moment permitted by law.

EXCEPTED PROPERTY

There is, however, expressly excepted and excluded from the lien and operation of this Indenture the following described property of the Issuer, now owned or hereafter acquired (herein sometimes referred to as "*Excepted Property*"):

A. The last day of the term of the leasehold estate created under the Master Lease; *provided, however*, that the Issuer covenants and agrees that it will hold each such last day in trust for the use and benefit of the Bondowners and that it will dispose of each such last day from time to time in accordance with such written order as the Trustee in its discretion may give; and

B. Property installed by the Lessee or by any sublessee or licensee of the Lessee as provided in Section 9.03 of the Master Lease.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said Trust Estate and assigns forever;

SUBJECT, HOWEVER, to Permitted Encumbrances (as defined in Article I hereof);

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Series 2025 Bonds and Additional Bonds, if any, from time to time, issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the others of the Bonds, except as expressly provided herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof from Base Rentals received under the Master Lease and otherwise from the Trust Estate hereunder, and shall cause the payments to be made into the Bond Fund as required under Article IV hereof from Base Rentals received under the Master Lease and otherwise from the Trust Estate hereunder, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments and subject to the next succeeding paragraph this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, including, without limitation, the Base Rentals, revenues and receipts, hereby assigned or pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as

hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and the respective owners, from time to time, of the Bonds as follows (subject, however, to the provisions of Section 204 hereof):

ARTICLE I

DEFINITIONS

All words and phrases defined in Article I of the Master Lease shall have the same meaning when used in this Indenture. In addition, the following words and phrases shall have the following meanings for all purposes of this Indenture:

“Acquisition” (and other forms of the word *“acquire”*), when used with respect to any portion of the Project, shall mean and include, without limitation, the acquisition, construction, installation, improvement, renovation and extension of the Project in accordance with the applicable Project Documents.

“Act” shall mean the Local Building Authority Act, being Chapter 2 of Title 17D, Utah Code Annotated 1953, as amended.

“Additional Bonds” shall mean additional parity Bonds authorized to be issued by the Issuer pursuant to the terms and conditions of Section 213 hereof.

“Agency Agreement” shall mean that certain Construction Agency Agreement, dated as of October 1, 2025, between the Issuer and the Lessee, as the Issuer’s agent for purposes of causing the Acquisition of the Project.

“Authorized Denominations” shall mean denominations of \$5,000.

“Base Rental Payment Dates” shall mean each and every date on which any Base Rentals are payable pursuant to the Master Lease.

“Base Rentals” shall mean the total of the amounts payable by the Lessee as Base Rentals pursuant to Section 4.01(a) of the Master Lease.

“Bond” or *“Bonds”* shall mean one or more of the Series 2025 Bonds of the Issuer to be issued hereunder and, unless the context otherwise indicates, any Additional Bonds authenticated and delivered from time to time hereunder.

“Bond Fund” shall mean the fund created by Section 402 hereof.

“Bond Interest Payment Dates” shall mean March 15 and September 15 of each year so long as any of the Bonds are outstanding, commencing March 15, 2026.

“Bondowner” or *“owner of Bonds”*, or any similar term, shall mean the Person in whose name a Bond is registered in the Register.

“Bond Payment Date” shall mean a Bond Interest Payment Date and/or a Bond Principal Payment Date.

“Bond Principal Payment Date” means March 15 of each year, commencing March 15, 2026.

“Business Day” shall mean any day except a Saturday, Sunday or other day on which banks in The City of New York, New York or Salt Lake City, Utah are authorized to close.

“Cede” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to Section 216 hereof.

“Code” shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and any applicable regulations thereunder.

“Completion Certificate” shall mean the certificate (including attachments thereto) delivered by or at the direction of an Authorized Lessee Representative pursuant to Section 5.08(b) of the Master Lease and Section 409 hereof evidencing completion of the Project, the establishment of the Completion Date, acceptance of the Leased Property by the Lessee and certain other matters.

“Completion Date” shall mean the date of completion of the Project within the meaning of Section 17D-2-401 of the Act and of final acceptance of the Leased Property by the Lessee, all as evidenced by the delivery of the Completion Certificate.

“Contractor” shall mean such reputable contractor or contractors designated as general contractor for the Facilities.

“Costs of Acquisition” with respect to the Project shall mean those items authorized by Section 17D-2-102(10) of the Act which the Lessee, in its own capacity, or in its capacity as agent to the Issuer pursuant to the Agency Agreement, or the Issuer has paid or shall be required to pay under the terms of any contract or contracts for the Project and the financing thereof and all expenses preliminary and incidental thereto incurred by the Issuer or the Lessee (as such agent) in connection therewith and with the issuance of the Bonds, including but not limited to the following:

(a) obligations of the Lessee or the Issuer incurred for labor, materials and equipment in connection with the Project;

(b) the cost of performance or other bonds and any and all types of insurance (including but not limited to title insurance) that may be necessary or appropriate to have in effect during the course of the Project;

(c) all costs of planning and designing the Facilities, including architectural, planning, engineering, legal and fiscal advisors' fees and the costs incurred by the Lessee or the Issuer for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper and timely completion of the Project, including costs of preparing and securing all Project Documents and site preparation;

(d) all Costs of Issuance;

(e) payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a Project Contract;

(f) the cost of equipment and furnishings for the Facilities and all other costs authorized by the Act which are considered to be a part of the costs of the Facilities in accordance with generally accepted accounting principles and which will preserve the tax-exempt status of the Series 2025 Bonds;

(g) any sums required to reimburse the Issuer or the Lessee for advances by either of them for any of the above items or for any other costs incurred and for work done by either of them which are properly chargeable to a capital account in respect of the Project, including sums required to reimburse the Issuer or the Lessee for advances for costs incurred pursuant to clause (i) hereafter;

(h) such amounts as the governing body of the Issuer shall find to be necessary to provide necessary working capital in connection with the Project, which amounts under this clause (h) shall not exceed \$250,000 in the aggregate; and

(i) all other amounts which shall be required to be paid under the terms of any Project Contract, including but not limited to such amounts as are payable by the Lessee to the Issuer in accordance with the Ground Lease, so long as such amounts are authorized under the Act.

"Costs of Issuance" shall mean all items of expense directly or indirectly payable by or reimbursable to the Issuer or the Lessee relating to the financing of the Project hereunder, including, but not limited to, all costs paid or incurred by the Lessee or the Issuer at any time prior to or after delivery of the Bonds with respect to the issuance, sale and delivery of the Bonds, including, but not limited to, initial or acceptance fees and expenses of the Trustee, the Paying Agent and the Registrar, costs of legal and other professional services, including but not limited to financial advisor fees and expenses, costs of underwriting the Bonds (including underwriting fees or bond discount), costs of preparing the Operative Agreements and any supplements to any thereof and any other documents in connection with the authorization, issuance and sale of the Bonds, rating agency fees and expenses, municipal bond insurance premiums, recording and filing fees, costs of title insurance, printing and engraving and other fees and costs in connection therewith.

"Deed of Trust" means that certain Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, dated as of October 1, 2025, among the Issuer, the Trustee, as trustee under the Deed of Trust and the Trustee, as beneficiary under the Deed of Trust.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Event of Default" is defined in Section 901 hereof.

"Facilities" has the meaning assigned to such term in the Master Lease.

"Fiscal Year" shall mean the twelve-month period used from time to time by the Lessee for its financial accounting purposes, such period currently extending from July 1 to the next succeeding June 30.

"Funds" shall mean all of the funds and accounts created hereunder and held by the Trustee, including but not limited to the School Construction Fund, the Bond Fund, the Redemption Fund and the Insurance Fund.

"Ground Lease" shall mean that certain Ground Lease, dated as of the date hereof, between the Issuer and the Lessee, pursuant to which the Lessee agrees to lease to the Issuer, and the Issuer agrees to lease from the Lessee, the Project Sites.

"Indenture" shall mean this Indenture of Trust, and any amendments and supplements hereto as herein provided.

"Insurance Fund" shall mean the fund created by Section 412 hereof.

"Interests Hereby Secured" shall mean the principal of and interest and premium, if any, on the Bonds and all additional amounts and other sums at any time due and owing from or required to be paid by or on behalf of the Issuer under the terms of the Bonds or this Indenture or by the Lessee pursuant to the terms of the Master Lease.

"Issuer" shall mean the Municipal Building Authority of Provo School District, Utah County, Utah, a Utah nonprofit corporation, and any body which succeeds to its powers, duties or functions.

"Leased Property" shall mean, collectively, the Facilities and the Project Sites, leased and to be leased to the Lessee pursuant to the Master Lease.

"Lessee" shall mean the Board of Education of Provo School District, Utah County, Utah, a duly organized and existing body corporate and a political subdivision of the State of Utah in its capacity as lessee under the Master Lease, and any public body or public corporation succeeding to its rights and obligations under the Master Lease. Any reference herein to the "governing body" of the Lessee shall refer to the Board of Education of Provo School District, Utah County, Utah, and to any successor governing body as authorized by applicable law.

“*Letter of Representations*” means the Blanket Issuer Letter of Representations from the Issuer to DTC, dated _____, 2025.

“*Lien*” shall mean any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on common law, statute or contract, and including but not limited to the security interest or lien arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes.

“*Master Lease*” shall mean that certain Master Lease Agreement, dated as of the date hereof, between the Lessee and the Issuer with respect to the Lessee’s leasing of the Leased Property described therein from the Issuer, including the *Exhibits* and *Schedules* attached thereto and incorporated therein, and any amendments and supplements thereto as therein and herein provided.

“*Net Proceeds*”, when used with respect to any performance or payment bond proceeds, or proceeds (including, but not limited to, any moneys derived from any self-insurance program) from policies of insurance required by the Master Lease, or any condemnation award, or any proceeds resulting from default under a Project Contract (including but not limited to any such proceeds realized as liquidated damages) with respect to the Leased Property, or proceeds from any foreclosure on the Leased Property or liquidation, reletting or sale of the Leased Property, shall mean the amount remaining after deducting all expenses (including attorneys’ fees) incurred in the collection of such proceeds or award from the gross proceeds thereof.

“*Notice*” or “*notice*” shall mean a written notice meeting the requirements of this Indenture mailed by first-class mail, postage prepaid, or sent by facsimile or other electronic means, to the owners of specified Bonds, at the addresses shown in the Register.

“*Officer’s Certificate*” when used with respect to the Lessee shall mean a certificate signed by an Authorized Lessee Representative or, when used with respect to the Issuer or the Lessor, an Authorized Lessor Representative, and delivered to the Trustee.

“*Operative Agreements*” shall mean, collectively, the Master Lease, the Ground Lease, the Deed of Trust, the Tax Certificate, the Agency Agreement and this Indenture.

“*Outstanding*” when used with respect to Bonds shall mean all Bonds which have theretofore been duly authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds theretofore cancelled and delivered to the Registrar or delivered to the Registrar for cancellation;

(b) Bonds for the payment or redemption of which cash funds or Government Obligations (as defined in Article VII hereof) or, with respect to the Bonds, United States Obligations (as defined in Article VII hereof) in the necessary amount shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) in trust for the owners of such Bonds; *provided that* if such Bonds

are to be redeemed prior to the stated maturity date thereof, notice of such redemption shall have been duly given pursuant to the provisions of this Indenture or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture;

provided, however, that in determining whether the owners of a requisite aggregate principal amount of Bonds outstanding have given any request, demand, authorization, direction, notice, consent or waiver under the provisions hereof or of the Master Lease, Bonds which are owned by or on behalf of the Issuer or the Lessee shall be disregarded for the purpose of any such determination, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee’s right so to act with respect to such Bonds and that the pledgee is not the Issuer or the Lessee.

“*Participants*” means those broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository.

“*Paying Agent*” shall mean the agent appointed by the Trustee, at the direction of the Issuer, as agent of the Trustee to serve as the paying agent or place of payment for the principal of and interest and premium, if any, on the Bonds, and any successor designated pursuant to this Indenture, or in the event that at any time no such agent shall be appointed, the Trustee.

“*Permitted Encumbrances*” shall have the meaning assigned to such term in the Master Lease.

“*Person*” shall mean one or more individuals, estates, joint ventures, joint-stock companies, partnerships, associations, corporations, trusts or unincorporated organizations, and one or more governments or agencies or political subdivisions thereof.

“*Project Contracts*” shall mean (a) any contract or contracts between the Lessee (acting in its own capacity with respect to the Acquisition of that portion of the Project Acquired prior to the date hereof and in its capacity as the Issuer’s agent pursuant to the Agency Agreement with respect to any portion of the Acquisition of the Project to be Acquired after the date hereof) or the Issuer and any Contractor or Contractors and between any Contractor or subcontractor and his immediate subcontractor regarding the Facilities and (b) any other contract or contracts entered into by the Lessee or the Issuer relating to the Acquisition of the Project, including without limitation the Ground Lease, a copy of each of which is or will be on file with the Lessee.

“*Project*” shall mean the Acquisition of the Facilities.

“*Project Sites*” shall mean those certain tracts of land situated in Utah County, Utah and more particularly described in *Exhibit A* attached hereto.

“*Property*” shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“*Redemption Fund*” shall mean the fund created by Section 606 hereof.

“*Register*” is defined in Section 205 hereof.

“*Registrar*” shall mean the agent appointed by the Trustee, at the direction of the Issuer, as agent of the Trustee to keep the books for the registration of the Bonds and for the registration of transfer and exchange of the Bonds, and any successor appointed by the Trustee, at the direction of the Issuer, or in the event that at any time no such agent shall be appointed, the Trustee.

“*Regular Record Date*” shall mean, with respect to any Bond Interest Payment Date, the first day of the month in which Bond Interest Payment Date occurs.

“*Revenues*” shall mean (a) all Net Proceeds, if any, of casualty insurance (including any moneys derived from any self-insurance program), title insurance, performance bonds, condemnation awards and awards resulting from defaults under Project Contracts (including amounts realized as liquidated damages) in connection with the Project, not applied to the repair, restoration, modification, improvement or replacement of the Leased Property; (b) all Net Proceeds, if any, derived from any sale of the Leased Property pursuant to a foreclosure pursuant to the Indenture and reletting or sale of the Leased Property thereafter pursuant to the Indenture or any other proceeds realized upon the exercise of any other remedies hereunder; (c) the Base Rentals; (d) any portion of the proceeds of sale of the Bonds deposited into the Bond Fund to pay accrued interest or capitalized interest on the Bonds; (e) any earnings on moneys on deposit in the Bond Fund to the extent such earnings are available as provided herein for application for the purposes for which such Funds have been established hereunder; (f) all other revenues derived from the Master Lease, except Additional Rentals (other than those Additional Rentals (if any) payable pursuant to Section 4.01(b)(ix) of the Master Lease); and (g) any other moneys to which the Trustee may be entitled for the benefit of the Bondowners, including but not limited to any amounts to be paid into the Bond Fund pursuant to Section 10.01 of the Master Lease from rentals or other payments by permitted sublessees, assignees and transferees.

“*School Construction Fund*” shall mean the fund created by Section 407 hereof.

“*Series*” shall mean all of the Bonds designated as being of the same Series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to Section 208 or 604 hereof.

“*Series 2025 Bonds*” shall mean the Issuer’s Lease Revenue Bonds, Series 2025 issued hereunder.

“*Special Record Date*” shall mean a special date fixed to determine the names and addresses of owners of Bonds for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as provided in Section 203(b) hereof.

“*Tax Certificate*” shall mean any agreement or certificate of the Issuer and the Lessee which the Issuer and the Lessee may execute in order to establish and assure the excludability from gross income for federal income tax purposes of interest on the Bonds.

“*Trust Estate*” shall have the meaning stated in the habendum to the Granting Clauses of the Indenture and shall include the properties, rights, interests and privileges described in the Granting Clauses of this Indenture.

“*Trustee*” shall mean Zions Bancorporation, National Association, Salt Lake City, Utah, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

ARTICLE II

THE BONDS

Section 201. Authorized Amount of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Series 2025 Bonds that may be issued hereunder is hereby expressly limited to \$[Principal] except as provided in Section 208 hereof; *provided, however*, that Additional Bonds may be issued as provided in Section 213 hereof.

Section 202. Issuance of the Series 2025 Bonds. (a) In order to provide funds to finance the Costs of Acquisition of the Project, there is hereby authorized to be issued a Series of Bonds in the aggregate principal amount of \$[Principal], which Series of Bonds is hereby designated as “Municipal Building Authority of Provo School District, Utah County, Utah, Lease Revenue Bonds, Series 2025.” The Series 2025 Bonds shall be dated as of their date of issuance, and shall bear interest from the Bond Interest Payment Date next preceding the date of registration and authentication thereof, unless such Series 2025 Bond is registered and authenticated as of a Bond Interest Payment Date, in which event such Series 2025 Bond shall bear interest from such Bond Interest Payment Date, or unless such Bond is registered and authenticated prior to the first Bond Interest Payment Date, in which event such Series 2025 Bond shall bear interest from the dated date specified on the Series 2025 Bonds, or unless, as shown by the records of the Trustee, interest on the Series 2025 Bonds is in default, in which event the Series 2025 Bonds shall bear interest from the date to which such interest has been paid in full, or unless no interest on the Series 2025 Bonds has been paid, in which event the Series 2025 Bonds shall bear interest from such dated date of the Bonds. The Trustee shall insert the date of registration and authentication of each Bond in the place provided for such purpose in the certificate of authentication on each Bond. Interest on the Bonds shall be payable on each Bond Interest Payment Date and shall be calculated on the basis of a year of 360 days consisting of twelve 30-day months.

The Series 2025 Bonds shall be dated as of the Issue Date, shall mature on the dates and shall bear interest at the rates per annum set forth below. Interest shall be calculated on the basis of a year of 360 days comprised of twelve 30-day months.

YEAR OF MATURITY (MARCH 15)	PRINCIPAL AMOUNT	INTEREST RATE PER ANNUM	YEAR OF MATURITY (MARCH 15)	PRINCIPAL AMOUNT	INTEREST RATE PER ANNUM
	\$	%		\$	%

(b) The Bonds shall be signed on behalf of the Issuer by the official manual or facsimile signature of its President and attested by the official manual or facsimile signature of its Secretary, *provided, however*, that at least one signature of an authorized officer of the Issuer or of the Trustee required or permitted by the terms of this Indenture to be placed on the Bonds shall be a manual signature, and its seal shall be thereunto affixed by the Secretary of the Issuer, which may be by a facsimile of the Issuer's seal which is imprinted upon the Bonds. Any such facsimile signature shall have the same force and effect as if said President or Secretary, as the case may be, had manually signed each of said Bonds. The Bonds shall then be delivered to the Trustee for authentication by it. In case any officer who shall have signed or attested any of the Bonds shall cease to be such officer before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the Issuer, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the Issuer as though such person who signed or attested the same had continued to be such officer of the Issuer. Also, any Bond may be signed or attested on behalf of the Issuer by any person who on the actual date of the execution of such Bond shall be the proper officer of the Issuer, although on the nominal date of such Bond any such person shall not have been such officer of the Issuer.

(c) The Bonds shall be issuable only as fully registered Bonds without coupons in Authorized Denominations. The Bonds shall be lettered "R" and shall be numbered consecutively from 1 upward.

Section 203. Place of Payment. (a) The principal of and premium, if any, on the Bonds shall be payable at the principal corporate trust office of the Trustee in Salt Lake City, Utah, upon presentation and surrender thereof.

(b) Interest on the Bonds shall be paid to the Person who is the registered owner thereof as of the close of business on the Regular Record Date for such Bond Interest Payment Date and

shall be paid by check or draft drawn on the Trustee, as Paying Agent, and mailed on the Bond Interest Payment Date to the registered owner thereof at the address on the Register or at such other address as is furnished to the Trustee in writing by the registered owner thereof prior to the Regular Record Date, notwithstanding the cancellation of any such Bond upon any exchange or transfer thereof subsequent to the Regular Record Date and prior to such Bond Interest Payment Date, but any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the registered owner thereof as of the close of business on the Regular Record Date and shall be payable to the Person who is the registered owner thereof as of the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the owners of the Bonds not less than ten days prior thereto to each such owner as shown on the Register, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest.

(c) The principal of, and premium, if any, and interest on, the Bonds shall be paid in lawful money of the United States of America.

Section 204. Limited Obligation; Covenants to Charge Rentals and Budget and Appropriate for Base Rentals and Additional Rentals. (a) The Issuer has leased the Leased Property to the Lessee pursuant to the Master Lease, and the Lessee is required pursuant thereto to pay Base Rentals while it uses, operates and occupies the Leased Property in an amount equal to the principal of, and premium, if any, and interest on, the Bonds as they become due (including the mandatory sinking fund deposit amounts payable pursuant to Section 602 hereof) and Additional Rentals in connection with the Leased Property and the operation thereof. The Issuer covenants to charge Base Rentals and Additional Rentals under the Master Lease sufficient in amount for such purposes and to pay any other obligations hereunder which are to be paid from Base Rentals or Additional Rentals. Except to the extent provided in the Master Lease, neither the State of Utah nor any political subdivision thereof is obligated to pay any Rentals due to the Issuer for the Lessee's use, occupancy and operation of the Leased Property.

(b) The Bonds, together with the interest and premium, if any, thereon, are not general obligations of the Issuer, but are limited obligations and, except for the security provided by this Indenture pursuant to Section 17D-2-505 of the Act, are payable solely from the Base Rentals received under the Master Lease and certain other amounts received under the Master Lease and this Indenture. Pursuant to Section 17D-2-505 of the Act, the Bonds shall be and hereby are secured by the Trust Estate which is hereby specifically pledged, hypothecated, assigned and otherwise secured, subject to Permitted Encumbrances, for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal of, and premium, if any, and interest on, the Bonds, except as may be otherwise expressly authorized in this Indenture. Neither the full faith and credit nor the taxing powers of the State of Utah or any political subdivision of such State is pledged to the payment of the principal of, or premium, if any, or interest on, the Bonds or other costs appertaining thereto. The Bonds and the interest and premium, if any, thereon shall not now nor shall ever constitute an indebtedness of the Issuer, the State of Utah or any political subdivision of such State within the meaning of any state constitutional provision or limitation nor give rise to or be a general obligation or liability of nor a charge against

the general credit or taxing powers of the State of Utah or any political subdivision of the State of Utah.

THE OBLIGATION OF THE LESSEE TO PAY BASE RENTALS AND OTHER AMOUNTS UNDER THE MASTER LEASE IS ANNUALLY RENEWABLE AS PROVIDED THEREIN. NEITHER THE OBLIGATION OF THE LESSEE TO MAKE SUCH PAYMENTS NOR THE BONDS WILL CONSTITUTE A DEBT OF THE ISSUER, THE LESSEE, THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION OF THE STATE OF UTAH. NEITHER THE ISSUANCE OF THE BONDS NOR THE EXECUTION AND DELIVERY OF THE MASTER LEASE DIRECTLY OR CONTINGENTLY OBLIGATE THE LESSEE TO APPROPRIATE ANY MONEY TO PAY RENTALS UNDER THE MASTER LEASE OR TO PAY ANY RENTALS BEYOND THOSE APPROPRIATED FOR THE LESSEE'S THEN CURRENT FISCAL YEAR. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NEITHER THE LESSEE'S OFFICERS AND AGENTS, NOR OFFICERS, TRUSTEES OR AGENTS OF THE ISSUER, NOR ANY PERSONS EXECUTING THE BONDS OR THE MASTER LEASE, SHALL BE LIABLE PERSONALLY ON THE BONDS OR THE MASTER LEASE OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS OR THE EXECUTION OF THE MASTER LEASE.

(c) The Master Lease further provides that, during the term of the Master Lease, the Lessee will (i) include in its annual tentative budget prepared in accordance with applicable law an item for expenditure of an amount necessary (after taking into account any moneys then legally available for such purpose which are then on deposit in the Bond Fund) to pay the Base Rentals and reasonably estimated Additional Rentals for the Leased Property during the next succeeding Renewal Term, and (ii) take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of the Lessee for its consideration seeks an appropriation of moneys sufficient to pay such Base Rentals and Additional Rentals for each such Renewal Term. The Master Lease further provides that if the Lessee fails to pay any such Rentals, it must immediately quit and vacate the Leased Property and its obligation to pay any Rentals (except for Rentals theretofore appropriated and then available for such purpose) shall thereupon terminate. No judgment for money damages may be entered against the State of Utah nor against any political subdivision thereof for failure to pay such Rentals or any other amounts, except for Rentals theretofore appropriated and then available for such purpose, other moneys and property subject to the lien of the Indenture or as otherwise expressly provided in the Master Lease. No deficiency judgment may be entered against the Issuer, the State of Utah or any political subdivision of such State on foreclosure of any lien created by this Indenture or on sale of the Leased Property pursuant to a foreclosure or liquidation pursuant to this Indenture or reletting or sale of the Leased Property thereafter pursuant to the Indenture, except as otherwise expressly provided in the Master Lease. Neither the State of Utah nor any political subdivision thereof, other than the Lessee to the extent provided in the Master Lease, is obligated to pay the principal of, or premium, if any, or interest on, any Bond.

Section 205. The Register. The Issuer shall cause to be kept at the principal corporate trust office of the Trustee, as Registrar, a register for the registration, exchange and transfer of Bonds (herein called the "*Register*"). The names and addresses of the owners of the Bonds, the transfers and exchanges of the Bonds and the names and addresses of the transferees of all Bonds shall be registered in the Register. The Issuer shall cause this Indenture to constitute a "system of

registration" for all purposes of the Registered Public Obligations Act of the State of Utah, Chapter 7 of Title 15 of the Utah Code Annotated 1953, as amended. For the purposes of such Registered Public Obligations Act, this Indenture shall constitute a "system of registration" as such term is defined in said Act.

Section 206. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinabove set forth duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or become obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee and any such executed certificate upon any such Bond shall be conclusive evidence that such Bonds have been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds of any Series issued hereunder.

Section 207. Form of Bonds. The Bonds issued under this Indenture shall be substantially in the form hereinabove set forth with such appropriate variations, omissions and insertions as are permitted or required by this Indenture.

Section 208. Transfers and Exchanges of Bonds; Lost, Stolen, Destroyed or Mutilated Bonds. (a) The owner of any Bond may transfer such Bond only upon the surrender thereof for cancellation at the principal corporate trust office of the Trustee, except as provided in Section 208(d) hereof. Thereupon, the Issuer shall execute in the name of the transferee a new Bond or Bonds in aggregate principal amount equal to the original principal amount of the Bonds so surrendered, the principal amount thereof bearing interest at the same rate or rates as borne by the Bond or Bonds so surrendered and of the same Series, designation and maturity as the Bond or Bonds so surrendered, and the Trustee shall authenticate and deliver such new Bond or Bonds to such transferee.

(b) The owner of any Bond may at any time surrender such Bond at the principal corporate trust office of the Trustee in exchange for an equal aggregate principal amount of Bonds of the same Series, designation and maturity, and the principal amount thereof bearing interest at the same rate or rates as borne by the Bond or Bonds so surrendered, in the form of fully registered Bonds in any authorized denominations.

(c) All Bonds presented or surrendered for transfer or exchange shall be accompanied by a written instrument or instruments of assignment or transfer, in form satisfactory to the Trustee, duly executed by the owner or by such owner's attorney duly authorized in writing. Neither the Issuer nor the Trustee shall be required (i) to issue, register the transfer of or exchange any Bond during the period from the Regular Record Date or the Special Record Date, as the case may be, for a Bond Interest Payment Date to such Bond Interest Payment Date, (ii) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the date of the mailing of a notice of redemption of Bonds selected for redemption under Article VI hereof and ending at the close of business on the day of such mailing or (iii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part.

(d) If any Bond shall become mutilated, the Issuer, at the expense of the owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it. All such cancelled Bonds shall be burned or otherwise destroyed by the Trustee, and a certificate of destruction evidencing such burning or other destruction shall be furnished by the Trustee to the Issuer. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Issuer and the Trustee and, if such evidence be satisfactory to both and indemnity as required by the Act or Utah law and satisfactory to the Trustee shall be given, the Issuer, at the expense of the owner thereof, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the Trustee may pay the same without surrender thereof). Any Bond issued under the provisions of this subsection (d) in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an additional contractual obligation of the Issuer, and shall be equally and proportionately entitled to the benefits of the Indenture with all other Bonds of the same Series secured by the Indenture. Neither the Issuer nor the Trustee shall be required to treat both the original Bond and any duplicate Bond as being outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

(e) Upon the issuance of a new Bond pursuant to Section 208(a), (b) or (d) hereof, the Trustee may require the payment of a sum to reimburse it for, or to provide it with funds for, the payment of any tax or other governmental charge or any other charges and expenses connected therewith which are paid or payable by the Trustee, and the Trustee may require the Bondowner requesting such transfer or exchange to pay such transfer fee as the Trustee at the time customarily charges for such service.

Section 209. Cancellation of Bonds. All Bonds surrendered for the purpose of payment, redemption, transfer or exchange shall be delivered to the Trustee for cancellation and, when surrendered to the Trustee, shall be cancelled by it, and no Bonds shall be issued in lieu thereof except as expressly required or permitted by any of the provisions of this Indenture and as permitted by law. All such cancelled Bonds shall be burned or otherwise destroyed by the Trustee, and a certificate of destruction evidencing such burning or other destruction shall be furnished by the Trustee to the Issuer.

Section 210. Ownership. The Person in whose name any Bond shall be registered shall be deemed and treated as the owner thereof for all purposes of this Indenture, and neither the Issuer, the Trustee, the Paying Agent nor the Registrar shall be affected by any notice to the contrary. Payment of or on account of the principal of, and premium, if any, and interest on, the Bonds shall be made only to or upon the order in writing of such registered owner or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge such Bond to the extent of the sum or sums paid. For the purpose of any request, direction or consent hereunder, the Trustee, the Paying Agent and the Registrar may deem and treat the registered owner of any Bond as the owner and holder thereof without production of such Bond.

Section 211. Delivery of the Series 2025 Bonds; Application of Proceeds of Series 2025 Bonds. (a) Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Series 2025 Bonds to be issued in the aggregate principal amount of \$[Principal] and deliver them to the purchasers thereof as may be directed by the Issuer as hereinafter in this Section provided.

Prior to the delivery on original issuance by the Trustee of the Bonds, there shall be or have been delivered to the Trustee:

- (i) an original duly executed counterpart of each of the Operative Agreements;
- (ii) a copy, duly certified by the Secretary of the Issuer, of the resolution adopted and approved by the Board of Trustees of the Issuer authorizing the execution and delivery by the Issuer of each of the Operative Agreements and the issuance, sale, execution and delivery of the Series 2025 Bonds;
- (iii) a copy, duly certified by the Business Administrator of the Lessee, of the resolution adopted and approved by the governing body of the Lessee approving the issuance of the Series 2025 Bonds and the terms thereof, approving the Indenture and authorizing the execution and delivery by the Lessee of each of the Operative Agreements to which the Lessee is a party;
- (iv) evidence that the insurance required by Article VII of the Master Lease has been obtained;
- (v) a request and authorization to the Trustee on behalf of the Issuer and signed by the President and Secretary of the Issuer to authenticate and deliver the Series 2025 Bonds to the purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization equal to the purchase price of the Series 2025 Bonds plus accrued interest (if any) thereon to the date of delivery;
- (vi) an ALTA mortgagee title insurance policy, or commitment therefor, insuring the first lien of this Indenture on the Leased Property (*provided, however*, that such lien may be subject to Permitted Encumbrances), and showing the Trustee as the named insured;
- (vii) a certificate of the architect or engineer responsible for planning and designing the Facilities which sets forth the estimated useful life of the Facilities in compliance with Section 17D-2-302 of the Act;
- (viii) a written opinion of counsel to the Lessee as to the due organization and existence of the Lessee, the legal, valid and binding nature of the Master Lease and the Ground Lease as against the Lessee, and such other matters as may be reasonably required by the purchasers of the Series 2025 Bonds;

(ix) a written opinion of counsel to the Issuer as to the due organization and existence of the Issuer, the legal, valid and binding nature of the Indenture, the Master Lease, the Deed of Trust and the Ground Lease, as against the Issuer, and such other matters as may be reasonably required by the purchasers of the Series 2025 Bonds; and

(x) a written opinion of Bond Counsel to the effect that interest on the Series 2025 Bonds will not be includible in gross income of the owners thereof for federal income tax purposes, assuming continuing compliance by the Issuer and the Lessee with the obligations set forth in the Tax Certificate and the Lease and herein;

(b) The proceeds of sale of the Series 2025 Bonds shall be paid over to the Trustee and deposited to the credit of the Bond Fund, the School Construction Fund, as provided under Article IV hereof.

Section 212. Temporary Bonds. Pending preparation of the definitive Bonds, any Bonds delivered under this Indenture may be initially delivered in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be in such principal amounts of authorized denominations as may be determined by the Issuer and the purchasers thereof, shall be in registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Issuer and be authenticated by the Trustee upon the same conditions and in substantially the same manner as definitive Bonds. If the Issuer delivers temporary Bonds, it shall execute and furnish definitive Bonds without delay and, thereupon, the temporary Bonds shall be surrendered for cancellation in exchange therefor at the principal corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations, of the same Series and maturity or maturities and bearing interest at the same rate or rates. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered pursuant hereto.

Section 213. Additional Bonds. At any time while there is no Event of Default under this Indenture or the Master Lease and so long as no Event of Nonappropriation has occurred and is then continuing, Additional Bonds may be issued for the purposes set forth in Section 5.07 of the Master Lease. If it is determined by the Lessee that Additional Bonds should be issued, the Lessee may file with the Issuer and the Trustee an estimate indicating the amount of costs to be incurred for the purposes for which Additional Bonds may be issued.

Thereupon, the Issuer and the Lessee may from time to time, agree upon and approve the issuance and delivery of Additional Bonds in such amount as shall be determined by said parties. All Additional Bonds shall be secured by the lien of this Indenture and rank *pari passu* with the Bonds, and, unless provided otherwise in a supplement to this Indenture, shall be in substantially the same form as the Series 2025 Bonds, but shall bear such date or dates, bear such interest rate or rates, have such maturity date or dates, redemption dates and redemption premiums, and be issued at such prices as shall be approved in writing by the Issuer and the Lessee; *provided, however*, that (a) principal of the Additional Bonds shall be payable on March 15 of each year in which principal falls due, and the interest thereon shall be payable on March 15 and September 15

of each year during the term thereof and (b) no such Additional Bonds shall have a maturity date later than March 15, 2042, unless the final Renewal Term of the Master Lease expiring on or before such date is extended, in which case such maturity date shall be within the earliest extended final Renewal Term of the Master Lease.

Upon the execution and delivery in each instance of appropriate supplements to this Indenture and to the Master Lease, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate, such Additional Bonds and deliver them to the purchasers thereof as may be directed by the Issuer as hereinafter provided in this Section. Prior to the delivery on original issuance by the Trustee of each Series of such Additional Bonds, there shall be or have been delivered to the Trustee:

(a) a written statement by the Lessee approving (i) the issuance and delivery of such Series of Additional Bonds and (ii) any other matters to be approved by the Lessee pursuant to Section 5.07 of the Master Lease and this Section;

(b) a copy, duly certified by the Secretary of the Issuer, of the resolution adopted and approved by the Board of Trustees of the Issuer authorizing (i) the execution and delivery of a supplement to this Indenture, the amendment to the Master Lease and, if necessary, the amendments to the Agency Agreement, (ii) the issuance, sale, execution and delivery of such Series of Additional Bonds and (iii) if necessary, the execution and delivery of a ground lease with respect to any land to be leased to the Issuer for the purpose of financing any improvements thereon with the proceeds of sale of such Series of Additional Bonds;

(c) a request and authorization to the Trustee on behalf of the Issuer and signed by the President and Secretary of the Issuer to authenticate and deliver such Series of Additional Bonds in the aggregate principal amount designated therein to the purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization equal to the purchase price of such Series of Additional Bonds plus accrued interest (if any) thereon to the date of delivery;

(d) an original duly executed counterpart of a supplement to this Indenture, an amendment (if necessary) to the Agency Agreement, a ground lease (if necessary) as described in clause (iii) of subparagraph (b) above and a Tax Certificate (if necessary) with respect to such Series of Additional Bonds;

(e) an ALTA mortgagee title insurance policy (or commitment therefor) or a date-down endorsement (or commitment therefor) to the ALTA mortgagee title insurance policy issued in connection with the original Project and, if required by the Lessee, to the ALTA leasehold title insurance policy issued as provided in Section 212(a)(vi) hereof, which endorsement shall insure to the date of issuance of such Series of Additional Bonds and the recording of the supplement to the Indenture the continuing validity of the lien thereof, as modified by the supplement to the Indenture, as a first and prior lien on the premises thereby secured, subject only to Permitted Encumbrances, and which endorsement shall increase the amount of title insurance coverage thereunder to an amount

not less than the principal amount of the Additional Bonds plus the principal amount of other Bonds then-outstanding issued as provided in Section 212(a)(vi) hereof, and insuring that the leasehold interest to the Project Sites is vested in the Issuer, title to the leasehold estate under the Master Lease is vested in the Lessee and, if such is the case, title to the leasehold estate under any ground lease executed in connection with such Series of Additional Bonds is vested in the Issuer, subject in each instance to Permitted Encumbrances, and naming the Trustee as an insured;

(f) A copy, duly certified by the Board of Education Recorder of the Lessee, of the resolution adopted and approved by the governing body of the Lessee approving the issuance of such Series of Additional Bonds and the terms thereof;

(g) an original duly executed counterpart of an amendment to the Master Lease providing, among other things, for adjusting (i) the Base Rentals payable by the Lessee under Section 4.01(a) thereof following the refunding or completion of acquisition or construction for which such Additional Bonds are issued to include payment of principal of and interest on such Additional Bonds and (ii) the allocation of the portions of the Base Rental attributable to the improvements, facilities and properties the Acquisition of which is being financed from the proceeds of sale of such Series of Additional Bonds, which allocation shall be set forth as an attachment to *Schedule I* to the Master Lease;

(h) a written opinion of counsel to the Lessee as to the legal, valid and binding nature of the amendment to the Master Lease, as against the Lessee, and such other matters as may be reasonably required by the purchasers of such Series of Additional Bonds;

(i) a written opinion of counsel to the Issuer as to the legal, valid and binding nature of the amendment to the Master Lease and the supplement to this Indenture, as against the Issuer, and such other matters as may be reasonably required by the purchasers of such Series of Additional Bonds; and

(j) a certificate of the Issuer, stating that as of the date of such delivery no event or condition has happened or exists and is continuing, or is happening or existing, which constitutes, or which, with notice or lapse of time or both, would constitute, an Event of Default under the Indenture or the Master Lease and there has not occurred and is then continuing an Event of Nonappropriation.

The proceeds of sale of each Series of Additional Bonds shall be deposited by the Trustee in the appropriate funds.

Section 214. Book-Entry System. (a) The Series 2025 Bonds shall be initially issued in the form of a separate, single, certificated, fully-registered Bond for each of the maturities. Upon initial issuance, the ownership of each such Series 2025 Bond shall be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC.

(b) With respect to Series 2025 Bonds registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, the Issuer, the Registrar and the Paying Agent

shall have no responsibility or obligation to any such Participant or to any Person on behalf of which such a Participant holds an interest in the Series 2025 Bonds. Without limiting the immediately preceding sentence, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Series 2025 Bonds, (ii) the delivery to any Participant or any other Person, other than a Bondowner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2025 Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other Person, other than a Bondowner, as shown in the registration books kept by the Registrar, of any amount with respect to the principal of or premium, if any, or interest on the Series 2025 Bonds. The Issuer, the Registrar and the Paying Agent may treat and consider the Person in whose name each Series 2025 Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Series 2025 Bond for the purpose of payment of principal, premium and interest with respect to such Bond and other matters with respect to such Series 2025 Bond, for the purpose of registering transfers with respect to such Series 2025 Bond, for the purpose of giving notices of redemption and for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Series 2025 Bonds only to the respective Bondowners, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and premium, if any, and interest on the Series 2025 Bonds to the extent of the sum or sums so paid. No Person other than a Bondowner, as shown in the registration books kept by the Registrar, shall receive a certificated Series 2025 Bond evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to the Indenture.

(c) Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions herein with respect to Record Dates, the word "*Cede*" in this Indenture shall refer to such new nominee of DTC; and upon receipt of such a notice the Issuer shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Section 215. Letter of Representations. The Issuer's prior execution and delivery of the Letter of Representations shall not in any way limit the provisions of Section 214 hereof or in any other way impose upon the Issuer any obligation whatsoever with respect to Persons having interests in the Bonds other than the Bondowners, as shown on the registration books kept by the Registrar. The Trustee, Paying Agent and Registrar agree to take all action necessary for all of DTC's operational arrangements pertaining to the Trustee, Paying Agent and Registrar, respectively, to at all times be complied with.

Section 216. Transfers Outside Book-Entry System. At the option of the Issuer or upon receipt by the Issuer 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 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, but may be registered in whatever name

or names Bondowners transferring or exchanging Bonds shall designate, in accordance with the provisions of Article II hereof.

Section 217. Payments to Cede. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

ARTICLE III

GENERAL COVENANTS

Section 301. Payment of Bonds. The Issuer hereby covenants to pay promptly the principal of (whether at maturity, by operation of mandatory sinking fund redemptions, by acceleration or call for redemption or otherwise), and premium, if any, and interest on, the Bonds at the places, on the dates and in the manner provided herein and in every Bond issued under this Indenture according to the true intent and meaning thereof; *provided, however*, that such obligations are not general obligations of the Issuer but are limited obligations payable solely from the Revenues, which Revenues are hereby specifically pledged to such purposes in the manner and to the extent provided herein, and nothing in the Bonds or in this Indenture shall be construed as pledging any funds or assets of the Issuer other than those mortgaged, assigned and pledged hereby. The Bonds, the premium, if any, and the interest thereon shall not be deemed to constitute a debt or a pledge of the faith and credit of the Issuer, and the Issuer shall not be obligated to pay the principal of, and premium, if any, and interest on, the Bonds or other costs incident thereto except from the Revenues pledged therefor. The Issuer has no taxing power.

Section 302. Performance of Issuer's Covenants; Authority. The Issuer shall faithfully observe and perform at all times any and all covenants, conditions and agreements on its part contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its Board of Trustees pertaining thereto; *provided, however*, that the liability of the Issuer under any such covenant, condition or agreement for any breach or default by the Issuer thereof or thereunder shall be limited solely to the Revenues. The Issuer represents that (a) it is duly authorized under the Constitution and laws of the State of Utah, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to execute this Indenture, to mortgage the property described in and mortgaged hereby and to assign the Master Lease and to pledge the Revenues in the manner and to the extent herein set forth; (b) all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken (or if Additional Bonds are issued pursuant to Section 213 hereof will be duly taken as provided therein); and (c) the Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 303. Payment of Taxes, Charges, Insurance, etc.. The Issuer shall cause the Lessee pursuant to the Master Lease to maintain certain insurance and pay all lawful taxes, assessments and charges at any time levied or assessed against or with respect to the Leased

Property or the Revenues, or any part thereof, which might impair or prejudice the lien and priority of this Indenture; *provided, however*, that nothing contained in this Section 303 shall require the maintenance of insurance or payment of any such taxes, assessments or charges if the same are not required to be maintained or paid under the provisions of Section 7.01 or 8.01 of the Master Lease. The Issuer shall maintain such insurance and pay such taxes, assessments and charges to the same extent as provided in Sections 7.01 and 8.01 of the Master Lease, respectively, as if said Sections were herein set forth in full, if and to the extent that the Lessee fails to maintain such insurance or pay such taxes, assessments or charges, but the liability hereby imposed on the Issuer shall only be paid from the Trust Estate as herein provided.

Section 304. Maintenance and Repair. Pursuant to the provisions of Section 6.01 of the Master Lease, respectively, the Lessee has agreed at its own expense to maintain, manage and operate the Leased Property in good order, condition and repair, and the Lessee may, at its own expense, make from time to time additions, modifications or improvements to the Leased Property under the terms and conditions set forth in Section 9.01 of the Master Lease.

Section 305. Recordation of the Master Lease, Deed of Trust and Security Instruments. The Issuer shall cause the Deed of Trust, the Master Lease and all supplements thereto as well as such other security instruments, financing statements, continuation statements and all supplements thereto and other instruments as may be required from time to time to be kept recorded and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the owners of the Bonds and the rights of the Trustee hereunder and to perfect the lien of, and the security interest created by, the Indenture.

Section 306. Inspection of Project Books. The Issuer covenants and agrees that all books and documents in the possession of the Issuer relating to the Project and the Revenues derived from the Leased Property and the leasing thereof shall at all times be open to inspection by such accountants or other agents as the Trustee may from time to time designate.

Section 307. Rights Under the Master Lease. The Master Lease, a duly executed counterpart of which has been filed with the Trustee sets forth the covenants and obligations of the Issuer and the Lessee, including provisions that subsequent to the initial issuance of Bonds and prior to their payment in full or provision for payment thereof in accordance with the provisions hereof, the Master Lease may not be effectively amended, changed, modified, altered or terminated (other than as provided therein) without the concurring written consent of the Trustee, and reference is hereby made to the same for a detailed statement of said covenants and obligations of the Lessee under the Master Lease.

Section 308. List of Bondowners. The Trustee shall keep on file a list of names and addresses of the owners of all Bonds, together with the principal amount and numbers of such Bonds. At reasonable times and under reasonable regulations established by the Trustee, such list may be inspected and copied by designated representatives of the Issuer, the Lessee or owners of not less than 10% in aggregate principal amount of Bonds then outstanding, such possession or ownership and the authority of such designated representatives to be evidenced to the reasonable satisfaction of the Trustee. The Trustee shall mail any notices which it is required to furnish Bondowners pursuant to the terms of this Indenture to all names and addresses on such list.

Section 309. Warranty. The Issuer has the right, power and authority to grant a security interest in the Trust Estate to the Trustee for the uses and purposes herein set forth. The Issuer warrants that there is no financing statement or other filed or recorded instrument in which the Issuer is named as, or which the Issuer has signed as, debtor now on file in any public office covering any of the Trust Estate excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein, and that the lien and security interest herein created have been duly perfected and are prior to any other.

Section 310. Further Assurances. The Issuer will, at the Lessee's expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the lien and security interest being herein provided for in the Trust Estate, whether now owned or held or hereafter acquired, including but not limited to executing or causing to be executed such financing statements and continuation statements as shall be necessary under applicable law to perfect and maintain the security interest being herein provided for in the Trust Estate. Without limiting the foregoing, but in furtherance of the security interest herein granted in the Revenues and other sums due and to become due under the Master Lease, the Issuer covenants and agrees that it will notify the Lessee of this Indenture pursuant to Section 11.02 of the Master Lease, and that it will direct such Lessee to make all payments of Base Rentals, Additional Rentals provided in Section 4.01(b)(ix) of the Master Lease and other sums due and to become due under the Master Lease directly to the Trustee or as the Trustee may direct or as may be otherwise provided in the Master Lease.

Section 311. Actions with Respect to Trust Estate. The Issuer will not:

(a) declare a default or exercise the remedies of the seller or lessor, as the case may be, under, or terminate, modify or accept a surrender of, or offer or agree to any termination, waiver, modification or surrender of, the Master Lease (except as otherwise expressly provided herein) or by affirmative act consent to the creation or existence of any Lien (other than the security interest and lien of this Indenture) to secure the payment of indebtedness upon the leasehold or other estate created by the Master Lease or any part of any thereof; or

(b) receive or collect or permit the receipt or collection of any payment under the Master Lease prior to the date for the payment thereof provided for by the Master Lease or assign, transfer or hypothecate (other than to the Trustee hereunder) any Revenues or other payment then due or to accrue in the future under the Master Lease in respect of the Leased Property; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Trustee hereunder) its interest in the Leased Property or any part thereof or interest therein or in any amount to be received by it from the disposition of the Leased Property except as herein provided under Article IX, and except as provided in the Master Lease.

Section 312. Power of Attorney in Respect of the Master Lease. The Issuer does hereby irrevocably constitute and appoint the Trustee its true and lawful attorney with an interest and full power of substitution, for it and in its name, place and stead (a) to ask, demand, collect, receive

and receipt for any and all rents, income and other sums which are assigned under the Granting Clauses hereof, and (b) without limiting the provisions of the foregoing clause (a) hereof, during the continuance of any Event of Default under this Indenture, to exercise any remedies available under the Master Lease as fully as the Issuer could itself do, and to perform all other necessary or appropriate acts with respect to any such remedies, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Issuer or otherwise, which the Trustee may deem necessary or appropriate to protect and preserve the right, title and interest of the Trustee (but only to the extent specifically provided herein) in the Master Lease and to the Revenues under the Master Lease and other sums and the security intended to be afforded hereby, whether or not the Issuer is in default hereunder.

ARTICLE IV

REVENUES AND FUNDS

Section 401. Source of Payment of Bonds. The Bonds herein authorized and all payments by the Issuer hereunder do not constitute or give rise to a pecuniary liability of the Lessee under the Master Lease or a charge against its general credit or taxing powers, but are limited obligations payable solely from the Revenues all as provided herein. The Issuer has no taxing power.

The Base Rentals that the Lessee is required to pay in accordance with Section 4.01(a) of the Master Lease and the Additional Rentals that the Lessee is required to pay in accordance with Section 4.01(b)(ix) of the Master Lease are to be remitted directly to the Trustee for the account of the Issuer and deposited into the Bond Fund as provided in the Master Lease. Such payments, sufficient in amount to insure the prompt payment of the principal of (including mandatory sinking fund deposits pursuant to Section 602 hereof), and premium, if any, and interest on, the Bonds (so long as the Lessee appropriates sufficient moneys annually to pay Rentals accruing during each succeeding Renewal Term under the Master Lease) are pledged to secure the payment of such principal of, and premium, if any, and interest on, the Bonds. Said pledge shall constitute a first and exclusive lien on the Base Rentals and such Additional Rentals provided in the Master Lease for the payment of the principal of, and premium, if any, and interest on, the Bonds in accordance with the terms hereof and thereof and otherwise for the benefit of the Interests Hereby Secured.

Section 402. Creation of Bond Fund. There is hereby created by the Issuer and ordered established with the Trustee an irrevocable trust fund to be designated "*Municipal Building Authority of Provo School District, Utah County, Utah Lease Revenue Bonds Bond Fund*," which shall be used to pay the principal of and interest on the Bonds as herein provided, except as may otherwise be required by any Tax Certificate.

Section 403. Payments into Bond Fund. (a) There shall be deposited into the Bond Fund, as and when received, the following:

(i) any amount in the School Construction Fund to be paid into the Bond Fund in accordance with Section 408(c) or 409 hereof;

- (ii) all Base Rentals;
- (iii) any other amount to be deposited therein pursuant to any other provisions hereof; and
- (iv) all other moneys received by the Trustee under and pursuant to any of the provisions of the Master Lease (including but not limited to any amounts to be paid into the Bond Fund pursuant to Sections 10.01(b) and 11.01 thereof) or otherwise which are required or which are accompanied by directions that such moneys are to be paid into the Bond Fund.

(b) The Issuer hereby covenants and agrees that so long as any of the Bonds issued hereunder are outstanding, the Issuer will deposit, or cause to be paid to the Trustee for deposit, into the Bond Fund for its account, sufficient sums from the amounts derived from the Master Lease, but only to the extent provided therein, promptly to meet and pay the principal of, and premium, if any, and interest on, the Bonds as the same become due and payable. Nothing herein shall be construed as requiring the Issuer to use any funds or revenues for such purpose from any source other than funds or revenues described above.

Section 404. Use of Moneys in Bond Fund. Except as provided in Section 411 hereof or as may otherwise be required by any Tax Certificate, moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bonds.

Section 405. Custody of Bond Fund. The Bond Fund shall be in the custody of the Trustee but in the name of the Issuer, and the Issuer hereby irrevocably authorizes and directs the Trustee to withdraw sufficient moneys from the Bond Fund on each Bond Payment Date to pay the principal of and interest on the Bonds as the same become due and payable, or to make mandatory sinking fund deposits pursuant to Section 602 hereof, which authorization and direction the Trustee hereby accepts.

Section 406. Notice of Nonpayment of Base Rentals; Notice of Failure to Deliver Notice of Extension of Term of Lease. (a) The Trustee shall give written notice as soon as practicable, but in no event later than five (5) days, after the applicable Base Rental Payment Date, to the Lessee in the event any Base Rentals are not paid when due on the applicable Base Rental Payment Date and shall specify the amount of the Base Rentals not so paid.

(b) The Trustee shall give telephonic notice, promptly confirmed in writing, on or before June 10 of each year during the term of the Master Lease, to the Lessee if the Trustee has not theretofore received the notice from the Lessee required by Section 3.01 of the Master Lease and otherwise make the written inquiry of the Lessee as provided in Section 3.01 of the Master Lease.

Section 407. Creation of School Construction Fund. There is hereby created by the Issuer and ordered established with the Trustee an irrevocable trust fund to be designated “*Municipal Building Authority of Provo School District, Utah County, Utah Lease Revenue Bonds School Construction Fund*,” which shall be expended in accordance with the provisions of the Master Lease and this Article IV.

Section 408. Disposition of Proceeds of Sale of Series 2025 Bonds; Disbursements from School Construction Fund. (a) The proceeds of the issuance and delivery of the Bonds, together with certain moneys of the Lessee, shall be deposited to the School Construction Fund.

(b) Except as provided in Section 408(c) hereof and so long as no Event of Nonappropriation or Event of Default shall occur and be continuing and the Lessee’s right (as agent to the Issuer under the Agency Agreement) to control the Project has not otherwise been terminated pursuant to the Master Lease or the Agency Agreement, the Trustee is hereby authorized and directed to make payments as requested by the Lessee from the School Construction Fund to pay the Costs of Acquisition, to make each disbursement otherwise required by the applicable provisions of the Master Lease and to issue its checks therefor, upon receipt of a written requisition or requisitions signed by an Authorized Lessee Representative in substantially the form attached hereto as *Exhibit C*.

If any requisition includes an item for payment for labor or to contractors, builders or materialmen, a certificate shall be attached to the requisition, signed on behalf of the Issuer and the Lessee by an Authorized Lessee Representative stating that (1) obligations as stated on the requisition have been properly incurred, (2) such work was actually performed and such materials, supplies or equipment were actually furnished or installed in or about the construction or equipping of the Facilities or at a storage site for the Facilities and (3) either such materials, supplies or equipment are not subject to any lien or security interest or any such lien or security interest will be released or discharged upon payment of the requisition.

(c) In the event that sufficient moneys are not on deposit in the Bond Fund on a Bond Interest Payment Date, the Trustee is hereby authorized to withdraw moneys held in the School Construction Fund for deposit into the Bond Fund to the extent necessary to make full payment of interest then coming due on the Bonds. The Trustee shall deposit such moneys into the Bond Fund. Upon receipt by the Trustee of any late Base Rentals for which moneys had theretofore been withdrawn from the School Construction Fund and deposited into the Bond Fund as provided in this Section 408(c), the Trustee shall deposit a portion or all of such Base Rentals into the School Construction Fund in an amount equal to the amount so withdrawn therefrom.

(d) In the event an Event of Nonappropriation or an Event of Default shall occur prior to the delivery of the Completion Certificate, the Trustee shall take such actions as may be authorized with respect to moneys then remaining in the School Construction Fund pursuant to Sections 5.01(c) and 5.01(d) of the Master Lease as the Trustee may deem appropriate in the best interests of the owners of the Bonds.

(e) So long as no Event of Nonappropriation or Event of Default occurs under the Master Lease and so long as the Lessee’s right to control the Project has not otherwise been terminated as provided in the Master Lease or the Agency Agreement, moneys on deposit in the School Construction Fund shall be subject to the beneficial interest of the Lessee as provided herein and in the Master Lease.

Section 409. Acquisition of the Project; Delivery of Completion Certificate. The completion of the Acquisition of the Project under the Master Lease, the payment or provision

made for payment of all Costs of Acquisition under the Master Lease and the acceptance of the Leased Property by the Lessee shall be evidenced by the filing with the Trustee of the Completion Certificate of an Authorized Lessee Representative stating that, to the best of the Lessee's knowledge based upon the representations of the engineers, vendors, suppliers, contractors, architects and other consultants for the Project and except for any amounts estimated by such Authorized Lessee Representative to be necessary for payment of any Costs of Acquisition not then due and payable, the Acquisition of the Project has been completed (within the meaning of the Act) and the Leased Property has been accepted by the Lessee. Notwithstanding the foregoing, such Certificate shall not, and shall state that it does not, prejudice any rights against third parties which exist on the date of such Certificate or which may subsequently come into being. Acquisition of the Project shall be considered completed (within the meaning of the Act) upon delivery to the Lessee (in its capacity as agent to the Issuer pursuant to the Agency Agreement) by the architect or engineer responsible for the Project of a Certificate of Substantial Completion in the customary form of the American Institute of Architects with respect to such Project, at which time the Lessee shall deliver the Completion Certificate described above in this Section 409 to the Trustee. Such Certificate of Substantial Completion shall be attached to the Completion Certificate delivered to the Trustee. On _____, any moneys remaining in the School Construction Fund (except any amount that the Lessee shall have directed the Trustee to retain for any Cost of Acquisition not then due and payable and except as otherwise may be required by any Tax Certificate) shall without further authorization be transferred by the Trustee for deposit into the Bond Fund and applied by the Trustee as directed by the Lessee to the payment of debt service on the Bonds.

Section 410. Moneys to be Held in Trust; Nonpresentment of Bonds. (a) All moneys required to be deposited with or paid to the Trustee for account to any Fund referred to in any provision of this Indenture shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, shall, while held by the Trustee or the Paying Agent, constitute part of the Trust Estate and be subject to the lien or security interest created hereby, except as otherwise may be required by any Tax Certificate.

(b) If any Bonds are not presented for payment when due, if funds sufficient to pay such Bonds shall have been made available to the Trustee for the benefit of the owners thereof, the Trustee shall hold such funds without liability for interest, for the benefit of the owners of such Bonds, who shall be restricted exclusively to such funds for any claim of whatever nature on or with respect to such Bonds. Any moneys deposited with and held by the Trustee for the benefit of such claimants, if any, for four years after the date upon which so deposited shall be repaid to the Lessee upon its written demand, and thereupon and thereafter no such claimant shall have any rights to or in respect of such moneys against the Trustee.

Section 411. Repayment to the Lessee from Bond Fund and Redemption Fund. Any amounts remaining in the Bond Fund and the Redemption Fund after payment or provision for payment in full of the principal of, and premium, if any, and interest on, the Bonds and all other amounts required to be paid hereunder or under the Master Lease shall be paid immediately to the Lessee, subject to the requirements of Section 410(b) hereof and any Tax Certificate.

Section 412. Creation of Insurance Fund. There is hereby created by the Issuer and ordered established with the Trustee an irrevocable trust fund to be designated "*Municipal Building Authority of Provo School District, Utah County, Utah Lease Revenue Bonds Insurance and Condemnation Award Fund*," which shall be used as provided in Section 413 hereof.

Section 413. Use of Moneys in Insurance Fund. All Net Proceeds of performance or payment bonds, proceeds (including any moneys derived from any self-insurance program) from policies of insurance required by the Master Lease or condemnation awards, or any proceeds resulting from a default under a Project Contract (except liquidated damages, which shall be disposed of in accordance with Section 10.01(b) of the Master Lease) or any other contract relating to the Leased Property which are received by the Trustee shall be deposited into the Insurance Fund. An Authorized Lessee Representative in accordance with Section 10.01 of the Master Lease shall file an Officer's Certificate with the Trustee, within ninety (90) days after the occurrence of the event giving rise to such Net Proceeds, directing the application and disbursement of such funds, subject to any applicable provisions of any Tax Certificate, as follows:

(a) to the prompt repair, replacement, restoration, modification or improvement of the damaged or destroyed portion of the Leased Property if such Officer's Certificate states that such Net Proceeds, together with any other funds lawfully available to the Lessee for such purpose, are sufficient to pay in full the costs of such repair, replacement, restoration, modification or improvement, and the Trustee is hereby authorized to disburse moneys from such Insurance Fund as so directed by such Authorized Lessee Representative upon receipt of evidence satisfactory to the Trustee of the application of such funds for such purpose; or

(b) to the payment, in whole or in part, of the principal of the Bonds, but only upon receipt of such Officer's Certificate of the Authorized Lessee Representative, and the Trustee is hereby authorized to withdraw moneys from such Insurance Fund and deposit them into the Bond Fund to be applied to such payment in accordance with Section 10.01 of the Master Lease.

ARTICLE V

INVESTMENT OF MONEYS

Section 501. Permitted Investments. Subject to compliance with the terms and provisions of any Tax Certificate, any moneys held as part of the School Construction Fund, the Bond Fund, the Insurance Fund, the Redemption Fund or any accounts in any thereof or in any other fund or account hereunder shall be invested and reinvested by the Trustee to the extent permitted by law, at the written direction of the Lessee, but only so long as no Event of Default has occurred and is continuing (or by the Trustee after the occurrence and during the continuance of any such Event of Default) in any of the following permitted investments maturing not later than such times as shall be necessary to provide moneys when needed for payments to be made from each such Fund or other fund or account:

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following federal agencies (including evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations provided that such evidences of direct ownership have been created by or at the direction of the obligated federal agency); provided that such obligations are backed by the full faith and credit of the United States of America:

- (i) Farmers Home Administration (FmHA)
Certificates of beneficial ownership;
- (ii) Federal Housing Administration Debentures (FHA);
- (iii) General Services Administration
Participation certificates;
- (iv) Governmental National Mortgage Association
(GNMA or “Ginnie Mae”)
GNMA — guaranteed mortgage-backed bonds
GNMA — guaranteed pass-through obligations
(participation certificates)
- (v) U.S. Maritime Administration Guaranteed Title XI financing;
and
- (vi) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Municipal Authority Bonds.

(c) The Utah State Treasurer’s pooled investment fund (commonly known as the “PTIF Fund”).

All such investments shall at all times be a part of the Fund from whence the moneys used to acquire such investments shall have come. In computing the amount in any fund or account hereunder, investments permitted by this Section 501 shall be valued at the market price thereof at least annually by the Trustee on or before June 10 of each year. All income and profits on such investments, shall be credited to, and all losses thereon shall be charged against, such funds and accounts equal to each fund’s or account’s respective proportionate contribution thereto. Any such investments shall be made and held by or under the control of the Trustee. Any such investments shall be made by the Trustee in such manner as to assure the availability of moneys to make disbursements from the School Construction Fund on the

anticipated dates of disbursement for the Project and to make payments of the principal of, and premium, if any, and interest on, the Bonds at the times and in the amounts as provided therein. The Trustee may make any and all such investments through its trust department or the bond department of any bank or trust company under common control with the Trustee. The Trustee shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in (a) the School Construction Fund is insufficient to pay a disbursement in accordance with Section 408 hereof or (b) the Bond Fund is insufficient to pay the Bondowners at the times and in the amounts as provided herein.

ARTICLE VI

REDEMPTION OF BONDS

Section 601. Optional Redemption. The Series 2025 Bonds are subject to redemption at the option of the Issuer on March 1, 2032 (the “*First Redemption Date*”), and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as will be selected by the Issuer, 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 2025 Bonds to be redeemed, plus accrued interest thereon to the redemption date. Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

Section 602. [Reserved].

Section 603. Extraordinary Optional Redemption in the Event of Damage, Destruction or Condemnation. The Series 2025 Bonds shall be subject to redemption prior to maturity in whole or in part from time to time, in inverse order of maturity, on such date or dates as the Trustee shall determine as hereinafter provided, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest thereon to the redemption date (to the extent that funds are available for such purpose as described herein), but without premium, in the event that (i) the Facilities are damaged or destroyed, in whole or in part, or the Leased Property or any portion thereof is taken in a condemnation proceeding, or certain events occur with respect to the title to the Leased Property or construction defects in the Facilities as described in Section 10.01(a) of the Lease, (ii) the Net Proceeds of any insurance policy, performance bond or condemnation award, or the Net Proceeds received as a consequence of defaults under any Project Contract (excluding liquidated damages), plus all amounts required to be paid as deductibles thereunder, made available by reason of one or more such occurrences, and any other legally available moneys, shall be insufficient to pay in full the cost of rebuilding, replacing or repairing the Leased Property and (iii) the Lessee elects, pursuant to the Lease, to waive its obligation to rebuild, repair or replace the affected portion of the Leased Property by depositing such Net Proceeds into the Redemption Fund for application to the redemption of the then outstanding Bonds in accordance with Section 10.01(c) of the Lease and Section 413 hereof. If Series 2025 Bonds are called for redemption pursuant to this Section 603, the Series 2025 Bonds to be redeemed shall be redeemed on such date or dates as the Trustee may determine to be in the best interests of the Bondowners; *provided, however*, that, if a foreclosure sale of the Mortgaged Property shall have occurred, the

Trustee shall not call the Series 2025 Bonds for redemption pursuant to this Section 603 until at least six months have elapsed from the date of such foreclosure sale.

Section 604. Transfer to Redemption Fund Upon Extraordinary Redemption. On such redemption date or dates determined as provided in this Article hereof, the Trustee shall transfer all moneys into the Redemption Fund in accordance with the provisions of Section 608 hereof to be used by the Trustee to redeem the Bonds on such redemption date or dates to the extent necessary after giving effect to all moneys transferred to the Redemption Fund.

Section 605. Partial Redemption of Bonds. In the case of a partial redemption of Bonds when Bonds of denominations greater than \$5,000 are then outstanding, then for all purposes in connection with such partial redemption, each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond is to be called for redemption, then upon notice of intention to redeem such \$5,000 unit or units (given by the Trustee), the owner of such Bond shall forthwith surrender such Bond to the Trustee (a) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption and (b) for exchange, without charge to the owner thereof, for a new Bond or Bonds of the same Series, designation, maturity and interest rate and in any of the authorized denominations, at the option of the owner thereof, of the aggregate principal amount of the unpaid balance of the principal amount of the Bond to be so redeemed. If the owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Trustee for redemption and exchange as aforesaid, the principal amount of such Bond to be redeemed shall, nevertheless, become due and payable on the redemption date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Bond to be redeemed represented by such \$5,000 unit or units of face value on and after the redemption date and (funds sufficient for the payment of the redemption price having been deposited with the Trustee and being available for the redemption of said unit or units on the redemption date) such Bond shall not be entitled to the benefit or security of this Indenture to the extent of the portion of its principal amount (and accrued interest thereon after the redemption date) represented by such \$5,000 unit or units of face value nor shall new Bonds be thereafter issued corresponding to said unit or units. Bonds shall be redeemed only in the principal amount of \$5,000 each or any whole multiple thereof.

With respect to any partial redemption of Bonds of less than a particular maturity of Bonds, the particular Bonds to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee shall determine to be fair and equitable.

Section 606. Redemption Fund. There is hereby created by the Issuer and ordered established with the Trustee an irrevocable trust fund to be designated “*Municipal Building Authority of Provo School District, Utah County, Utah Lease Revenue Bonds Redemption Fund.*” All moneys to be used for redemption of Bonds shall be deposited in the Redemption Fund. Said moneys shall be set aside in the Redemption Fund solely for the purpose of redeeming the principal of the Bonds in advance of their scheduled maturity date, except as may otherwise be required by any Tax Certificate, and shall be applied on or after the date designated for redemption of the

principal of, and premium, if any, and interest on, the Bonds to be redeemed, as the case may be, upon presentation and surrender of such Bonds.

Section 607. Notice of Redemption; Deposit of Moneys. (a) Notice of the call for any redemption shall be given by the Trustee (upon being satisfactorily indemnified as to expenses) by Mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the Register; *provided, however*, that failure to give such notice by Mail, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner actually receives the notice. Each notice of redemption shall state:

- (i) the redemption date;
- (ii) the redemption price;
- (iii) the source of the funds to be used for such redemption, if known by the Trustee;
- (iv) the principal amount of the Bonds to be redeemed;
- (v) if less than all of the outstanding Bonds of any Series are to be redeemed, the certificate numbers and the respective principal amount of the Bonds to be redeemed;
- (vi) that on the redemption date the redemption price and interest accrued to the redemption date will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after the redemption date; and
- (vii) the name and address of the Person to which such Bonds are to be surrendered for payment of the redemption price.

(b) If at the time of mailing of notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all Bonds called for redemption, which moneys are or will be available for redemption of Bonds, such notice shall state that it is conditional upon the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

(c) On or prior to the date fixed for any redemption of Bonds the moneys required for such redemption shall be deposited with the Trustee by the Lessee in accordance with the Master Lease. The principal of the Bonds called for redemption shall cease to bear interest after the specified redemption date, *provided* that sufficient funds for redemption are on deposit with the Trustee at that time.

Section 608. Redemption of All Outstanding Bonds. In the event that the principal of all Bonds then outstanding is to be redeemed, the Trustee shall, without further authorization, deposit into the Redemption Fund all moneys then remaining in the School Construction Fund and the Insurance Fund, with advice to the Lessee and the Issuer of such action, such deposit to be made on the date fixed for redemption.

Section 609. Revised Schedule of Base Rentals. Upon partial redemption or the issuance of Additional Bonds pursuant to Section 213 hereof, the Issuer shall provide the Trustee and the Lessee with a revised schedule of Base Rentals which schedule shall take into account such redemption or issuance and shall be and become for all purposes thereafter *Schedule I* to the Master Lease setting forth the Base Rentals.

ARTICLE VII

DISCHARGE OF LIEN

If the Issuer shall pay or cause to be paid, or there shall otherwise be paid or provision for the unconditional payment made from any source, to or for the Bondowners all principal of, and premium, if any, and interest on, the Bonds at the times and in the manner stipulated therein and herein, and if the Issuer shall not then be in default in any of the other covenants and promises in the Bonds and in this Indenture expressed or implied as to be kept, performed and observed by it or on its part, and if the Lessee shall not then be in default in any of its covenants and promises in the Master Lease expressed or implied as to be kept, performed and observed by it or on its part, and if the Issuer shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then all rights and obligations of the Issuer, the Lessee and the Trustee under this Indenture and the Master Lease shall terminate and be of no further force and effect and the Trustee shall cancel and discharge this Indenture and the Master Lease and execute and deliver to the Issuer such instruments in writing as shall be requisite to cancel and discharge the lien hereof, and reconvey, release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any property conveyed, assigned or pledged to the Trustee or otherwise subject to the lien of this Indenture, except (a) amounts in the Bond Fund required to be paid to the Lessee pursuant to Section 411 hereof, (b) moneys or securities held by the Trustee for the payment of the principal of, or premium, if any, or interest on, the Bonds and (c) any moneys to be paid pursuant to any Tax Certificate.

Any Bond shall be deemed to be paid, or any portion thereof shall be deemed to be paid, within the meaning of this Article VII when payment of the principal of, and premium, if any, and interest on, the Bonds (or such portion thereof) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment or (2) Government Obligations, as defined hereinafter in this Article VII, which are not callable at the option of the issuer thereof prior to their maturity and which mature and bear interest in such amounts and at such times as will provide such amounts and at such times as will insure the availability of sufficient moneys to make such payment on and prior to the redemption date or maturity date, as the case may be; *provided, however*, that if the

Bonds are not to be paid on the next succeeding Bond Payment Date, proper notice of redemption shall have been previously mailed as provided in Section 607 hereof or the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to mail notice of redemption as provided in Section 607 hereof; *provided, further, however*, that the Issuer shall deliver to the Trustee a cash flow report that the amount of moneys and Government Obligation deposited with the Trustee, including interest earnings thereon, are sufficient to pay the principal of and interest on the Bonds to be redeemed when due. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of registration and exchange of Bonds and of any such payment from such moneys or Government Obligations.

Any moneys so deposited with the Trustee as provided in this Article VII may, at the direction of the Issuer, be invested and reinvested only in Government Obligations, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Article VII which is not required for the payment of the principal of, or premium, if any, or interest on, the Bonds shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that Fund.

For the purposes of this Article VII the term “*Government Obligations*” shall mean direct general obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, the guarantee of which constitutes the full faith and credit obligation of the United States of America.

Notwithstanding any provision of any other Section of this Indenture which may be contrary to the provisions of this Article VII, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article VII for the payment of principal of, or premium, if any, or interest on, the Bonds shall be applied to and used solely for the payment of the particular Bonds with respect to which such moneys and Government Obligations have been so set aside in trust.

Anything in Article XII hereof to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article VII for the payment of principal of, or premium, if any, or interest on, the Bonds and such principal, premium or interest shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the owner of each of the Bonds affected thereby.

ARTICLE VIII

POSSESSION, USE AND PARTIAL RELEASE OF LEASED PROPERTY

Section 801. Subordination of Lease to the Indenture. As provided in Section 11.05 of the Master Lease, the Master Lease and the Lessee’s interest in the Leased Property and its interest as lessee under the Master Lease shall at all times be subject to the lien of this Indenture, *provided, however*, that so long as no Event of Default hereunder or an Event of Nonappropriation has

occurred and is then continuing the Master Lease shall remain in full force and effect notwithstanding such subordination, and the Lessee shall not be disturbed by the Issuer or the Trustee in its possession, use and enjoyment of the Leased Property during the term of the Master Lease or in the enjoyment of its rights under the Master Lease.

Section 802. Release of Project Sites. Reference is made to the provisions of the Master Lease, including without limitation Section 13.01(b) thereof, whereby the Issuer and the Lessee have reserved the right to withdraw certain portions of the Project Sites from the terms of the Master Lease and the lien hereof upon compliance with the terms and conditions of the Master Lease. The Trustee shall release from the lien of this Indenture any such portions of the Project Sites upon compliance with the provisions of the Master Lease and as provided in Section 1404 hereof.

Section 803. Granting or Release of Easements. Reference is made to the provisions of the Master Lease, including without limitation Section 13.01(c) thereof, whereby the Lessee may grant or release easements and take other action upon compliance with the terms and conditions of the Master Lease. The Trustee shall execute or confirm the grants or releases of easements, licenses, rights-of-way and other rights and privileges permitted by Section 13.01(c) of the Master Lease upon compliance with the provisions of the Master Lease and as provided in Section 1404 hereof.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 901. Events of Default Defined. The occurrence of any of the following events shall constitute an “Event of Default” under this Indenture:

- (a) Default in the payment of the principal of or premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity date thereof, by acceleration or call for redemption or otherwise; or
- (b) Default in the payment of any interest on any Bond when the same shall become due and payable; or
- (c) The occurrence of any Event of Nonappropriation or Event of Default as each such term is defined in the Master Lease; or
- (d) Subject to the provisions of Section 901 hereof, default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in the Bonds contained and the continuance thereof for a period of thirty (30) days after written notice to the Issuer and the Lessee given by the Trustee or to the Trustee, the Issuer and the Lessee by the owners of not less than a majority in aggregate principal amount of Bonds then outstanding.

Section 902. Remedies Upon Default. Upon the occurrence and continuance of any Event of Default hereunder, but subject always to Article X hereof, the Trustee shall have all the rights and remedies with respect to the Trust Estate as the Issuer, as lessor, has against the Leased Property and the Lessee under the pertinent provisions of the Master Lease and subject to the restrictions and limitations therein provided. Upon the occurrence and continuance of any Event of Default, the Trustee may and shall, at the written request of Bondowners of not less than 25% in aggregate principal amount declare the principal amount of the Bonds then outstanding to be immediately due and payable, whereupon such principal amount shall, without further action, become and be immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding; *provided, however*, that no such acceleration shall change or otherwise affect the Lessee’s obligation under the Master Lease to pay Rentals only during the terms of the Master Lease and in the amounts and at the times as provided in the Master Lease. The Trustee shall give notice of such declaration of acceleration to the Lessee and the Issuer and shall give notice thereof to owners of all Bonds then outstanding.

Upon the occurrence and continuance of any Event of Default specified in subsection (a), (b), (c) or (d) of Section 901 hereof the Trustee shall, without any action on the part of the owners of the Bonds, or upon the occurrence and continuance of an Event of Default specified in subsection (d) of Section 901 hereof and the written request of Bondowners of not less than 25% in aggregate principal amount of Bonds then outstanding the Trustee shall, give notice to the Lessee to vacate the Leased Property immediately as provided in the Master Lease, with or without terminating the term of the Master Lease thereunder except as to the Lessee’s possessory interests in the Leased Property under the Master Lease. The Trustee may, and at the written request of Bondowners of not less than 25% in aggregate principal amount of Bonds then outstanding shall, execute a written notice of default and an election to cause the Issuer’s interest in the Leased Property or any portion thereof to be sold (subject to any reversionary rights of the Board that may be retained in the Project Sites under the Ground Lease) to satisfy the obligations of the Issuer under this Indenture in accordance with the provisions of the Deed of Trust and/or may cause a sale of personal property as provided by law and take one or any combination of the following additional remedial steps:

- (a) The Trustee may terminate the Master Lease or the Lessee’s possessory rights thereunder (without otherwise terminating the Master Lease), and re-enter the Leased Property, eject all parties in possession thereof therefrom and relet the Leased Property, all as provided in Section 15.02(a) of the Master Lease;
- (b) The Trustee may, subject to compliance with the applicable provisions of the “one action rule” set forth in Chapter 37 of Title 78 of the Utah Code Annotated 1953, as amended, recover from the Lessee:
- (i) the portion of Base Rentals and Additional Rentals which are or would otherwise have been payable under the Master Lease during any period in which the Lessee continues to use, occupy and operate the Facilities or any portion thereof; and

(ii) Base Rentals and Additional Rentals which are or would otherwise have been payable by the Lessee under the Master Lease during the remainder, after the Lessee vacates the Facilities, of the Initial Term or the Renewal Term in which such Event of Default occurs for which Term the Lessee had lawfully appropriated moneys for purposes of paying such Base Rentals and Additional Rentals; *provided, however*, that the Trustee shall be obligated to the Lessee to use commercially reasonable efforts to lease or sublease the Leased Property upon such terms and conditions the Trustee deems commercially reasonable, for the remainder of such Initial Term or Renewal Term, and the Net Proceeds of such leasing shall be offset against the amount recoverable from the Lessee under this subparagraph (ii);

(c) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Leased Property or any part thereof, in its own name or in the name of the Issuer, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Leased Property, or part thereof or interest or space therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Leased Property, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorneys' fees, upon any obligations secured hereby, all in such order as the Trustee may determine. The entering upon and taking possession of the Leased Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Leased Property or the collection, receipt and application of rents, issues or profits, the Trustee shall be entitled to exercise every right and remedy provided for in the Master Lease or this Indenture or now or hereafter permitted by law upon occurrence of any Event of Default;

(d) In conformity with Section 312(b) hereof, exercise all rights of the Issuer in its capacity as lessor under the Master Lease, including the right to lease all or any part of the Leased Property in the name and for the account of the Issuer, to collect, receive and sequester the rents, revenues, issues, earnings, income, products and profits therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel and any charges of the Trustee hereunder, any taxes and assessments and other charges prior to the lien of this Indenture which the Trustee may deem it wise to pay and all expenses and costs of repairs and improvements to the Leased Property as hereinafter described and apply the remainder of the moneys so received in accordance with Section 907 hereof. Upon the occurrence and continuance of an Event of Default hereunder, the Issuer, upon demand of the Trustee, shall forthwith surrender possession of the Leased Property, together with the books and records of the Issuer pertaining thereto,

and including the rights to hold, operate and manage the same, and rights from time to time to make all needful repairs and improvements as the Trustee may deem wise; and

(e) Exercise any or all of the remedies available to a secured party under applicable law, with respect to property subject to this Indenture. Without limiting the generality of the foregoing, the Trustee shall have the right to take possession of any personal property or fixtures subject to the lien of this Indenture and to take such other measures as the Trustee may deem as necessary for the care, protection, preservation and marketing of said personal property and fixtures. The Trustee may require the Lessee to assemble any such personal property or fixtures and make the same available to the Trustee at a place to be designated by the Trustee which is reasonably convenient to the Trustee and the Lessee. It is agreed that a commercially reasonable manner of disposition of personal property includes, without limitation, disposition with the real property in the manner provided above.

A judgment requiring a payment of money may be entered against the Lessee by reason of an Event of Default hereunder only as to the liabilities described in paragraph (b) above. Notwithstanding anything set forth in the Master Lease or herein to the contrary, any Event of Default consisting of a failure by the Lessee to vacate the Facilities by the expiration of the Initial Term or the Renewal Term during which an Event of Nonappropriation occurs shall not result in any liability for Base Rentals or Additional Rentals allocable to any period other than the period in which the Lessee continues to use, occupy and operate the Facilities or any portion thereof and to that extent only.

Section 903. Other Remedies. (a) Upon the occurrence of an Event of Default, the Trustee may, as an alternative, either after entry or without entry, pursue any available remedy by suit at law or equity to enforce the payment of the principal of, and premium, if any, and interest on, the Bonds then outstanding, including, without limitation, foreclosure and mandamus and an action for specific performance of any agreement herein contained.

(b) Upon the occurrence of an Event of Default, if requested to do so by the owners of at least 25% in aggregate principal amount of Bonds then outstanding and if indemnified as provided herein, the Trustee shall exercise such one or more of the rights and powers conferred by this Article as the Trustee, upon being advised by counsel, shall deem most expedient in the interests of the Bondholders; *provided* that the obligation of the Trustee to accelerate the principal of the Bonds shall be subject to Section 902 hereof.

Section 904. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Issuer or of the Bondholders under this Indenture, the Trustee, as a matter of right and after at least five (5) days' notice to the Issuer, and without regard to the then value of the Leased Property or the interest of the Issuer, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Leased Property, and the Issuer hereby irrevocably consents to such appointment and, to the extent permitted by law, waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of the Trustee in case of entry as

provided in Section 902 hereof and shall continue as such and exercise all such powers until the date of confirmation of sale of the Leased Property unless such receivership is sooner terminated.

Section 905. Remedies Not Exclusive. The Trustee shall be entitled to enforce payments and performance of any obligations secured hereby and to exercise all rights and powers under this Indenture or under the Master Lease or other agreement or any laws now or hereafter in force, notwithstanding some or all of the said obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Indenture nor its enforcement whether by court action or other powers herein contained shall prejudice or in any manner affect the Trustee's right to realize upon or enforce any other security now or hereafter held by the Trustee, it being agreed that the Trustee shall be entitled to enforce this Indenture and any other security now or hereafter held by the Trustee in such order and manner as it may in its absolute discretion determine. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by this Indenture or the Master Lease or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Trustee and the Trustee may pursue inconsistent remedies.

Section 906. Limitation on Remedies. (a) Notwithstanding anything herein to the contrary or in the Deed of Trust, no deficiency judgment upon foreclosure or exercise of other remedies as herein or in the Deed of Trust provided may be entered against the Issuer or the Lessee or the State of Utah or any of its political subdivisions, *provided* that the Lessee shall remain liable to pay Rentals for any period that it uses, occupies and operates the Facilities, and the Trustee shall be entitled to recover such Rentals from the Lessee as provided in Section 902(b) hereof.

(b) No breach of any covenant or agreement herein or in the Master Lease shall impose any general obligation or liability upon, nor a charge against, the Lessee or the general credit or taxing power of the State of Utah or any of its political subdivisions.

Section 907. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall be deposited in the Bond Fund. After payment of costs and expenses of foreclosure and liquidation, reletting or sale or suit, if any, and of all proper expenses, liabilities and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Trustee or the owner or owners of the Bonds, and of all taxes, assessments or liens superior to the lien of these presents, subject to which any such liquidation, reletting or sale may have been made, and of all Additional Rentals subject to the lien hereof owed and of all amounts advanced by the Trustee to protect the Leased Property or any of its and the Bondowners' rights with respect thereto, all moneys in the Bond Fund shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable:

First, to the payment of amounts, if any, payable to the United States Treasury pursuant to the Tax Certificate; and

Second, to the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

Third, to the payment to the Persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds at the respective rates specified therein from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then first to the payment of such interest ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of principal due on such date, to the Persons entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

Fourth, to the payment of all other sums secured hereby; and

Fifth, to the extent permitted by law, to the payment to the Persons entitled thereto of the unpaid interest on overdue installments of interest ratably, according to the amounts of such interest due on such date, without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied *first* to the payment of amounts, if any, payable to the United States Treasury pursuant to the Tax Certificate and *second* to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of subsection (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional

moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Bond Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever the principal of, and premium, if any, and interest on, all Bonds have been paid under the provisions of this Section 907 and all expenses and charges of the Trustee have been paid, any balance remaining in the Bond Fund, or any other fund established hereunder, shall be paid to the Lessee as provided in Section 411 hereof, except as may be otherwise required by any Tax Certificate.

Notwithstanding anything herein to the contrary, the Trustee shall be entitled to relet the Leased Property in conjunction with or following foreclosure proceedings for such period as is necessary for the Trustee to obtain sufficient moneys to pay the principal of, and premium, if any, and interest on, the Bonds in full, and the obligations of the Trustee with respect to the owners of the Bonds and the receipt and disbursement of funds shall continue until the lien of this Indenture is discharged or foreclosed as herein provided. The termination or expiration of the term of the Master Lease as to the Lessee's possessory rights thereunder, of itself, shall not discharge the lien of this Indenture.

Section 908. Right of Bondowners to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the owners of a majority in aggregate principal amount of the Bonds then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 909. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit (subject to the provisions of Section 908 hereof) of the owners of the then outstanding Bonds.

Section 910. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee, the Lessee and the Bondowners shall be restored to their former positions and rights hereunder respectively with

regard to the Trust Estate, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 911. Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds, and shall do so upon the written request of the owners of (a) more than 50% in aggregate principal amount of all Bonds then outstanding in respect of which a default exists in the payment of principal and/or premium, if any, and/or interest, or (b) more than 50% in aggregate principal amount of all Bonds then outstanding in the case of any other Event of Default; *provided, however*, that there shall not be waived (i) any Event of Default in the payment of the principal of any outstanding Bonds at the date of payment of the final maturity or mandatory sinking fund payment specified therein or (ii) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest (including any interest on overdue principal at the rate provided in Section 202(a) hereof) or all arrears of payments of principal and premium, if any, when due, as the case may be, and all expenses of the Trustee in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Lessee and the Bondowners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 912. Rights and Remedies of Bondowners. Except in the case of a failure of the Trustee to accelerate payment of principal of the Bonds pursuant to Section 902 hereof, no owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified, or of which it is deemed to have notice, (b) such default has become an Event of Default and the owners of at least 25% in aggregate principal amount of Bonds then outstanding have made written request to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) such owners have offered to the Trustee indemnity as provided for herein and (d) the Trustee thereafter has failed or refused to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name or in the name of such owners. Such notification, request and offer of indemnity as set forth above, at the option of the Trustee, shall be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided and for the equal benefit of the owners of all Bonds then outstanding. Nothing in this Indenture shall, however, affect or impair the right of any Bondowner to enforce, by action at law or in equity, payment of the principal of, and premium, if any, and interest on, any Bond at and after the maturity thereof, or upon the date fixed for redemption or (subject to the provisions of Section 902 hereof) upon the same being declared due prior to maturity, as herein provided, or the

obligation of the Issuer to pay the principal of, and premium, if any, and interest on, each of the Bonds issued hereunder to the respective owners thereof at the time, place, from the source and in the manner expressed herein and in the Bonds.

ARTICLE X

THE TRUSTEE

The Trustee accepts the trusts hereunder and agrees to perform the same, but only upon the terms and conditions hereof, including the following, to all of which the Issuer and the respective owners of the Bonds at any time outstanding by their acceptance thereof agree:

Section 1001. Duties of the Trustee. The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture.

Following an Event of Default, the Trustee is under no obligation to enforce the Indenture or the Master Lease with respect to which such Event of Default has occurred except as it may be directed pursuant to Section 1002(i) hereof; *provided however* that the Trustee shall continue at all times to perform its customary duties as provided herein.

Section 1002. Trustee's Liability. No provision of this Indenture shall be construed to relieve the Trustee from liability for its gross negligence or willful misconduct, except that:

(a) the Trustee shall not be liable except for the performance of such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee but the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture. Permissive acts or rights granted to the Trustee under this Indenture shall not be construed as duties hereunder;

(b) in the absence of bad faith on the part of the Trustee, the Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon, any resolution, Officer's Certificate, opinion of counsel, certificate, request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report or other paper or document believed by the Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties;

(c) in the absence of bad faith on the part of the Trustee, whenever the Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate; *provided, however*, that the Trustee, or such agent, representative, expert or counsel, may require such further and additional evidence and make such further investigation as it or they may consider reasonable;

(d) the Trustee may consult with counsel and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance with such advice or opinion of counsel;

(e) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any direction or request of the owners of the Bonds;

(f) the Trustee shall not be liable for any error of judgment made in good faith by an officer of the Trustee;

(g) the Trustee shall not be deemed to have knowledge of any Event of Default (except an Event of Default under Sections 901(a) or 901(b) hereof or Section 15.01(a) or 15.01(b) of the Master Lease) hereunder or under the Master Lease unless and until the Trustee shall have received written advice thereof from the owner of any Bond, the Issuer or the Lessee;

(h) whether or not an Event of Default shall have occurred, the Trustee shall not be under any obligation to take any action under this Indenture which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it by the security afforded to it by the terms of this Indenture, unless and until it is requested in writing so to do by one or more owners of Bonds outstanding hereunder and furnished, from time to time as it may require, with reasonable security and indemnity;

(i) whether or not an Event of Default shall have occurred, whenever it is provided in this Indenture that the Trustee consent to any act or omission by any Person or that the Trustee exercise its discretion in any manner, the Trustee may (but need not) seek the written acquiescence of the owner or owners of at least a majority in aggregate principal amount of the Bonds then outstanding and, unless written evidence of such acquiescence has been received by the Trustee, it shall be fully justified in refusing so to consent or so to exercise its discretion, *provided, however*, the owners of not less than a majority in principal amount of the Bonds from time to time outstanding have the right, upon furnishing to the Trustee such indemnification as the Trustee shall request, by an instrument in writing delivered to the Trustee, to determine which of the remedies herein set forth shall be adopted and to direct the time, method and place of conducting all proceedings to be taken under the provisions of this Indenture for the enforcement thereof or of the Bonds; *provided further*, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be prejudicial to owners of Bonds not parties to such direction;

(j) the Bondowners shall not have any right to institute any action or proceedings at law or in equity for the execution and enforcement of the trusts hereby created unless, within sixty (60) days after a direction in writing by the owners of not less

than a majority in aggregate principal amount of the Bonds then outstanding, the Trustee has failed or refused to institute the action on behalf of such Bondowners;

(k) IN NO EVENT SHALL THE TRUSTEE BE LIABLE TO ANY PARTY OR THIRD PARTY FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, LOST PROFITS OR LOSS OF BUSINESS ARISING UNDER OR IN CONNECTION WITH THIS INDENTURE, EVEN IF PREVIOUSLY INFORMED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF THE FORM OF ACTION; AND

(l) the Trustee shall not sell, mortgage, transfer, assign or hypothecate its interest herein or in the Revenues or the Leased Property or any part of any thereof or any interest therein or in any amount to be received by it from the disposition of any of the Leased Property, except as provided herein with respect to the enforcement of its rights and remedies hereunder.

Section 1003. No Responsibility of Trustee for Recitals. (a) The recitals and statements contained herein and in the Bonds shall be taken as the recitals and statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same, nor shall the Trustee have any responsibility for or any liability with respect to any disclosure, warranty, representation or concealment or failure to disclose in connection with the offering, solicitation, sale or distribution of the Bonds.

(b) The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Bonds secured hereby, the security hereby or thereby afforded, the interest of the Issuer in the Trust Estate or the descriptions thereof, or the filing or recording or registering of this Indenture, or any other document. The Trustee shall not be required to undertake any act or duty to insure or cause the Project or the Leased Property to be insured or to maintain, repair or otherwise take care of any of the Leased Property.

(c) The Trustee shall not be concerned with or accountable to anyone for the use or application of any deposited moneys which shall be released or withdrawn in accordance with the provisions of this Indenture or of any Property or the proceeds thereof which shall be released from the lien hereof in accordance with the provisions of this Indenture.

(d) The Trustee shall not be liable to anyone for any delay in the Project, or for any default on the part of any supplier or manufacturer thereof, or for any defect in any portion of the Leased Property or in the title thereto, nor shall anything herein be construed as a warranty on the part of the Trustee in respect thereof or as a representation in respect of the title thereto.

Section 1004. Compensation and Expenses of Trustee; Indemnification. The Trustee shall be entitled to reasonable compensation for its services hereunder (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and to reimbursement for all reasonable expenses incurred hereunder, and as Registrar and Paying Agent, including the reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its powers and duties hereunder.

The Lessee will indemnify and save the Trustee harmless against any liabilities, not arising from the Trustee's gross negligence or bad faith, which it may incur in the exercise and performance of its rights, powers, trusts, duties and obligations hereunder, but only from lawfully appropriated moneys available for such purpose and payable as Additional Rentals under the Master Lease.

Section 1005. Status of Moneys Received. All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys, except to the extent required by law or as provided herein, and may be deposited by the Trustee under such general conditions as may be prescribed by law in the Trustee's general banking department, and the Trustee shall be under no liability for interest on any moneys received by it hereunder. The Trustee and any affiliated corporation may become the owner of any Bond secured hereby and be interested in any financial transaction with the Issuer or the Lessee, or the Trustee may act as depositary or otherwise in respect of other securities of the Issuer or the Lessee, all with the same rights which it would have if it were not the Trustee.

Section 1006. Resignation of Trustee. The Trustee may resign and be discharged from the trusts created hereby by delivering sixty (60) days' prior written notice thereof to the Issuer, the Lessee and all owners of Bonds at the time outstanding. Such resignation shall take effect only upon the appointment of a successor Trustee and the acceptance of such appointment by such successor Trustee.

Section 1007. Removal of Trustee. The Issuer shall, at the written direction of the Lessee, remove the Trustee by an instrument or instruments in writing executed by the Issuer and delivered to the Trustee, specifying the removal, *provided* that such removal shall take effect only upon the appointment of a successor Trustee and the acceptance of such appointment by such successor Trustee.

Section 1008. Appointment of Successor Trustee. In case at any time the Trustee shall resign or be removed or become incapable of acting, a successor Trustee may be appointed by the owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding by an instrument or instruments in writing executed by such Bondowners and filed with such successor Trustee, the Issuer and the Lessee.

Until a successor Trustee shall be so appointed by the Bondowners, the Issuer shall appoint a successor Trustee to fill such vacancy, by an instrument in writing executed by the Issuer and delivered to the successor Trustee. If all or substantially all of the Trust Estate shall be in the possession of one or more receivers, trustees, liquidators or assignees for the benefit of creditors, then such receivers, trustees, custodians, liquidators or assignees for the benefit of creditors may, by an instrument in writing delivered to the successor Trustee, appoint a successor Trustee. Promptly after any such appointment, the Issuer, or any such receivers, trustees, custodians, liquidators or assignees, as the case may be, shall give notice thereof, and to each owner of the Bonds at the time outstanding.

Any successor Trustee so appointed by the Issuer, or such receivers, trustees, custodians, liquidators or assignees, shall immediately and without further act be superseded by a successor Trustee appointed by the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding.

If a successor Trustee shall not be appointed pursuant to this Section within sixty (60) days after a vacancy shall have occurred in the office of the Trustee, the owner of any Bond or such retiring Trustee (unless the retiring Trustee is being removed) may apply to any court of competent jurisdiction to appoint a successor Trustee, and such court may thereupon, after such notice, if any, as it may consider proper, appoint a successor Trustee.

Section 1009. Succession of Successor Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer and the predecessor Trustee an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed, conveyance or transfer, shall become vested with the title to the Trust Estate, and with all the rights, powers, trusts, duties and obligations of the predecessor Trustee in the trust hereunder, with like effect as if originally named as Trustee herein.

Upon the request of any such successor Trustee, however, the Issuer and the predecessor Trustee shall execute and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee the predecessor Trustee's interest in the Trust Estate and all such rights, powers, trusts, duties and obligations of the predecessor Trustee and the predecessor Trustee shall also assign and deliver to the successor Trustee any Property subject to the lien of this Indenture which may then be in its possession.

Section 1010. Eligibility of Trustee. Every Trustee so provided hereunder shall be a state or national bank or trust company or a corporation with trust powers in good standing organized under the laws of the United States of America or of any state thereof, having a capital, surplus and undivided profits aggregating at least \$10,000,000, if there be such a bank, trust company or corporation willing and able to accept such trust upon reasonable and customary terms.

In case the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 1006 hereof.

Section 1011. Successor Trustee by Merger. Any corporation into which the Trustee may be merged or with which it may be consolidated or converted, or any corporation resulting from any merger, consolidation or conversion to which the Trustee shall be a party, or any state or national bank or trust company in any manner succeeding to the corporate trust business of the Trustee as a whole or substantially as a whole, if eligible as provided in Section 1010 hereof, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto, anything to the contrary contained herein notwithstanding.

Section 1012. Co-Trustees. At any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, the Issuer and the Trustee jointly shall have power, and shall execute and deliver all instruments, to appoint one or more persons approved by the Trustee, to act as co-Trustee, or co-Trustees, jointly with the Trustee, or separate trustee or separate trustees, of all or any part of the Trust Estate, and to vest in such person or persons, in such capacity, such interest in the Trust Estate or any part thereof, and such rights, powers, duties, trusts or obligations as the Issuer and the Trustee may consider necessary or desirable.

Section 1013. Notice to the Lessee of Investment Earnings; Annual Reports by Trustee; Notice of Estimated Additional Rentals. (a) Not less than thirty (30) days prior to each applicable Base Rental Payment Date, the Trustee shall prepare and mail a statement of account to the Lessee notifying the Lessee of the amounts of investment earnings then held in the Bond Fund and available to be applied as a credit against the Lessee's Base Rentals due on the next succeeding Base Rental Payment Date as provided in Section 4.07 of the Master Lease and the amount of Base Rentals due on such next succeeding Base Rental Payment Date. The Lessee shall be entitled to a credit for such amounts against the payment of Base Rentals next coming due under the Master Lease as provided in Section 4.07 of the Master Lease.

(b) The Trustee shall make annual reports to the Issuer and the Lessee of all moneys received and expended by it in such form as shall be agreed on by the Issuer, the Lessee and the Trustee.

(c) Prior to April 1 of each year during the term of the Master Lease, the Trustee shall propose and submit to the Lessee a statement estimating the amount of Additional Rentals set forth in Section 401(b)(i), (ii) and (iii) of the Master Lease that are expected to become due during the next succeeding Renewal Term (assuming for this purpose only that the governing body of the Lessee will elect to extend the term of the Master Lease for such Renewal Term), which statement will detail the items constituting such Additional Rentals. With respect to each such statement estimating the amount of Additional Rentals prepared by the Trustee as provided herein, the Trustee shall not be required to make or be deemed to have made any representation that such estimate will be sufficient to pay all Additional Rentals which will become due during the ensuing Renewal Term. In no event shall the Trustee be liable to the Issuer, the Lessee or the owners of the Bonds in connection with any such estimate so long as the Trustee is acting in accordance with the standard specified in Section 1002 hereof.

Section 1014. Designation and Succession of Paying Agents and Registrar; Agreement with Paying Agent. (a) Pursuant to the provisions hereof, the Trustee hereby appoints itself as the initial Paying Agent for the Bonds, with its principal corporate trust office in Salt Lake City, Utah. Any bank or trust company with or into which any Paying Agent or Registrar may be merged or consolidated, or to which the assets and business of such Paying Agent or Registrar may be sold, shall be deemed the successor of such Paying Agent or Registrar, respectively, for the purposes of this Indenture. If the position of Paying Agent shall become vacant for any reason, the Issuer shall appoint a bank or trust company located in the same city as such Paying Agent to fill such vacancy. In addition to any Registrars appointed pursuant to Section 1015 hereof, the Trustee may appoint such Registrars (subject to the provisions of Section 1016 hereof) as it deems appropriate. The

Lessee shall have the right at any time to direct the Trustee to appoint or remove any Paying Agent or Registrar.

The appointment and designation of any Paying Agent, other than the Trustee, shall become effective upon the filing of written notice of such appointment and designation, together with a certified copy of the written acceptance of such appointment and designation, with the Trustee and the Registrar. Any Paying Agent, other than the Trustee, shall designate in writing to the Trustee and the Registrar its principal office for purposes of this Indenture. Any Paying Agent may at any time resign by giving written notice of resignation to the Trustee, the Registrar, the Issuer and the Lessee. The Issuer may terminate the agency of any Paying Agent at any time by giving written notice of termination to such Paying Agent, the Trustee and the Registrar.

The appointment of a Registrar other than the initial appointment of a Registrar under this Indenture shall become effective upon the last to occur of the filing of written notice of such appointment, together with a certified copy of a written acceptance of such appointment, with the Issuer or the giving of a notice of such appointment to all Bondowners. Any Registrar may at any time resign or be removed as provided in Section 1016 hereof.

The Paying Agent and the Registrar shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in Section 1002 hereof with respect to the Trustee insofar as such provisions may be applicable.

The Trustee will cause each Paying Agent, other than the Trustee, to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

- (a) hold all sums held by it for the payment of principal of, and premium, if any, and interest on, the Bonds, in trust for the benefit of the Bondowners entitled thereto until such sums shall be paid to such Bondowners or otherwise disposed of as herein provided;
- (b) keep such books and records as shall be consistent with prudent industry practice, to make such books and records available for inspection by the Lessee and the Trustee at all reasonable times; and
- (c) upon the written request of the Trustee, forthwith deliver to the Trustee all sums so held in trust by such Paying Agent.

The Issuer shall cooperate with the Trustee and the Lessee to cause the necessary arrangements to be made and to be thereafter continued whereby funds derived from the sources specified in Sections 403, 404 and 605 hereof will be made available for the payment when due of the principal of, and premium, if any, and interest on, the Bonds as presented at the principal corporate trust office of the Paying Agent.

Section 1015. Registrar. Pursuant to the provisions hereof, the Trustee hereby appoints itself as the initial Registrar for the Bonds, with its principal corporate trust office in Salt Lake

City, Utah. The Issuer shall appoint any other Registrar for the Bonds, subject to the conditions set forth in Section 1016 hereof. Any Registrar, other than the Trustee, shall designate to the Trustee its principal office and signify its acceptance of the duties imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer and the Trustee under which such Registrar will agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Issuer, the Trustee and the Lessee at all reasonable times.

Section 1016. Qualifications of Registrar; Resignation; Removal. The Registrar shall be a corporation duly organized under the laws of the United States of America or any state or territory thereof, having a combined capital stock, surplus and undivided profits of at least \$10,000,000 and authorized by law to perform all the duties imposed upon it by this Indenture. The Registrar may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days' notice to the Issuer, the Trustee and the Lessee and giving notice to the Bondowners. The Registrar may be removed at any time by an instrument, signed by the Issuer, filed with the Registrar and the Trustee.

In the event of the resignation or removal of the Registrar, the Registrar shall deliver any Bonds and the registration books held by it in such capacity to its successor or, if there be no successor, to the Trustee.

In the event that the Issuer shall fail to appoint a Registrar hereunder, or in the event that the Registrar shall resign or be removed, or be dissolved, or if the property or affairs of the Registrar shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Issuer shall not have appointed a successor as Registrar, the Trustee shall *ipso facto* be deemed to be the Registrar for all purposes of this Indenture until the appointment by the Issuer of the Registrar or successor Registrar, as the case may be.

ARTICLE XI

LIMITATIONS OF LIABILITY

Section 1101. Limitations of Liability of Issuer. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Indenture shall be deemed to be the respective limited covenants, stipulations, promises, agreements and obligations of the Issuer, and not of any officer, trustee, employee or agent of the Issuer, nor of any incorporator, trustee, employee or agent of any successor corporation to the Issuer, in its individual capacity. No recourse shall be had against any such individual, either directly or otherwise under or upon any obligation, covenant, stipulation, promise or agreement contained herein or in any other document executed in connection herewith. Any and all personal liability or obligation, whether in common law or in equity or by reason of statute or constitution or otherwise, of any such person is hereby expressly waived and released by the Bondowners as a condition to and consideration for the issuance of the Bonds and the execution of this Indenture and the Operative Agreements. The Trustee and the Bondowners agree to look solely to the Trust Estate, including the Leased Property

and the Revenues, for the payment of said interests or the satisfaction of such liability; *provided, however*, nothing herein contained shall limit, restrict or impair the rights of the Bondowners or the Trustee to exercise all rights and remedies provided under this Indenture or the Master Lease or otherwise realize upon the Trust Estate; and *provided further* that the Trustee may join the Issuer and the Lessee and their officers, trustees, agents and employees, in their capacities as officers, trustees, agents and employees of the Issuer or the Lessee, as defendants in any legal action it undertakes to enforce its rights and remedies hereunder.

Section 1102. Limitations of Liability of Lessee. Nothing herein shall be construed to require the governing body of the Lessee to appropriate any money for the performance of any obligation hereunder or under the Master Lease. No provision hereof shall be construed or interpreted as creating a general obligation or other indebtedness of the State of Utah or any political subdivision of the State of Utah within the meaning of any constitutional or statutory debt limitation. Neither the execution, delivery and performance of the Master Lease nor the issuance of the Bonds directly or indirectly obligates the Lessee to make any payments hereunder or under the Master Lease beyond those appropriated for the Lessee's then current Fiscal Year.

ARTICLE XII

SUPPLEMENTAL INDENTURES; WAIVERS

Section 1201. Supplemental Indentures Without Bondowner Consent. The Issuer and the Trustee from time to time and at any time with the prior written consent of the Lessee, but without the consent of or notice to any Bondowners and subject to the restrictions in this Indenture contained, may enter into an indenture or indentures supplemental hereto and which thereafter shall form a part hereof for any one or more or all of the following purposes:

- (a) to add to the covenants and agreements to be observed by, and to surrender any right or power reserved to or conferred upon, the Issuer;
- (b) to subject to the lien of this Indenture additional Property and Revenues hereafter acquired by the Issuer and intended to be subjected to the lien of this Indenture and to correct and amplify the description of any Property and Revenues subject to the lien of this Indenture;
- (c) to permit the qualification of this Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect;
- (d) to cure any ambiguity or cure, correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture or to make such other provisions in regards to matters or questions arising under this Indenture or any supplemental indenture as shall not adversely affect the interest of any Bondowner;

(e) to comply with any additional requirements necessary to comply with the Code; or

(f) to authorize the issuance of Additional Bonds, subject to Section 213 hereof;

and the Issuer covenants to perform all requirements of any such supplemental indenture. No restriction or obligation imposed upon the Issuer may, except as otherwise provided in this Indenture, be waived or modified by such supplemental indentures or otherwise.

Section 1202. Waivers and Consents by Bondowners; Supplemental Indentures with Bondowners' Consent. Upon the prior written waiver or consent of the owners of at least 66-2/3% in aggregate principal amount of the Bonds then outstanding, (a) the Issuer may take any action prohibited, or omit the taking of any action required, by any of the provisions of this Indenture or any indenture supplemental hereto, or (b) the Issuer and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding, changing or eliminating any provisions of this Indenture or of any indenture supplemental hereto or modifying in any manner the rights and obligations of the owners of the Bonds and the Issuer; provided, that no such waiver or supplemental indenture shall (i) impair or affect the right of any owner to receive payments or prepayments of the principal of, and premium, if any, and interest on, such owner's Bond, as therein and herein provided, without the consent of such owner, (ii) permit the creation of any Lien with respect to any of the Trust Estate, without the consent of the owners of all the Bonds at the time outstanding, (iii) effect the deprivation of the owner of any Bond of the benefit of the lien of this Indenture upon all or any part of the Trust Estate without the consent of such owner, (iv) reduce the aforesaid percentage of the aggregate principal amount of Bonds, the owners of which are required to consent to any such waiver or supplemental indenture pursuant to this Section, without the consent of the owners of all of the Bonds at the time outstanding or (v) modify the rights, duties or immunities of the Trustee without the consent of the Trustee and the owners of all of the Bonds at the time outstanding.

Section 1203. Notice of Supplemental Indentures. Promptly after the execution by the Issuer and the Trustee of any supplemental indenture or agreement pursuant to the provisions of Section 1201 or 1202 hereof, the Trustee shall give a conformed copy thereof to each owner of the Bonds. Any failure of the Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture or agreement.

Section 1204. Opinion of Counsel Conclusive as to Supplemental Indentures. The Trustee is hereby authorized to join with the Issuer in the execution of any such supplemental indenture authorized or permitted by the terms of this Indenture and to make the further agreements and stipulations which may be therein contained, and the Trustee may receive an opinion of counsel selected by the Trustee (which may be counsel for the Lessee or the Issuer) as conclusive evidence that any supplemental indenture executed pursuant to the provisions of this Article XII complies with the requirements of this Article XII.

ARTICLE XIII

AMENDMENT OF LEASE

Section 1301. Amendments to Lease Not Requiring Consent of Bondowners. The Issuer and the Lessee may, with the prior written consent of the Trustee, but without the consent of or notice to the Bondowners, consent to any amendment, change or modification of the Master Lease as may be required (a) by the provisions of the Master Lease (including those required by Sections 13.01 and 13.02 thereof) or this Indenture; (b) for the purpose of curing any ambiguity or formal defect or omission in the Master Lease; (c) in order to more precisely identify the Leased Property or any portion thereof or to add additional or substituted improvements or properties acquired in accordance with the Master Lease and the Indenture; (d) in connection with any other change in the Master Lease which, in the judgment of the Trustee, is not materially adverse to the Trustee or the Bondowners; (e) for the purposes of complying with additional requirements necessary to comply with the Code or (f) in connection with the issuance of Additional Bonds.

Section 1302. Amendments to Lease Requiring Consent of Bondowners. Except for the amendments, changes or modifications as provided in Section 1301 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Master Lease without mailing of notice and the prior written approval or consent of the owners of not less than 66-2/3% in aggregate principal amount of the Bonds at the time outstanding given as in Section 1408 provided. If at any time the Issuer and the Lessee shall request the consent of the Trustee to any such proposed amendment, change or modification of the Master Lease, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be mailed in the same manner as provided by Section 1203 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Bondowners.

ARTICLE XIV

MISCELLANEOUS

Section 1401. Successors and Assigns; Parties in Interest. Whenever any of the parties hereto is referred to such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Indenture contained by or on behalf of the Issuer or of the Trustee shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not; and, other than the Lessee, no other person, firm or corporation shall have any right, remedy or claim under or by reason of this Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Lessee and the Bondowners any legal or equitable right, remedy or claim under or in respect to this Indenture. All covenants, stipulations, promises and agreements

in the Indenture contained by or on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee and the Bondowners.

Section 1402. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Indenture shall not render any other provision or provisions herein contained unenforceable or invalid, *provided* that nothing contained in this Section 1402 shall be construed to amend or modify the immunities of the Issuer in its individual capacity provided for in Section 1101 hereof, to amend or modify the immunities of the Lessee provided for in Section 1102 hereof or to amend or modify any limitations or restrictions on the Trustee or any Bondowner or their respective successors or assigns under Article X hereof.

Section 1403. Communications. All communications provided for herein shall be in writing. Communications to the Issuer, the Trustee or the Lessee shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when duly mailed by registered or certified mail addressed as follows:

If to the Issuer:

Municipal Building Authority of Provo School
District, Utah County, Utah
280 West 940 North
Provo, Utah 84604
Attention: Secretary

If to the Trustee:

Zions Bancorporation, National Association
One South Main Street, 12th Floor
Salt Lake City, Utah 84133
Attention: Corporate Trust Department

If to the Lessee:

Board of Education of Provo School District,
Utah County, Utah
280 West 940 North
Provo, Utah 84604
Attention: Business Administrator

or to the Issuer, the Trustee and the Lessee at such other respective address as the Issuer, the Trustee or the Lessee may designate by notice duly given in accordance with this Section to the other parties. It shall be sufficient service of any notice or other paper on any Bondowner if such notice is given. In case by reason of the suspension of registered or certified mail service, it shall be impracticable to give notice by registered or certified mail of any event to the Lessee or the Issuer when such notice is required to be given pursuant to any provision of this Indenture, then

any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice.

Section 1404. Release. The Trustee shall release this Indenture and the lien and security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all Interests Hereby Secured have been fully paid or discharged, except that the Trustee shall (a) partially release the lien and security interest granted hereby with respect to that portion of the Project Sites released from the Master Lease pursuant to Section 13.01(b) of the Master Lease, and (b) confirm and grant or release any easement, license, right-of-way or other right or privilege as provided in Section 13.01(c) of the Master Lease.

Section 1405. Counterparts. This Indenture may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Indenture.

Section 1406. Governing Law. This Indenture and the Bonds shall be construed in accordance with and governed by the laws of the State of Utah.

Section 1407. Headings. Any headings or captions preceding the text of the several Articles, Sections and Subsections hereof are intended solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

Section 1408. Consents, etc., of Bondowners. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondowners may be in any number of concurrent documents of similar tenor and may be executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any Person of any such writing may be proved by the certification of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Register.

For all purposes of this Indenture and of the proceedings for the enforcement hereof, such Person shall be deemed to continue to be the owner of such Bond until the Trustee shall have received notice in writing to the contrary.

Section 1409. Payments Due on Sundays and Holidays. In any case where the date of maturity of principal of the Bonds or a Bond Interest Payment Date, or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of interest, principal or premium, if any, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity, Bond Interest Payment Date or the date fixed for redemption, as the case may be, and no interest shall accrue for the period after such date.

Section 1410. Action by the Lessee. Whenever it is herein provided or permitted for any action to be taken by the Lessee, such action may be taken by an Authorized Lessee Representative under the Master Lease unless the context clearly indicates otherwise.

(Signature page follows.)

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be duly executed by its officers thereunto duly authorized, and Zions Bancorporation, National Association, in evidence of its acceptance of the trusts hereby created, has caused this Indenture to be executed, all as of the day and year first above written.

ISSUER:

MUNICIPAL BUILDING AUTHORITY OF PROVO
SCHOOL DISTRICT, UTAH COUNTY, UTAH

By _____
President

ATTEST:

By _____
Secretary

TRUSTEE:

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,
as Trustee

By _____
Trust Officer

EXHIBIT A

DESCRIPTION OF REAL ESTATE
REFERRED TO IN GRANTING CLAUSE FIRST

The tracts of land constituting the Project Sites is located in Utah County, State of Utah, and are more particularly described as follows:

PARCEL 1:

[To come]

PARCEL 2:

[To come]

EXHIBIT B

[ATTACH DEBT SERVICE SCHEDULE]

EXHIBIT C

[FORM OF WRITTEN REQUISITION]

WHEN RECORDED PLEASE RETURN TO:

Brandon T. Johnson
Farnsworth Johnson PLLC
180 North University Avenue, Suite 260
Provo, Utah 84601

MASTER LEASE AGREEMENT

DATED AS OF OCTOBER 1, 2025

BETWEEN

MUNICIPAL BUILDING AUTHORITY OF PROVO SCHOOL DISTRICT, UTAH COUNTY, UTAH

Lessor,

AND

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

Lessee.

As set forth in Sections 4.05 and 11.02(c) hereof, the interest of the Municipal Building Authority of Provo School District, Utah County, Utah in this Master Lease Agreement and all Base Rentals and certain other amounts receivable hereunder have been assigned to Zions Bancorporation, National Association, as Trustee under that certain Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, dated as of October 1, 2025, among the Municipal Building Authority of Provo School District, Utah County, Utah, Zions Bancorporation, National Association, as trustee, and Zions Bancorporation, National Association, as beneficiary and are subject to the lien and security interest of Zions Bancorporation, National Association, as Trustee.

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but is only for convenience of reference.)

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MASTER LEASE AGREEMENT

THIS MASTER LEASE AGREEMENT, dated as of October 1, 2025 (the “*Lease*”), by and between the MUNICIPAL BUILDING AUTHORITY OF PROVO SCHOOL DISTRICT, UTAH COUNTY, UTAH (the “*Lessor*”), a Utah nonprofit corporation acting as a public entity and instrumentality of the State of Utah, whose mailing address is 280 West 940 North, Provo, Utah 84604, and the BOARD OF EDUCATION OF PROVO SCHOOL DISTRICT, UTAH COUNTY, UTAH (the “*Lessee*”), a duly organized and existing body corporate and a political subdivision of the State of Utah, whose mailing address is 280 West 940 North, Provo, Utah 84604.

WITNESSETH:

WHEREAS, the Lessee desires the Lessor to undertake certain costs of the acquisition, construction and improvement of certain projects pursuant to the Local Building Authority Act, Title 17D, Chapter 2 Utah Code Annotated 1953, as amended (the “*Act*”), consisting of the acquisition, construction, improvement and completion of all or a portion of Timpview High School and an education and community facility located on the former Dixon Middle School site on certain tracts of land situated in Utah County, Utah and more particularly described in *Exhibit A* attached hereto (the “*Project Sites*”), and related fixtures, chattels, equipment, appliances, furniture, furnishings, machinery, inventory, supplies and maintenance and repair equipment (collectively, the “*Facilities*”) on behalf of the Lessee and the inhabitants of Provo School District (the “*District*”); and

WHEREAS, the Lessee, as owner of marketable fee simple title to the Project Sites, has agreed to lease to the Lessor, and the Lessor has agreed to lease from the Lessee, the Project Sites pursuant to that certain Ground Lease, dated as of the date hereof, between the Lessor and the Lessee; and

WHEREAS, the Lessor is willing to sublease the Project Sites and to lease the Facilities to the Lessee, and the Lessee desires to lease the Facilities from the Lessor and sublease the Project Sites from the Lessor, upon the terms and conditions and for the purposes set forth herein; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, by resolution duly adopted by the governing body of the Lessee, the Lessee has heretofore approved (prior to commencement of the acquisition and construction of the Facilities), the plans, specifications and estimated costs for the Facilities; and

WHEREAS, the Lessor and the Lessee are empowered to enter into this Lease pursuant to applicable law, including particularly Section 17D-2-401, Utah Code Annotated 1953, as amended;

NOW THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All words and phrases defined in Article I of the Indenture shall have the same meaning when used in this Lease. In addition, the following words and phrases shall have the following meanings for all purposes of this Lease:

“*Acquisition*” (and other forms of the word “*acquire*”), when used with respect to any portion of the Facilities, shall mean and include, without limitation, the acquisition, construction, installation, improvement, renovation and extension of the Facilities in accordance with the applicable Project Documents.

“*Additional Rentals*” shall mean the amount or amounts payable by the Lessee pursuant to Section 4.01(b) hereof.

“*Agency Agreement*” shall mean that certain Construction Agency Agreement, dated as of October 1, 2025, between the Lessor and the Lessee, as the Lessor’s agent for purposes of causing the Acquisition of the Facilities.

“*Authorized Lessee Representative*” shall mean the person or persons at the time designated, by written certificate furnished to the Lessor and the Trustee, as the person or persons authorized to act on behalf of the Lessee. Such certificate shall contain the specimen signature of such person or persons, shall be signed on behalf of the Lessee by the President of the Board, and may designate an alternate or alternates. The Authorized Lessee Representative may, but need not, be an employee of the Lessee.

“*Authorized Lessor Representative*” shall mean the person or persons at the time designated, by written certificate furnished to the Lessee and the Trustee, as the person or persons authorized to act on behalf of the Lessor. Such certificate shall contain the specimen signature of such person or persons, shall be signed on behalf of the Lessor by its President or Vice President and may designate an alternate or alternates. The Authorized Lessor Representative may, but need not, be an employee of the Lessor.

“*Base Rental Payment Commencement Date*” shall mean March 1, 2026, which is the date on which the Lessee becomes obligated to commence payment of Base Rentals hereunder pursuant to Section 4.01(a) hereof.

“*Base Rental Payment Date*” shall mean the first day of each March and September during the term of the Lease.

“*Base Rentals*” shall mean the amount or amounts (comprising a principal component and an interest component) payable by the Lessee pursuant to Section 4.01(a) hereof in consideration of the use and enjoyment of the Leased Property during the term of this Lease, on the dates and in the amounts as set forth in the Base Rental Payment Schedule specified in *Schedule I* attached hereto and as such *Schedule I* may be revised hereafter in accordance with Section 608 of the

Indenture. In the event of a partial redemption of Bonds or the issuance of Additional Bonds as provided in the Indenture, the Base Rentals are to be recalculated by the Lessor and provided to the Trustee and the Lessee and shall be binding upon the Lessee as more fully set forth in Section 4.01(a) hereof and Section 609 of the Indenture.

“*Board*” means the Board of Education of the Lessee.

“*Bond Counsel*” shall mean Farnsworth Johnson PLLC or an attorney or a firm of attorneys (which is mutually acceptable to the Lessee and the Trustee) of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“*Code*” shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and any applicable regulations thereunder.

“*Contractor*” shall mean such reputable contractor or contractors designated as general contractor for the Facilities.

“*Deed of Trust*” means that certain Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, dated as of October 1, 2025, among the Lessor, the Trustee, as trustee under the Deed of Trust and the Trustee, as beneficiary under the Deed of Trust.

“*District*” means Provo School District, Utah County, Utah.

“*Event of Default*” shall mean one or more of the events described in Section 15.01 hereof.

“*Event of Nonappropriation*” shall mean a nonrenewal of the term of the Lease by the Lessee, determined by the failure or refusal of the governing body of the Lessee to appropriate, specifically with respect to the Lease, moneys sufficient (after taking into account any moneys legally available for such purpose to pay the Base Rentals and reasonably estimated Additional Rentals (calculated as provided in Section 4.01(b) hereof) for the next succeeding Renewal Term as provided herein or determined by the unavailability of such moneys for such purpose for any other reason. The existence or nonexistence of an Event of Nonappropriation shall be determined as of the date on which the governing body of the Lessee fails or refuses to adopt a final budget in accordance with applicable law which appropriates sufficient moneys to pay such Base Rentals and reasonably estimated Additional Rentals for the next succeeding Renewal Term as contemplated by Section 3.01 hereof or on any earlier or later date on which the Trustee receives written notice from the Lessee that the governing body of the Lessee has failed or refused to make such appropriations and the term of the Lease will not be renewed; *provided, however*, that the Trustee may waive any Event of Nonappropriation which is cured by the Lessee within a reasonable time if, in the Trustee’s judgment, such waiver is in the best interests of the owners of the Bonds, except as otherwise provided in Section 4.09(a) hereof. Notwithstanding anything herein to the contrary, the Lessee’s failure or refusal to adopt a final budget in accordance with applicable law on or before June 30 during the term of the Lease which appropriates sufficient

moneys to pay such Base Rentals and reasonably estimated Additional Rentals for the next succeeding Renewal Term shall constitute an Event of Nonappropriation.

“*Fiscal Year*” shall mean the twelve-month period used from time to time by the Lessee for its financial accounting purposes, such period currently extending from July 1 to the next succeeding June 30.

“*Ground Lease*” shall mean that certain Ground Lease, dated as of the date hereof, between the Lessor and the Lessee, pursuant to which the Lessee agrees to lease to the Lessor, and the Lessor agrees to lease from the Lessee, the Project Sites and Facilities.

“*Indenture*” shall mean that certain Indenture of Trust, Mortgage, Assignment of Lease Agreement and Security Agreements, dated as of the date hereof, between the Lessor, as trustor, mortgagor and debtor, and the Trustee, as trustee, mortgagee and secured party, and any amendments and supplements thereto as therein provided.

“*Initial Term*” shall have the meaning specified in Section 3.01 hereof.

“*Lease*” shall mean this Master Lease Agreement, including the *Exhibits* and *Schedules* attached hereto and incorporated herein, and any amendments and supplements hereto as herein and in the Indenture provided.

“*Leased Property*” shall mean, collectively, the Facilities and the Project Sites leased and to be leased to the Lessee pursuant hereto.

“*Lessee*” shall mean the Board of Education of Provo School District, Utah County, Utah, a duly organized and existing body corporate and a political subdivision of the State of Utah in its capacity as lessee under the Lease.

“*Lessee’s Counsel*” shall mean the duly appointed attorney of the Board or his designee, who regularly or by special appointment represents the Lessee in legal matters.

“*Lessor*” shall mean the Municipal Building Authority of Provo School District, Utah County, Utah, a Utah nonprofit corporation acting as a public entity and instrumentality of the State of Utah performing essential governmental functions on behalf of the Lessee, and any successor to the duties or functions of the Lessor.

“*Permitted Encumbrances*” shall mean, as of any particular time, (a) liens for taxes, assessments and other governmental charges not then delinquent; (b) this Lease, the Indenture, the Ground Lease and any financing statements naming the Lessor or the Lessee as debtor and naming the Lessor or the Trustee as secured party now or hereafter filed to perfect the lien and security interests granted by the Indenture, the Deed of Trust and this Lease; (c) utility, access and other easements and rights-of-way, mineral rights, restrictions and exceptions that an Authorized Lessee Representative certifies to the Trustee will not materially interfere with or impair the operations being conducted in or on the Leased Property (or, if no operations are being conducted therein or thereon, the operations for which the Leased Property was designed or last modified); (d) any

mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right in respect thereof if payment is not yet due and payable under the contract in question; (e) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Leased Property and (i) as do not, in the opinion of the architect supervising the Acquisition of the Facilities, certified in writing to the Trustee, materially impair the property affected thereby for the purpose for which it was acquired or is held by the Lessor or the Lessee or (ii) are adequately insured against by a title insurance policy reasonably satisfactory to the Trustee and the Lessee; (f) any liens or encumbrances being contested as provided in Section 8.01(c) or 9.01(b) hereof; and (g) any listed items in the title policy described in Section 211(a)(vi) of the Indenture.

"Plans and Specifications" shall mean the plans and specifications prepared for and showing the Facilities, as and when they are approved by the Lessee, the same being duly certified by the Authorized Lessee Representative, which plans and specifications are on file at the principal office of the Lessee and shall be available for reasonable inspection by the Lessor, the Trustee and their duly authorized representatives.

"Project" shall mean the acquisition and construction of the Facilities.

"Project Contracts" shall mean (a) any contract or contracts between the Lessee (acting in its own capacity with respect to the Acquisition of that portion of the Facilities Acquired prior to the date hereof and in its capacity as the Lessor's agent pursuant to the Agency Agreement with respect to the Acquisition of any portion of the Facilities to be Acquired after the date hereof) or the Lessor and any Contractor or Contractors and between any Contractor or subcontractor and his immediate subcontractor regarding the Facilities and (b) any other contract or contracts entered into by the Lessee or the Lessor relating to the Acquisition of the Facilities, including without limitation the Ground Lease, a copy of which is or will be on file with the Lessee.

"Project Documents" shall mean (a) the Plans and Specifications, including change orders (if any) as permitted by Section 5.04 hereof; (b) the survey of the Project Sites Building Sites, prepared by a registered land surveyor in accordance with standard requirements for land title surveys, showing the location of all improvements, easements, encroachments and other encumbrances on the Project Sites; (c) any necessary permits for the Project, including any building permits and certificates of occupancy; (d) the Project Contracts and the contract with any project manager for the Project; (e) policies of title, casualty, public liability and workers' compensation insurance, or certificates thereof, as required by the Lease with respect to the Leased Property; (f) performance and payment bonds with respect to the Project; (g) the executed contract with the architect hired by the Lessee in connection with the preparation of the Plans and Specifications and (h) any and all other documents executed by or furnished to the Lessee or a Contractor in connection with the Project.

"Renewal Term" shall have the meaning specified in Section 3.01 hereof.

"Rentals" shall mean the total amount of the Base Rentals and the Additional Rentals payable during the Initial Term and each Renewal Term hereunder.

"Facilities" shall mean (i) Timpview High School and the education and community facility located on the former Dixon Middle School and all related fixtures, chattels, equipment, appliances, furniture, furnishings, machinery, inventory, supplies and maintenance and repair equipment, and (ii) any additional projects Acquired pursuant to this Lease.

"Project Sites" shall mean those certain tracts of land situated in Utah County, Utah and more particularly described in *Exhibit A* attached hereto.

"Term of the Lease" or "term of this Lease" with respect to the possessory interest of the Lessee shall mean the Initial Term and any Renewal Terms as to which the Lessee exercises its option to renew the term of the Lease as provided in Section 3.01 hereof, subject to the provisions hereof concerning termination of certain of the Lessee's obligations hereunder.

"Trustee" shall mean Zions Bancorporation, National Association, of Salt Lake City, Utah, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee under the Indenture.

ARTICLE II

DEMISE

Section 2.01. Demise of the Leased Property. The Lessor does hereby rent, lease and demise to the Lessee, and the Lessee does hereby take, accept and lease from the Lessor, the Leased Property, subject to Permitted Encumbrances, on the terms and conditions and for the purposes herein set forth, together with all easements, rights and appurtenances in connection therewith or thereto belonging, to have and to hold for the term of the Lease.

ARTICLE III

TERM OF THE LEASE

Section 3.01. Commencement of the Term of the Lease. The initial term of this Lease shall commence as of October 1, 2025, and shall expire at midnight on June 30, 2026 (the "Initial Term"), subject to the Lessee's option to extend the term of this Lease for additional and consecutive one-year renewal terms commencing July 1, 2026, and a final renewal term commencing July 1, _____, and ending March 15, _____ (herein referred to individually as the "Renewal Term" and collectively as the "Renewal Terms"), and subject to Section 3.02 hereof. The terms and conditions of this Lease during any Renewal Term shall be the same as the terms and conditions during the Initial Term, except that the Base Rentals will be as specified in *Schedule I* attached hereto, respectively, for each such Renewal Term, as such *Schedule* may be revised as provided in Section 608 of the Indenture. Each option shall be exercised by the adoption by the governing body of the Lessee, on or prior to June 30 of each year, of a final budget in accordance with applicable law which appropriates, specifically with respect to the Lease, moneys sufficient (after taking into account any moneys legally available for such purpose which are then

on deposit in the Bond Fund) to pay the Base Rentals and reasonably estimated Additional Rentals (calculated as provided in Section 4.01(b) hereof) for the next succeeding Renewal Term as provided herein. The adoption of such final budget, after the holding of such public hearing and compliance with the procedures required by applicable law, shall constitute the specified notice within the meaning and for the purposes of Section 17D-2-402 of the Act and automatically extend the term of the Lease for the succeeding Renewal Term without any further action required by any officers or officials of the Lessee.

Within ten (10) days after the adoption of such final budget, the Lessee shall deliver written notice (which notice may be substantially in the form attached hereto as *Exhibit B*) to the Trustee stating that the Lessee has extended the term of this Lease for the succeeding Renewal Term, describing in reasonable detail the actions taken by the governing body of the Lessee (if such actions are then required to pay any Rentals hereunder or, if no such actions are then required, explaining the reasons therefor) to appropriate funds sufficient for the purpose of paying the Base Rentals and reasonably estimated Additional Rentals (calculated as provided in Section 4.01 hereof) to become due during such succeeding Renewal Term. Unless the Trustee shall have previously received the foregoing notice applicable to the next succeeding Renewal Term, the Trustee shall, on or prior to June 10 of each year, make written inquiry of the Lessee as to whether the Lessee has extended the term of this Lease and whether the governing body of the Lessee shall have made the appropriation necessary to pay the Base Rentals and reasonably estimated Additional Rentals to become due during such succeeding Renewal Term.

The Lessee shall deliver written notice to the Trustee as soon as practicable, but in no event later than the expiration of the Initial Term or the then current Renewal Term, stating (if such is the case) that the governing body of the Lessee has failed or refused to appropriate, specifically with respect to the Lease, moneys sufficient to pay such Base Rentals and reasonably estimated Additional Rentals for the next succeeding Renewal Term and stating what actions the Lessee and its officials propose to take with respect to the Lease, the Leased Property and any budgetary procedures for any Rentals that may thereafter accrue. The option hereby granted may not be exercised at any time during which an Event of Default or an Event of Nonappropriation (except as otherwise provided in Section 4.09 hereof) has occurred and is then continuing under any of the terms of this Lease; *provided, however*, that if the Event of Default complained of (money payments excepted) is of such nature that the same is curable but not within the period allowed for curing such Event of Default, then the right of the Lessee to exercise the option hereby granted shall not be suspended if the Lessee shall have promptly commenced within such period to comply with the provisions hereof which shall have been breached by it and if and so long as the Lessee shall, with diligence and continuity, proceed to cure such Event of Default within a period not exceeding ninety (90) days from the date on which the event occurred that gave rise to such Event of Default.

In the event the governing body of the Lessee is precluded, pursuant to the provisions of Section 59-2-923, Utah Code Annotated 1953, as amended, from adopting a final budget on or prior to June 22 of any year, the Trustee may waive an Event of Non-Appropriation occurring as a result of the failure to so adopt a final budget, provided that the Trustee receives assurances satisfactory to the Trustee that the final budget will be adopted on the earliest date allowable under applicable law and will include the appropriation to pay Rentals described in the preceding

paragraph, and provided further that any Rentals which become due and payable pursuant to the terms of this Lease prior to the adoption of such final budget shall be paid by the Lessee in accordance with the tentative budget adopted by the governing body of the Lessee, as authorized pursuant to Section 59-2-923, Utah Code Annotated 1953, as amended.

Section 3.02. Expiration or Termination of the Term of the Lease. The term of the Lease will expire or terminate, as appropriate, as to the Lessee's right of possession of the Leased Property as described in Section 3.03 hereof upon the first to occur of any of the following events: (a) the expiration of the Initial Term or any Renewal Term during which there occurs an Event of Nonappropriation (which is not thereafter waived by the Trustee as herein provided); (b) an Event of Default and a termination of the term of the Lease as to the possessory interest of the Lessee by the Trustee as herein provided; (c) discharge of the Indenture as therein provided; or (d) March 16, 2042, which date constitutes the day following the last Bond Principal Payment Date of the final Renewal Term of the Lease, or such later date as all Rentals required hereunder and the Bonds shall be paid; *provided, however*, that nothing herein shall be construed to extend the term of the Lease beyond the estimated useful life of the Leased Property as certified pursuant to Section 17D-2-302 of the Act prior to the issuance of the Series 2025 Bonds.

Section 3.03. Effect on the Lessee of Expiration or Termination of the Term of the Lease. The expiration or termination of the term of the Lease as to the Lessee's right of possession and use of the Leased Property pursuant to Section 3.02 hereof shall terminate all obligations of the Lessee hereunder (except to the extent that the Lessee incurred any obligation to pay Rentals from moneys theretofore appropriated and available for such purpose) and shall terminate the Lessee's rights of use, occupancy and operation of the Leased Property; *provided, however*, that all other terms of this Lease and the Indenture, including all obligations of the Trustee with respect to the owners of the Bonds and the receipt and disbursement of funds, shall be continuing until the lien of the Indenture is discharged or foreclosed, as provided in the Indenture, except that all obligations of the Lessee to pay any amounts to the Bondowners and the Trustee hereunder shall thereafter be satisfied only as provided in the Indenture. The termination or expiration of the term of the Lease as to the Lessee's right of possession and use pursuant to Section 3.02 hereof, of itself, shall not discharge the lien of the Indenture.

ARTICLE IV

RENTALS PAYABLE

Section 4.01. Rentals Payable. The Lessee shall pay the Base Rentals and the Additional Rentals (but shall not be entitled to prepay or cause to be prepaid any such Base Rentals or Additional Rentals, except as otherwise expressly provided in Sections 4.01(c), 4.01(d) and 10.01(c) hereof, in which event such moneys shall be applied to the redemption of the Series 2025 Bonds in accordance with Article VI of the Indenture in the amounts, at the times and in the manner set forth therein (provided that the Lessee's liability to pay any Rental hereunder shall only come from and after the Base Rental Payment Commencement Date, except as hereinafter provided with respect to the use of proceeds of the Bonds), said amounts constituting in the aggregate the total of the annual Rentals payable under this Lease, as follows:

(a) *Base Rentals.* The Lessee agrees, subject to the availability of appropriations of funds to it therefor and other moneys legally available for the purpose and subject to the limitations of Section 4.04 hereof, to pay to the Trustee for the account of the Lessor as provided in Section 4.06 hereof in arrears during each Renewal Term (i) base rental representing a principal component on the respective March 1 of each year as indicated in the Schedule of Base Rental Payments under the column entitled “*Principal Component*” attached hereto as *Schedule I* commencing after the Base Rental Payment commencement Date and (ii) base rental representing an interest component payable in the respective installments and on the respective March 1 and September 1 of each year, commencing March 1, 2026 as indicated in the Schedule of Base Rental Payments under the column entitled “*Interest Component*” attached hereto as *Schedule I*. During the remainder of the term of the Lease, said Base Rentals shall be paid as provided in this Section for the use, occupancy and operation of the Leased Property during each of the succeeding Renewal Terms as to which the Lessee has exercised its option to extend the term of the Lease pursuant to Section 3.01 hereof. In the event that less than all of the Leased Property is initially made available for use, occupancy and operation and the Lessee accepts such portion of the Leased Property for its use, occupancy and operation pending final completion of the remainder of the Leased Property, any Base Rentals paid by the Lessee shall be prorated in a manner so as to reflect the fair rental value of that portion of the Leased Property then available for use, occupancy and operation by the Lessee and so used, occupied and operated. The Lessee understands that the Base Rental Payment Schedule attached hereto as *Schedule I* may be revised from time to time based on the redemption of Bonds or the issuance of any Additional Bonds allowed under Section 213 of the Indenture.

(b) *Additional Rentals.* In addition to the Base Rentals hereinabove set forth, and as part of the total Rentals during each Renewal Term during the term of the Lease, the Lessee shall pay on a timely basis, but only from legally available funds appropriated for such purposes or otherwise legally available therefor (provided that the Lessee shall not be obligated to seek out such additional sources), to the parties entitled thereto an amount or amounts (the “*Additional Rentals*”) for the Renewal Term to which the following items apply or relate, equivalent to the sum of the following:

- (i) the annual fee of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture and any Tax Certificate;
- (ii) the reasonable fees and charges of the Trustee, any paying agent and any registrar appointed under the Indenture with respect to the Bonds for acting as trustee, paying agent and registrar as provided in the Indenture, including but not limited to those payable pursuant to Section 1004 of the Indenture, and any amount payable as indemnification pursuant to the last paragraph of Section 1004 of the Indenture;
- (iii) the reasonable fees and charges of the Trustee for extraordinary services rendered by it and extraordinary expenses incurred by it as Trustee under the Indenture;
- (iv) the reasonable fees and out-of-pocket expenses of the Lessor relating to the Leased Property not otherwise required to be paid by the Lessee under the terms of this Leases;

(v) the costs of maintenance, operation and repair with respect to the Leased Property and utility charges as required under Article VI hereof and any costs to repair, rebuild or replace the Leased Property as required in Section 10.01 hereof;

(vi) the costs of casualty, public liability, property damage and workers’ compensation insurance as required under Article VII hereof and the costs related to any self-insurance carried or required to be carried by the Lessee as provided in Section 7.01(c) hereof;

(vii) the costs of taxes and governmental charges and assessments as required under Article VIII hereof;

(viii) an amount equal to any franchise, succession, capital levy or transfer tax, or any income, excess profits or revenue tax, or any other tax, assessment, charge or levy (however denominated), if any shall ever become due, levied, assessed or imposed by the State of Utah or any political subdivision thereof upon the Base Rentals payable hereunder or upon the Leased Property or any of the Revenues;

(ix) any amount of interest required to be paid on any of the foregoing items as a result of the Lessee’s failure to pay any such items when due, as required by Section 4.06 hereof, or any amount of interest required to be paid pursuant to Section 4.10 hereof; and

(x) any additional payment required to be made pursuant to any Tax Certificate.

Prior to April 1 of each year during the term of the Lease, the Trustee will, in accordance with Section 1013(c) of the Indenture, provide a statement to the Lessee of the amount of the estimated Additional Rentals required pursuant to Section 4.01(b)(i), (ii) and (iii) hereof that are expected to become due during the next succeeding Renewal Term if the governing body of the Lessee elects to extend the term of the Lease for such Renewal Term as provided herein.

(c) *Deposit into the Bond Fund.* The Lessee hereby agrees to deposit into the Bond Fund any amounts required to be deposited therein pursuant to Section 403 of the Indenture, subject to the terms and provisions of said Section 403.

(d) *Prepayment of Base Rentals and Partial Redemption of Series 2025 Bonds.* There is hereby expressly reserved to the Lessee the right, and the Lessee is hereby authorized, to prepay Base Rentals in addition to the Base Rentals otherwise payable hereunder solely for the purpose of redeeming the Series 2025 Bonds pursuant to Article VI of the Indenture. Such additional Base Rentals shall be deposited into the Redemption Fund and applied to the redemption of the Series 2025 Bonds in part in the manner and to the extent provided in Article VI of the Indenture.

(e) *Notice of Nonpayment of Base Rentals.* The Trustee has agreed in Section 406(a) of the Indenture to notify the Lessee as soon as practicable, but in no event later than five (5) days after the applicable Base Rental Payment Date, in the event any Base Rentals or portion thereof are not paid when due on the applicable Base Rental Payment Date.

Section 4.02. Consideration. The payments of Base Rentals and Additional Rentals hereunder for each Renewal Term during the term of the Lease shall constitute the total Rentals which are payable for said Renewal Term and shall be paid by the Lessee for and in consideration of the right of use, occupancy and operation of the Leased Property and the continued quiet use and enjoyment of the Leased Property for and during said Renewal Term. The parties hereto have agreed and determined that such total Rentals represent the fair rental value of the Leased Property. In making such determination, consideration has been given to the costs of financing the Acquisition of the Project, the uses and purposes which will be served by the Leased Property and the benefits therefrom which will accrue to the parties to the Lease and the general public by reason of the Leased Property. Base Rentals due on any March 1 will be in consideration of the right of use, occupancy and operation of the Leased Property by the Lessee from the immediately preceding January 1 through the immediately succeeding June 30, and Base Rentals due on any September 1 will be in consideration of the right of use, occupancy and operation of the Leased Property by the Lessee from the immediately preceding July 1 through the immediately succeeding December 31.

Section 4.03. Covenant to Request Appropriations. (a) During the term of the Lease, the Lessee covenants and agrees (i) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of the Lessee in accordance with applicable law an item for expenditure of an amount necessary (after taking into account any moneys then legally available for such purpose which are then on deposit in the Bond Fund to pay the Base Rentals and reasonably estimated Additional Rentals (calculated as provided in Section 4.01(b) hereof) for the Leased Property during the next succeeding Renewal Term, and (ii) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of the Lessee for its consideration seeks an appropriation of moneys sufficient to pay such Base Rentals and Additional Rentals for each such Renewal Term. The first such inclusion in the Lessee's annual tentative budget shall be made under applicable law with respect to the tentative budget applicable to the Fiscal Year in which the Lessee expects the Base Rental Payment Commencement Date to occur so that the Base Rentals payable on such Base Rental Payment Commencement Date and during the Renewal Term in which such Date occurs and the reasonably estimated Additional Rentals payable during such Renewal Term will have been appropriated for such purpose, and subsequent inclusions in each respective tentative budget for appropriations by the Lessee shall be made in each Fiscal Year thereafter so that the Base Rentals to be paid during the Renewal Term during such Fiscal Year and Additional Rentals payable during such Renewal Term will be available for such purposes as long as the governing body of the Lessee determines to approve such amount in the final budget as adopted.

(b) To effect the covenants set forth in Section 4.03(a) hereof, the Lessee hereby directs the Superintendent of the District or any other officer at the time charged with the responsibility of formulating budget proposals, to include in the tentative budget prepared annually by such budget officer or other officer and submitted to the governing body of the Lessee, in any year in which the Lease is in effect, items for all payments required for the ensuing Renewal Term under the Lease. It is hereby expressed as the intention of the Lessee that the decision to renew or not to renew the term of the Lease is to be made solely by the governing body of the Lessee at the time it considers for adoption the final budget for each of its Fiscal Years and corresponding Renewal Terms under the Lease, and not by any official of the Lessee, acting in his or her individual capacity

as such. In this connection, the Lessee hereby covenants and agrees that such budget officer or other officer shall not amend, modify or otherwise change the appropriations made in any finally adopted budget for the payment of any Rentals without the express prior approval of the governing body of the Lessee.

Section 4.04. Limitations on Liability. (a) Nothing herein shall be construed to require the governing body of the Lessee to appropriate any money to pay any Rentals hereunder. If the Lessee fails to pay any portion of the Rentals which are due hereunder or an Event of Default hereunder or an Event of Nonappropriation occurs, the Lessee shall immediately (but in no event earlier than the expiration of the Initial Term or the then current Renewal Term for which the Lessee has paid or appropriated moneys sufficient to pay all Rentals due for such Renewal Term, in the case of an Event of Nonappropriation) quit and vacate the Leased Property in accordance with the schedule therefor provided by the Lessee to the Trustee in accordance with Section 4.09(b) hereof, and its obligation to pay any Rentals (except for Rentals theretofore appropriated and then available for such purpose) shall thereupon cease, it being understood between the parties that neither the State of Utah nor any political subdivision thereof, except the Lessee as provided herein, is obligated to pay any Rentals due to the Lessor hereunder. Should the Lessee fail to pay any portion of the required Rentals and then fail immediately to quit and vacate the Leased Property to the extent required, the Trustee in accordance with the Indenture may immediately bring legal action to evict the Lessee from the Facilities (but not for money damages except as hereinafter and in the Indenture provided) and commence proceedings to foreclose the lien of the Indenture pursuant to the Indenture. The Lessee hereby agrees to pay as damages for its failure immediately to quit and vacate the Leased Property upon termination of the Initial Term or the then current Renewal Term, as the case may be, of the Lease in violation of the terms hereof and Section 17D-2-405 of the Act an amount equal to the Base Rentals otherwise payable during such period prorated on a daily basis and any reasonable Additional Rentals attributable to such period on the basis of the services provided. No judgment may be entered against the State of Utah or any political subdivision of the State of Utah for failure to pay any Rentals hereunder, except to the extent that the Lessee has theretofore incurred liability to pay any such Rentals through its actual use, occupancy and operation of the Leased Property, or through its exercise of an option that renews the Lease for an additional Renewal Term for which moneys have been appropriated, or is otherwise obligated to pay such Rentals pursuant to Section 10.01(a) hereof.

(b) The Rentals constitute current expenses of the Lessee, and the Lessee's obligations hereunder are from year to year only and do not constitute a mandatory payment obligation of the Lessee in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision hereof shall be construed or interpreted as creating a general obligation or other indebtedness of the State of Utah or any political subdivision of the State of Utah within the meaning of any constitutional or statutory debt limitation. Neither the execution, delivery and performance of the Lease nor the issuance of the Bonds directly or indirectly obligates the Lessee to make any payments hereunder beyond those appropriated for the Lessee's then current Fiscal Year; *provided, however*, that nothing herein shall be construed to limit the rights of the Bondowners or the Trustee to receive any amounts which may be realized from the Trust Estate pursuant to the Indenture.

(c) No obligation assumed by or imposed upon the Lessor hereunder shall require the performance of any act by the Lessor except to the extent, if any, that the cost and expense of such

performance may be provided for from the proceeds of sale of the Bonds or paid by the Lessee hereunder as Additional Rental. Failure of the Lessor to perform any such act shall not entitle the Lessee to terminate the Lease.

Section 4.05. Base Rentals Assigned; Unconditional Obligation. It is understood and agreed that all Base Rentals payable under Section 4.01(a) hereof are assigned to the Trustee pursuant to the Indenture. The Lessee assents to such assignment. The Lessee hereby agrees that its obligation to pay the Base Rentals and Additional Rentals from legally available funds appropriated for such purpose (a) shall be absolute and unconditional, (b) except as expressly herein provided, shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the Lessor of any obligation to the Lessee, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Lessee by the Lessor and (c) shall not terminate or abate as a result of destruction of or damage to the Leased Property, condemnation of all or part of the Leased Property, defective title in or to any part of the Leased Property or failure of consideration. Notwithstanding any dispute between the Lessee and the Lessor hereunder, the Lessee shall pay all Base Rentals when due and shall not withhold payment of any Base Rentals pending the final resolution of such dispute. In the event of a determination that the Lessee was not liable for payment of such Base Rentals or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent payments of Base Rentals due hereunder or, at the direction of the Lessee, delivered to the Lessee.

Section 4.06. Payment. Each Base Rental payment shall be paid in lawful money of the United States of America, in funds which shall be immediately available on the Base Rental Payment Date on which they are due. Each Base Rental payment shall be paid at the principal corporate trust office of the Trustee in Salt Lake City, Utah, or at such other place or places as may be set forth in the Indenture. Each Additional Rental payment shall be paid in lawful money of the United States of America at the appropriate office as designated by the respective payees entitled to receive such Additional Rental. Each Base Rental payment and each Additional Rental payment which is not paid when due shall bear interest at the lesser of the rate of ten percent (10%) per annum or the maximum rate permitted by law from the date on which the Base Rental payment or Additional Rental payment, as the case may be, becomes due until the same is paid.

Section 4.07. Credit on Base Rentals. (a) There shall be credited against Base Rentals (i) any amount held in the Bond Fund on each Base Rental Payment Date next preceding each respective Bond Interest Payment Date, including the portion of the proceeds of sale of the Bonds which is deposited in the Bond Fund as accrued interest and earnings derived from the investment of funds held in the Bond Fund available for such purpose; (ii) on the Base Rental Payment Date next preceding the Bond Principal Payment Date on which the final maturity of principal of the Bonds is to be paid, any amount to be transferred into the Bond Fund in accordance with Section 413(b) of the Indenture; and (iii) any amount to be so credited as provided in Section 4.05 hereof.

(b) If at any time the aggregate moneys available under the Indenture for payment of the principal of, and premium, if any, and interest on, the Bonds and all other expenses to be paid by the Lessee as Additional Rentals under the Indenture shall be sufficient to pay in accordance with the provisions of the Indenture all of the Bonds at the time outstanding and to pay all such expenses

(including the fees and charges of the Trustee and any paying agent and registrar and the expenses of the Lessor due or to become due through the date on which the last of the Bonds is to be paid or redeemed), and to pay any other monetary obligations of the Lessee hereunder, and if the Lessee is not at the time otherwise in default on any obligation hereunder, the Lessee shall be entitled to use, occupy and operate the Leased Property from the date on which such aggregate moneys are deposited with the Trustee during the remainder of the term of this Lease without further payment of any Rentals during that interval (but otherwise on the terms and conditions hereof), and any moneys in the funds and accounts created by the Indenture which are in excess of the amounts required to pay the Bonds in accordance with the provisions of the Indenture and to pay all costs, fees, charges and expenses shall be refunded to the Lessee upon payment (or provision for payment) in full of the Bonds as provided in the Indenture, except as otherwise required by the Indenture or any Tax Certificate. If Bonds are to be paid prior to maturity, this Section 4.07(b) is subject to the condition that said Bonds shall have been properly called for redemption under the Indenture and the required notice of redemption shall have been given or provision for the giving of such notice shall have been made to the satisfaction of the Trustee, and the necessary moneys or Government Obligations or United States Obligations (as each such term is defined in Article VII of the Indenture) properly deposited, all as required by the Indenture.

Section 4.08. Application of Base Rentals. All Base Rentals shall be paid to the Trustee for application in accordance with the Indenture.

Section 4.09. Nonappropriation. (a) In the event that sufficient funds (i) are not appropriated by the governing body of the Lessee prior to the beginning of any Renewal Term for the payment of the Base Rentals on the Base Rental Payment Dates and reasonably estimated Additional Rentals (determined as provided in Section 1013(c) of the Indenture) payable during such Renewal Term, or (ii) are otherwise not legally available for such purpose (other than amounts on deposit in funds held under the Indenture), then an Event of Nonappropriation shall be deemed to have occurred; *provided, however*, that (x) the Trustee shall declare an Event of Nonappropriation on any earlier date on which the Trustee receives an Officer's Certificate from an Authorized Lessee Representative to the effect that the governing body of the Lessee has determined by official action not to renew the term of the Lease for the next succeeding Renewal Term and (y) absent receipt of such Officer's Certificate and if an Event of Nonappropriation has otherwise occurred as provided above in this Section 4.09, the Trustee shall give written notice to the Lessee of any Event of Nonappropriation on or before June 10 next succeeding the expiration of the term of the Lease or such later date as the Trustee determines to be in the best interest of the Bondowners, but any failure of the Trustee to give such written notice to the Lessee will not prevent the Trustee from declaring an Event of Nonappropriation or from taking any remedial action that would otherwise be available to the Trustee hereunder or under the Indenture. An Event of Nonappropriation shall also be deemed to have occurred (subject to waiver by the Trustee as hereinafter described) if, during the Initial Term or any Renewal Term, any Additional Rentals shall become due which were not included in the Lessee's final budget adopted by the governing body of the Lessee, or which exceed the amount included in such budget, and funds are not legally available (including funds legally available for such purpose under the Indenture) to the Lessee to pay such Additional Rentals by the earlier of June 30 of the then current Renewal Term or ninety (90) days after the date on which such Additional Rentals are due. The Trustee may waive any Event of Nonappropriation which is cured by the Lessee within a reasonable time if, in the

Trustee's judgment, such waiver is in the best interests of the owners of the Bonds; *provided, however*, that after June 30 of each year during the term of the Lease the Trustee shall not waive any Event of Nonappropriation which results from sufficient funds not being appropriated by the governing body of the Lessee for the payment of the Base Rentals that would be payable during the next succeeding Renewal Term unless the Trustee has reason to believe that appropriate officials of the Lessee are diligently pursuing appropriations by the governing body of the Lessee to pay such Base Rentals on a timely basis and that a delay in declaring an Event of Nonappropriation, under the circumstances, is in the best interests of the owners of the Bonds. If an Event of Nonappropriation shall occur, the Lessee shall not be obligated to make payment of the Base Rentals or Additional Rentals provided for herein beyond the last day of the Renewal Term during which such Event of Nonappropriation occurs, except for the Lessee's obligation to pay Rentals which are payable prior to the termination of the Lease; *provided, however*, that the Lessee shall continue to be liable for the amounts payable pursuant to Section 4.04(a) hereof during such time when the Lessee continues to use, occupy and operate the Leased Property. The Trustee shall, upon the occurrence of an Event of Nonappropriation, have all rights and remedies to take possession of the Leased Property as trustee for the benefit of the owners of the Bonds and shall be further entitled to all moneys then on hand in all funds and accounts created under the Indenture. All property, funds and rights acquired by the Trustee upon the termination of this Lease as to the Lessee's possessory interests hereunder by reason of an Event of Nonappropriation as provided herein shall be held by the Trustee under the Indenture for the benefit of the owners of the Bonds as set forth in the Indenture until the principal of, and premium (if any) and interest on, the Bonds are paid in full and any excess (subject to the requirements of any Tax Certificate) shall thereafter be paid to the Lessee as provided in Section 4.11 of the Indenture.

(b) The parties hereto agree that, upon the occurrence of an Event of Nonappropriation (which is not waived) or an Event of Default (which is not waived), the Lessee shall have all responsibility for vacating the Leased Property and shall vacate the Leased Property immediately following such occurrence. Within ten (10) days after the occurrence of an Event of Nonappropriation or an Event of Default, the Lessee shall provide the Trustee with a timetable for vacating the Leased Property, which timetable shall provide that the Lessee complete vacating the Leased Property no later than June 30 of the then current Renewal Term.

Section 4.10. Advances by the Trustee. If the Lessee fails to pay any Additional Rentals required by this Lease, the Trustee may (but shall be under no obligation to) pay such Additional Rentals, which Additional Rentals, together with interest thereon at the lesser of the rate of ten percent (10%) per annum or the maximum rate permitted by law, are to be reimbursed to the Trustee by the Lessee upon demand therefor, subject to the availability of sufficient legally available funds for such purpose.

Section 4.11. Lease Not to Constitute "True" Lease. It is the intention of the parties hereto that this Lease not constitute a "true" lease for federal income tax purposes and, therefore, it is the intention of the parties hereto that the Lessee be considered the owner of the Leased Property for federal income tax purposes, but not for Utah law purposes relating to title and other matters as herein provided.

ARTICLE V

ACQUISITION AND FINANCING OF THE FACILITIES

Section 5.01. Acquisition of the Project. (a) The Lessor shall Acquire or cause to be Acquired the Facilities, all in accordance with the applicable Project Documents. For this purpose, the Lessor has entered into (i) the Ground Lease with the Lessee, and (ii) the Agency Agreement with the Lessee, as the Lessor's agent. A Project Contract or Project Contracts for the Project either has been or shall be awarded to a contractor or contractors licensed under the laws of the State of Utah, and such Project Contract or Project Contracts shall be awarded after such public bidding and following such procedures as the Lessee (in its capacity as the Lessor's agent pursuant to the Agency Agreement) has determined to be in the best interests of the Lessee for the Project on a timely and cost effective basis; *provided, however*, that nothing herein shall be construed to impose a public bidding requirement on letting any such Project Contract or Contracts in reliance on Section 17D-2-108(2) of the Act. The Lessor or its agent for this purpose shall require the contractor or contractors who are or have been awarded the Project Contract or Contracts to provide a faithful performance bond and a labor and material payment bond satisfactory to the Lessor or such agent conditioned upon final completion of the Project as expeditiously as reasonably possible from the date of execution of this Lease and also conditioned upon delivery of possession of the Leased Property to the Lessee free and clear of all liens and encumbrances, except taxes, liens and encumbrances on the Lessor's interest in the Leased Property, and easements and restrictions in the record title accepted by the Lessee. Any proceeds from any such bond shall be transferred to the Trustee for deposit as provided in Section 5.05(f) hereof. Such bonds shall be made payable to the Trustee, shall be executed by a corporate surety licensed to transact business in the State of Utah and acceptable to the Lessee, and shall be in an amount equal to the contract price for such contractor's or subcontractor's Project Contract. If, at any time during Acquisition of the Project, the surety on such bond or bonds shall be disqualified from doing business within the State of Utah, or shall otherwise become incapable (in the judgment of the Trustee or the Lessee) of performing its obligations under such bond, an alternate surety acceptable to the Lessee shall be selected. In the event of any change order in accordance with Section 5.04 hereof resulting in the performance of additional work in connection with the Project, the amounts of such bonds pertaining thereto shall be increased to include the cost of such additional work or materials or fixtures to be incorporated in the Leased Property. If any payments on a contract with a private contractor to do work on the Leased Property is retained or withheld, such payments shall be placed in an interest bearing account and the interest thereon shall accrue for the benefit of such contractor and subcontractors to be paid after the Project are completed and the Leased Property is accepted by the Lessee; *provided, however*, that neither the Lessor nor its agent for this purpose, the Lessee, shall have any responsibility to distribute the interest on such retainage to the subcontractors, it being solely the responsibility of the contractor to ensure that any interest accrued on such retainage is distributed by the contractor to the subcontractors on a pro rata basis. Any Project Contracts hereafter entered into by the Lessee with respect to the Project shall comply with the provisions of this Section 5.01(a), but notwithstanding anything herein to the contrary any Project Contracts heretofore entered into by the Lessee with respect to the Project shall not be required to be modified to comply with the provisions of this Section 5.01(a).

(b) The Lessor shall comply with the wage rate requirements and labor standards set forth in the Davis Bacon Act, Subchapter IV of Chapter 31 of Title 40, United States Code to the extent required by the American Recovery and Reinvestment Act of 2009.

(c) In the event that the Acquisition of the Facilities is not completed, as evidenced by delivery of the Completion Certificate pursuant to Section 409 of the Indenture on or prior to March 1, 2025, the Trustee shall, upon 30 days' written notice to the Lessee, be authorized, but not required, to complete the Acquisition of the Facilities from any moneys then remaining in the School Construction Fund.

(d) If an Event of Nonappropriation or an Event of Default shall occur prior to the delivery of the Completion Certificate pursuant to Section 409 of the Indenture, the moneys remaining in the Construction Fund may be utilized by the Trustee to complete the Acquisition of the Project or, upon termination of the term of the Lease as to the possessory interest of the Lessee, may be disbursed as provided in the Indenture.

(e) The Lessee hereby covenants, to the extent permitted by applicable law, to use other legally available funds and to seek additional legally available funds to the extent necessary to complete the Acquisition of the Project as herein required, or to make certain design changes in the Project (so long as such changes do not cause the Leased Property to be used for purposes other than lawful governmental purposes of the Lessee) to the extent necessary to complete the Acquisition of the Project with moneys then available for such purposes in the School Construction Fund.

(f) The Lessee shall make all Project Contracts and do all things necessary for the Acquisition of the Project and shall use its best efforts to cause the Acquisition of the Project to be completed by March 1, 2025, subject to Section 408(d) of the Indenture; but if for any reason the Acquisition of the Project is not completed by said date, there shall be no resulting liability on the part of the Lessee and no diminution in the Rentals provided by Section 4.01 hereof to be paid by the Lessee.

(g) The Lessee hereby agrees that in order to effectuate the purposes of this Lease it will make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be requisite or proper, all for completing the Acquisition of the Project as herein provided.

Section 5.02. Compliance with State Handicap Code. Within the meaning of Title 26, Chapter 29, Utah Code Annotated 1953, as amended, the Facilities will be Acquired in compliance with the current edition of planning and design criteria promulgated by the State Building Board so as to be accessible to, and functional for, the physically handicapped.

Section 5.03. Reimbursements to Lessee. The Lessee may be reimbursed from the School Construction Fund for Costs of Acquisition incurred or payments made by advances or otherwise by the Lessee, but only by complying with the disbursement procedures set forth in the Indenture.

Section 5.04. Change Orders. Changes in the work on the Facilities during Acquisition may be ordered in accordance with a procedure to be established by the Lessee in its capacity as agent pursuant to the Agency Agreement; *provided, however*, that unless sufficient additional funds are deposited by the Lessee into a designated account in the School Construction Fund (a) the cost of the Facilities shall not exceed that which is established at the time when the Series 2025 Bonds are initially issued by the Lessor, and (b) the cost of change orders shall not exceed the amount then available therefor in the School Construction Fund, provided that the Acquisition of the Facilities is then on budget with the amount initially determined as needed to complete the Acquisition of the Facilities. Any moneys remaining in the School Construction Fund after completion of the Acquisition of the Project shall be applied by the Trustee as provided in Section 409 of the Indenture.

Section 5.05. Required Provisions of Project Contracts; Right to Inspect Project Documents. (a) Each Project Contract executed in connection with the Acquisition of the Project must provide that, upon an Event of Nonappropriation or an Event of Default, or upon the termination of the authority of the Lessee to complete the Acquisition of the Project pursuant to the Lease or the Agency Agreement, the Project Contract will be fully and freely assignable to the Trustee without the consent of any other person; and that, if the Project Contract is assumed by the Trustee, the Contractor will perform the agreements contained in the Project Contract for the benefit of the Trustee. Each Project Contract must also provide that, upon an Event of Nonappropriation, an Event of Default or damage to, or destruction or condemnation of, the Leased Property as described in Section 10.01 hereof, the Trustee may terminate such Project Contract, and the contractor shall then be entitled to payment only from amounts available therefor in the School Construction Fund and only for work done prior to such termination.

(b) The Lessee shall have and keep on file and available for inspection by the Lessor and the Trustee copies of the Project Documents (except Project Documents which are in the possession of the Trustee), throughout the term of the Lease, or as soon after the commencement of the term of the Lease as such Project Documents shall become available to the Lessee. Neither the Project Documents nor any changes or amendments thereto shall (i) cause the Leased Property to be used for any purpose prohibited by the Lease or by the Constitution and laws of the State of Utah, including but not limited to the Act; (ii) result in a material reduction in the fair rental value of the Leased Property as contemplated by Section 4.02 hereof; or (iii) adversely affect the legal or financial ability of the Lessee to meet its obligations hereunder.

(c) Each Contractor entering into a Project Contract shall procure and maintain standard form comprehensive general public liability and property damage insurance, at its own cost and expense, during the duration of such Contractor's Project Contract, in the amount of not less than \$1,000,000 combined single limit per occurrence.

(d) Unless the Lessee shall otherwise agree in a Project Contract to carry the builder's risk insurance hereinafter described, each general contractor retained in connection with the Acquisition of the Project shall procure and maintain, at its own cost and expense, during the term of its Project Contract and until the Leased Property is accepted and insured by the Lessee, standard, all risk of loss builder's risk completed value insurance upon the Leased Property Acquired or to be Acquired, in whole or in part, by such contractor or its subcontractors. The

policy shall not provide any deductible amounts. Such insurance coverage shall in the aggregate be in an amount at least equal to the original principal amount of the Series 2025 Bonds. In the event of any change order resulting in the performance of additional work in connection with the Acquisition of the Project, the amount of such insurance shall be increased to include the cost of such additional work.

(e) Each Contractor and subcontractor for the Project shall procure and maintain workers' compensation insurance as required by applicable law.

(f) The Net Proceeds of any performance or payment bond or builders' risk insurance policy required hereunder is to be paid into an appropriately designated account in the School Construction Fund if received before the Completion Date, or if received thereafter shall be paid into the Insurance Fund to be applied as provided in Section 413 of the Indenture to the prompt repair or restoration of the Leased Property or for deposit into the Bond Fund as determined in accordance with Section 10.01 hereof.

(g) Each Project Contract shall contain provisions regarding liquidated damages and construction retainage acceptable to the Lessee. The Net Proceeds from any such liquidated damages provision shall be deposited into the Bond Fund.

(h) Any Project Contracts hereafter entered into by the Lessee with respect to the Project shall comply with the provisions of this Section 5.05, but notwithstanding anything herein to the contrary any Project Contracts heretofore entered into by the Lessee with respect to the School Project shall not be required to be modified to comply with the provisions of this Section 5.05; *provided, however*, that any insurance policy obtained or renewed by the Lessor or by any general contractor entering into a Project Contract with the Lessor, subsequent to the date hereof, shall comply with the provisions of this Section 5.05.

Section 5.06. Remedies Against Contractors. The Lessee shall proceed promptly, either separately or in conjunction with others, to pursue diligently its remedies against any Contractor or subcontractor which is in default under any of the Project Contracts and/or against each surety on any bond securing the performance of such Project Contract. The Net Proceeds recovered by way of the foregoing, after reimbursement to the Lessee for any unreimbursed expenditure of the Lessee for correcting or remedying such default, will be paid into an appropriately designated account in the School Construction Fund if received before the Completion Date or, if received thereafter, into the Insurance Fund to be applied as provided in Section 413 of the Indenture.

Section 5.07. Financing the Acquisition of the Project. (a) For the purpose of paying the Costs of Acquisition with respect to the Project, and paying the Costs of Issuance, the Lessor shall cause the Series 2025 Bonds to be issued pursuant to the Indenture and shall cause the proceeds from the sale thereof to be deposited with the Trustee as follows and applied as provided in the Indenture to the School Construction Fund, the balance of the proceeds to be received from the sale of the Series 2025 Bonds.

(b) The Lessor may from time to time authorize the issuance of Additional Bonds in any amount upon the terms and conditions provided in Section 214 of the Indenture. Additional

Bonds shall be issued to provide funds to pay one or more of the following: (i) the costs of completing Acquisition of the Project; (ii) the costs of making such additions, improvements, extensions, alterations, relocations, enlargements, expansions, modifications or changes (hereinafter in this paragraph collectively called the "*improvements*") in, on or to the Leased Property as the Lessee may deem necessary or desirable or reduce the fair rental value of the Leased Property and including any repairing, restoring, modifying, improving or replacing pursuant to Section 10.01 hereof to the extent that such costs exceed the insurance or condemnation proceeds out of which such costs are to be paid pursuant to Section 10.01 hereof; (iii) the costs of acquiring, constructing, improving or extending any additional sites, buildings and equipment, or any combination thereof, for the use and benefit of the Lessee, but only to the extent that (I) such additional sites, buildings and equipment, or any combination thereof, constitute a "project" within the meaning of the Act and (II) this Lease is amended as herein provided to include such sites, buildings and equipment as Leased Property hereunder; (iv) to refund a Series of Bonds; (v) the costs of the issuance and sale of the Additional Bonds; (vi) interest during the estimated period of acquisition and construction and for a period of up to twelve (12) months thereafter and (vii) any combination of such purposes. Any such improvements shall become a part of the Leased Property and shall be included under this Lease to the same extent as if originally included hereunder.

(c) If the Lessee is not in default hereunder, the Lessor (in its capacity as Lessor under the Indenture) will, on request of the Lessee, from time to time, use its best efforts to issue the amount of Additional Bonds specified by the Lessee; provided that the terms of such Additional Bonds, the purchase price to be paid therefor and the manner in which the proceeds therefrom are to be disbursed shall have been approved in writing by the governing body of the Lessee prior to the issuance thereof; and provided further that the Lessee and the Lessor shall have entered into an amendment to this Lease to provide for additional Base Rental in an amount at least sufficient to pay principal of and interest on the Additional Bonds when due and the Lessor shall have otherwise complied with the provisions of Section 213 of the Indenture with respect to the issuance of such Additional Bonds.

Section 5.08. Disbursements from the School Construction Fund; Establishment of Completion Date. (a) The Lessor has, in the Indenture, authorized and directed the Trustee to make payments from the School Construction Fund to pay the Costs of Acquisition or to reimburse the Lessee for any Costs of Acquisition paid by the Lessee; *provided, however*, that any such disbursement shall only be made after satisfaction of the conditions for any such disbursement as provided in the Indenture, including the delivery of written requisitions in accordance with Section 408(b) of the Indenture. The Lessee hereby agrees to deliver such written requisitions to the Trustee as may be necessary to effect disbursements from the School Construction Fund in accordance herewith and with the Indenture.

(b) The Lessee hereby agrees to deliver to the Trustee upon acceptance of the Leased Property the Completion Certificate (together with the Certificates of Substantial Completion to be attached thereto) required by Section 409 of the Indenture. The Lessee shall be entitled to direct the Trustee as to the disposition of certain moneys remaining in the School Construction Fund on the date of delivery of the Completion Certificate for the purposes as provided in Section 409 of the Indenture.

(c) In approving any written requisition delivered in accordance with Section 408(b) of the Indenture, the Trustee may rely as to the completeness and accuracy of all statements in any and all such written requisitions, and the Lessee hereby covenants and agrees to indemnify and save harmless the Trustee from any liability incurred in connection with any written requisition so approved, but only from moneys duly appropriated and legally available for such purpose.

Section 5.09. Investment of Bond Fund, Insurance Fund and School Construction Fund. Any moneys held as a part of the Bond Fund, the Insurance Fund, the Redemption Fund, the School Construction Fund or any other fund or account created pursuant to the Indenture shall be invested or reinvested by the Trustee from time to time, but only at the request of and as directed by an Authorized Lessee Representative or otherwise, in accordance with the provisions of Article V of the Indenture; *provided, however*, that no investment shall be made of any funds which would violate the covenant set forth in any Tax Certificate.

ARTICLE VI

MAINTENANCE AND OPERATION

Section 6.01. Maintenance and Operation. (a) The Lessee shall, at its own expense, maintain, manage and operate the Leased Property and all improvements thereon in good order, condition and repair, ordinary wear and tear excepted. The Lessee shall provide or cause to be provided all security service, custodial service, janitor service, power, gas, telephone, light, heating and water, and all other public utility services.

(b) It is understood and agreed that in consideration of the payment by the Lessee of the Rentals herein provided for, the Lessor is only obligated to provide the Leased Property in the manner, at the times and to the extent herein provided, and neither the Lessor, the Trustee nor any owner of any Bond shall have any obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of the Leased Property during the term of the Lease. The Lessee shall keep the Leased Property and any and all improvements thereto free and clear of all liens, charges and encumbrances, except those caused or consented to by the Trustee and Permitted Encumbrances.

Section 6.02. Care of the Leased Property. (a) The Lessee shall take good care of the Leased Property, fixtures and appurtenances, and suffer no waste or injury thereto, ordinary wear and tear excepted. The Lessee shall pay for all damage to the Leased Property, its fixtures and appurtenances due to any act or omission or cause whatsoever.

(b) The Lessee shall not place a load upon any floor of the Leased Property exceeding the floor load per square foot area which such floor was designed to carry and which may be allowed by law.

(c) There shall be no allowance to the Lessee for a diminution in or abatement of Rentals and no liability on the part of the Lessor by reason of inconvenience, annoyance or injury to government operations arising or resulting from the Lessor, the Lessee or others making repairs, alterations, additions or improvements in or to any portion of the Leased Property, or in or to

fixtures, appurtenances or equipment thereof, and no liability upon the Lessor or allowance for a diminution in or abatement of Rentals for failure of the Lessor or others to make any repairs, alterations, additions or improvements in or to any portion of the Leased Property, or in or to the fixtures, appurtenances or equipment thereof. The foregoing shall not be construed to mean that the Lessor has any such obligations.

(d) The Lessor shall not be liable for, and there shall be no diminution in or abatement of Rentals for, any loss or damage to the Leased Property caused by vermin, rain, snow, liquids and semi-liquids or from storms that may leak into or flow from any part of the Leased Property through any defects in its roof, walls, windows, ceilings, plumbing or from any other source, or caused by any latent defect in the Leased Property or its equipment.

(e) The Lessee's taking possession of the Leased Property or any portion thereof shall be conclusive evidence against the Lessee that the Leased Property or such portion thereof was in good order and satisfactory condition when the Lessee took possession thereof and that all work to be done on the Facilities or such portion thereof pursuant to the terms hereof, if any, has been completed to the Lessee's satisfaction; *provided, however*, that the Lessee's taking possession as herein provided shall be without prejudice to any rights against third parties which exist at the date of taking such possession or which may subsequently come into being. No promise of the Lessor to alter, remove, improve or clean the Leased Property and no representation respecting the condition of the Leased Property have been made by the Lessor to the Lessee.

Section 6.03. Loss and Damage. All of the Lessee's personal property of any kind that may be on or about the Leased Property or placed in the custody of any of the Lessee's employees or agents shall be held at the sole risk of the Lessee, and neither the Lessor, the Trustee nor any Bondowner shall have any liability to the Lessee for any theft or loss thereof or damage thereto from any cause whatsoever.

ARTICLE VII

INSURANCE PROVISIONS

Section 7.01. Insurance. (a) The Lessee shall at all times maintain or cause to be maintained with responsible insurers all such insurance on the Leased Property (valued as defined below) which is customarily maintained with respect to properties of like character against accident to, loss of or damage to such properties. Notwithstanding the generality of the foregoing, the Lessee shall not be required to maintain or cause to be maintained any insurance which is not available from reputable insurers on the open market, except as required by Section 7.01(c) hereof, or more insurance than is specifically referred to below.

The Lessee shall during any period of Acquisition of the Project and thereafter so long as the Lessee has possession of the Leased Property:

(i) Keep or cause to be kept a policy or policies of insurance against loss or damage to the Leased Property resulting from fire, lightning, vandalism, malicious mischief, riot and civil commotion, and such perils ordinarily defined as "extended

coverage” and other perils as the Lessee may determine should be insured against on forms and in amounts satisfactory to each. Such insurance may be carried in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Lessee. Such extended coverage insurance shall, as nearly as practicable, also cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be maintained in an amount not less than the principal amount of the then outstanding Bonds or the full insurable value of the Leased Property (such value to include amounts spent for Acquisition of the Project and architectural, engineering, legal and administrative fees, inspection and supervision but excluding value attributable to the Project Sites), whichever amount is greater, subject to deductible conditions for any loss not to exceed \$200,000 for any one loss. The term “*full insurable value*” as used in this subsection shall mean the actual replacement cost, using the items of value set forth above (including the cost of restoring the surface grounds owned or leased by the Lessee but excluding the cost of restoring trees, plants and shrubs), without deduction for physical depreciation. Said “*full insurable value*” shall be determined by the Lessee from time to time but not less frequently than once in every 36 months;

(ii) Maintain or cause to be maintained public liability insurance against claims for bodily injury or death, or damage to property occurring upon, in or about the Leased Property, such insurance to afford protection to a limit of not less than \$1,000,000 combined single limit; *provided, however*, that nothing herein shall be construed to require the Lessee to maintain or cause to be maintained any such public liability insurance for amounts greater than the limitations on such liability provided under the Utah Governmental Immunity Act, Chapter 30 of Title 63, Utah Code Annotated 1953, as amended. Such insurance may be maintained under an Owners, Landlords and Tenants policy and may be maintained in the form of a minimum \$1,000,000 single limit policy covering all such risks. Such insurance may be carried in conjunction with any other liability insurance coverage carried or required to be carried by the Lessee. Such insurance shall name the Trustee as an additional insured; and

(iii) Maintain or cause to be maintained workers’ compensation coverage to the extent required by law.

All insurance herein provided for shall be effected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of Utah, except as otherwise hereinafter provided. As of the date hereof, the Lessor carries public liability insurance with the Utah Risk Management Mutual Association, an insurer of recognized responsibility. The Lessee may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other buildings as well, so long as such blanket insurance policies otherwise comply with the terms of this Section 7.01(a).

All policies or certificates issued by the respective insurers for insurance shall provide that such policies or certificates shall not be cancelled or materially changed without at least thirty (30) days prior written notice to the Trustee.

All policies of insurance (except the policy of public liability property damage and workers’ compensation insurance) must provide that the proceeds thereof shall be payable to the Trustee. The Net Proceeds of fire and extended coverage insurance shall be deposited into the Insurance Fund under the Indenture to be applied to rebuild, replace and repair the affected portion of the Leased Property or redeem outstanding Bonds as provided in Article X hereof. The Net Proceeds of public liability and property damage insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid.

(b) Notwithstanding anything herein to the contrary, any policies of insurance that the Lessee is required to keep or cause to be kept pursuant to Section 7.01(a) hereof may be provided through any self-insurance program of the Lessee or in which the Lessee participates with other governmental units of the State of Utah. The Utah Risk Management Mutual Association is not a self-insurance program within the meaning of the preceding sentence. In such event, the Lessee shall cause the risk manager of its self-insurance program to issue certificates of coverage to the Trustee for any such risks covered by the self-insurance program and otherwise evidencing compliance with the requirements of Section 7.01(a) hereof which certificates of coverage shall be accompanied with an opinion of Lessee’s Counsel that the obligations of the Lessee under any such self-insurance program are legal, binding and enforceable against the Lessee in accordance with their terms. At least once each year, commencing during calendar year 2018, the Lessee shall cause its risk manager or, at its expense, an independent consultant to review the Lessee’s self-insurance program and to render a report to the Lessee as to the adequacy and actuarial soundness of such self-insurance program to provide the coverage required by Section 7.01(a) hereof to the extent the Lessee self-insures for such coverage as herein permitted and as to its recommendations, if any, for adjustments thereto. The Lessee shall make such adjustments to its self-insurance program as are necessary to comply with any such recommendations of its risk manager or the independent consultant appointed for the purposes of this Section 7.01(b). The Lessee shall file or cause its risk manager or such insurance consultant to file a copy of such report with the Trustee at the same time as the Lessee files the written statement required by Section 7.01(d) hereof.

“*Independent Insurance Consultant*” shall mean a nationally recognized, independent actuary, insurance company or broker that has actuarial personnel experienced in the area of insurance for which the Lessee is to be self-insured.

(c) To the extent that the Lessee is unable to obtain or maintain any of the insurance required to be carried as provided in Section 7.01(a) hereof from reputable insurers on the open market at reasonable prices therefor, the Lessee shall provide for such insurance through its self-insurance program or through a self-insurance program in which the Lessee participates with other governmental units of the State of Utah; *provided, however*, that any costs and expenses incurred by the Lessee in connection with such self-insurance program and the cost of any reserves required to fund such a self-insurance program shall be payable by the Lessee solely from legally available moneys appropriated for such purpose and payable as Additional Rentals hereunder; and provided further, however, that any such self-insurance shall comply with the requirements of subsection (b) of this Section 7.01.

(d) The Lessee shall file with the Trustee annually, within one hundred eighty (180) days after the close of each Fiscal Year, commencing with the Fiscal Year which ends on June 30, 2025, a written statement of the Lessee satisfactory to the Trustee containing a summary of all insurance policies (including policies provided through any self-insurance program described in Section 7.01(b) or 7.01(c) hereof) then in effect with respect to the Leased Property and stating that the insurance policies required by this Lease are in full force and effect.

(e) The Lessee for itself and its insurers, to the extent possible (as a reasonable cost) and to the extent permitted by law, hereby waives any claim against the Trustee, the Lessor and the Contractor, including claims based on negligence, if the claim results from any of the perils the Lessee is required to insure against or provide self-insurance for in this Section 7.01.

ARTICLE VIII

TAXES

Section 8.01. Taxes. (a) The Lessor and the Lessee understand and agree that the Leased Property constitutes public property free and exempt from all taxation in accordance with applicable law, including but not limited to Section 17D-2-104 of the Act; *provided, however*, that the Lessor agrees to cooperate with the Lessee, upon written request by the Lessee, to contest any proposed tax or assessment, or to take steps necessary to recover any tax or assessment paid. The Lessee agrees to reimburse the Lessor from Additional Rentals for any and all costs and expenses thus incurred by the Lessor.

(b) Notwithstanding Section 8.01(a) hereof, in the event that the Leased Property or any portion thereof or any portion of the Rentals shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body which may be secured by a lien against the Leased Property or any portion of the Rentals, an Additional Rental shall be paid by the Lessee equal to the amount of all such taxes, assessments and governmental charges then due. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Lessee shall be obligated hereunder to provide for Additional Rentals only for such installments as are required to be paid during the term of the Lease. The Lessee shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property or any portion thereof (including, without limitation, any taxes levied upon the Leased Property or any portion thereof which, if not paid, will become a charge on the Rentals and receipts from the Leased Property or any portion thereof prior to or on a parity with the charge thereon and the pledge and assignment thereof to be created and made in the Indenture), or any interest therein (including the interest of the Lessor) or the Rentals and revenues derived therefrom or hereunder, except to the extent permitted by Section 8.01(c) hereof.

(c) The Lessee may, at its expense and in its name, in good faith contest any such taxes, assessments and other charges, and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless by nonpayment of any such items the security afforded pursuant to the terms of the Indenture will be materially endangered (in the judgment of the Trustee) or the Leased Property or any essential part thereof will be subject to loss or forfeiture (in the judgment

of the Trustee), in which event such taxes, assessments or charges shall be paid forthwith. The Lessor will cooperate fully with the Lessee in any such contest. In the event that the Lessee shall fail to pay any of the foregoing items required by this Section 8.01 to be paid by the Lessee, the Lessor or the Trustee may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Lessor or the Trustee shall become an additional obligation of the Lessee to the party making the advancement, which amounts the Lessee hereby agrees to pay from Additional Rentals on demand together with interest thereon from the date thereof until paid at the lesser of ten percent (10%) per annum or the maximum rate permitted by law, but only from moneys appropriated and legally available for such purpose.

ARTICLE IX

ALTERATIONS, ADDITIONS AND IMPROVEMENTS

Section 9.01. Alterations, Additions and Improvements to the Leased Property. (a) The Lessee shall have the right during the term of the Lease to make any alterations, additions or improvements of any kind, structural or otherwise, as it shall deem necessary or desirable, on or to the Leased Property, to attach fixtures, structures or signs, and to affix any personal property to the improvements on the Leased Property; *provided, however*, that no such alteration, addition or improvement shall reduce or otherwise adversely affect the value of the Leased Property or the fair rental value thereof or materially alter or change the character or use of the Leased Property.

(b) The Lessee will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any construction, substitutions, additions, modifications, improvements, repairs, renewals or replacements so made by the Lessee, provided that if the Lessee shall first notify the Trustee of the Lessee's intention so to do, the Lessee may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless by nonpayment of any such items the security afforded pursuant to the terms of the Indenture will be materially endangered (in the judgment of the Trustee) or the Leased Property or any essential part thereof will be subject to loss or forfeiture (in the judgment of the Trustee), in which event the Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Lessor will cooperate fully with the Lessee in any such contest, upon the request and at the expense of the Lessee.

Section 9.02. Title to Alterations, Additions and Improvements. Except as provided in Section 9.03 hereof, all such alterations, additions and improvements shall become the property of the Lessor as a part of the Leased Property and shall be subject hereto and to the Indenture.

Section 9.03. Lessee's Equipment. (a) All of the Lessee's equipment and other personal property installed or placed by the Lessee in or on the Leased Property which is not a fixture under applicable law or which is not paid for with the proceeds of sale of the Bonds shall remain the sole property of the Lessee in which neither the Lessor, the owners of the Bonds nor the Trustee shall have any interest, and may be modified or removed at any time by the Lessee and shall not be

subject to the lien of the Indenture. The Lessee shall pay for any damage caused by such modification or removal, but only from funds legally available for such purpose.

(b) The title to any personal property, improvements or fixtures placed on or in the Leased Property by any sublessee or licensee of the Lessee shall be controlled by the sublease or license agreement between such sublessee or licensee and the Lessee.

(c) If after the occurrence of an Event of Nonappropriation or an Event of Default, the Lessee moves out or is dispossessed and fails to remove any property of the Lessee at the time of such moving out or dispossession, then and in that event, the Trustee shall have the option, following not less than thirty (30) days' prior written notice to the Lessee of the Trustee's intention to exercise such option, either to regard such property as abandoned by the Lessee, in which case such property shall become the property of the Lessor subject to the Indenture, or shall have the right to demand that the Lessee remove such property from the Leased Property, and in the event of failure of the Lessee to comply with said demand, the Trustee shall have the right to remove, sell or destroy such property.

ARTICLE X

DAMAGE OR DESTRUCTION; CONDEMNATION

Section 10.01. Damage, Destruction and Condemnation. (a) If, during the term of the Lease, (i) the Leased Property or any portion thereof shall be destroyed, in whole or in part, or damaged by fire or other casualty or event; or (ii) title to, or the temporary or permanent use of, the Leased Property or any portion thereof or the estate of the Lessee, the Lessor or the Trustee in the Leased Property or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; or (iii) a material defect in construction of the Facilities shall become apparent; or (iv) title to or the use of all or any portion of the Leased Property shall be lost by reason of a defect in title; then the Lessee shall continue to pay Base Rentals and Additional Rentals after delivery of the Completion Certificate, subject to Section 4.09(a) hereof, and to take such action as it shall deem necessary or appropriate to repair, rebuild and replace the affected portion of the Leased Property, subject to Section 10.01(c)(ii) hereof, regardless of whether the Acquisition of the Project has been completed and accepted by the Lessee in accordance with Section 5.08(b) hereof.

(b) In accordance with Section 413 of the Indenture, the Trustee shall cause the Net Proceeds of any insurance policies (including any moneys derived from any self-insurance program), performance bonds or condemnation awards with respect to the Leased Property, or Net Proceeds received as a consequence of defaults under Project Contracts (excluding liquidated damages) for the Project, to be deposited into the Insurance Fund to be applied as provided herein and in Section 413 of the Indenture, and all Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the damaged or destroyed portion of the Leased Property by the Lessee, except as otherwise provided in Section 10.01(c) hereof or as may be required by the Tax Certificate. The balance of any Net Proceeds remaining after the repair, restoration, modification, improvement or replacement has been completed are to be deposited into the Construction Fund, if received prior to the Completion Date and, if received

thereafter, are to be deposited into the Bond Fund, except to the extent otherwise required by the Tax Certificate. The Trustee shall cause the Net Proceeds of any liquidated damages received as a consequence of a default by the Contractor to complete Acquisition of the Project in a timely fashion under the Construction Contract to be deposited into the Bond Fund.

(c) If such Net Proceeds shall be insufficient to pay in full the cost of any such repair, restoration, modification, improvement or replacement, the Lessee shall, within ninety (90) days after the occurrence of the event giving rise to such Net Proceeds, either:

(i) commence and thereafter complete the work and pay any cost in excess of the Net Proceeds, but only from Additional Rentals, in which case the Lessee agrees that it will not be entitled to any reimbursement therefor from the Trustee or the owners of the Bonds, nor shall it be entitled to any diminution of the Base Rentals or Additional Rentals; or

(ii) if the failure to repair, rebuild or replace shall not materially detract from the value of the Leased Property, then the Lessee may discharge its obligation to repair, rebuild or replace the affected portion of the Leased Property by causing such Net Proceeds to be deposited into the Bond Fund; or

(iii) deposit such Net Proceeds into the Bond Fund to be used by the Trustee as provided in the Indenture.

In the event the Board shall fail to appropriate, by the first day of the next Renewal Term following the ninety-day period after the occurrence of the event giving rise to the Net Proceeds, an amount at least equal to the insufficiency to pay in full the cost of any necessary repair, restoration, modification, improvement or replacement, the obligation to repair and replace the Project under this Article X shall be discharged by depositing the Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds in said Bond Fund, the Lessee shall have no further obligation for the payment of Base Rentals and additional Rentals hereunder with respect to said Project, and possession of said Project as well as all rights created pursuant to this Master Lease and the interest of the Lessee therein and in any funds or accounts created under the Indenture with respect to the Project (except for moneys held to pay rebate and for the payment of Bonds not then deemed Outstanding), shall be surrendered to the Trustee. Thereafter, the Lessee's interest in said Project may be liquidated pursuant to the provisions of and subject to the limitations set forth in the Indenture and the proceeds of such liquidation and the Net Proceeds so deposited in the Bond Fund, as well as all other moneys on deposit in any fund created under the Indenture with respect to said Project (except for moneys held to pay rebate and for the payment of Bonds not then deemed Outstanding), shall be applied to the redemption of the applicable Series of Bonds on the earlier of the next succeeding redemption date or the final maturity date of such Series of Bonds.

(d) The Lessee hereby agrees that any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds shall be the property of the Lessor subject to the Indenture and this Lease, and will be included as part of the Leased Property subject to this Lease.

(e) The Lessor and the Lessee agree that it is the intent of the parties that, after the delivery of the Completion Certificate, the risk of any loss arising out of any damage, destruction or condemnation of the Leased Property or any portion thereof shall be borne by the Lessee and not by the Lessor or the Bondholders, and the Lessee hereby covenants and agrees that in the event of any such damage, destruction or condemnation, the Lessee shall either repair, rebuild or replace the Leased Property to essentially its same condition before any such damage, destruction or condemnation or provide funds, but in any event only from legally available moneys for such purpose, necessary to redeem the Bonds at the earliest practicable date in accordance with the Indenture.

(f) The Lessee hereby agrees to deliver the Officer's Certificate provided in Section 413 of the Indenture in accordance with the terms thereof.

(g) The Lessee shall give written notice immediately to the Trustee of the occurrence of any event of damage, destruction or condemnation as described in Section 10.01(c) hereof, which notice shall describe the nature and scope of any such event.

ARTICLE XI

ASSIGNMENTS

Section 11.01. Assignments by Lessee. Neither this Lease nor any interest of the Lessee herein shall, at any time after the date hereof, without the prior written consent of the Trustee, be mortgaged, pledged, assigned or transferred by the Lessee by voluntary act or by operation of law, or otherwise, except as specifically provided herein. The Lessee shall at all times remain liable for the performance of the covenants and conditions on its part to be performed, notwithstanding any assigning, transferring or subletting which may be made with such consent. The Lessee shall have the right, without notice to or consent of the Lessor, the Trustee or any owner of Bonds, to further sublease or permit the use of any specified portion of the Leased Property only to or for the benefit of any other "public bodies" (as such term is defined in the Act), the State of Utah or any other entities permitted as sublessees of a project now or hereafter permitted or authorized by the Act, including but not limited to Section 17D-2-403(1)(b) of the Act, but nothing herein contained shall be construed to relieve the Lessee from its obligation to pay Rentals as provided in this Lease or relieve the Lessee from any other obligations contained herein; *provided, however*, that no such assignment or sublease may be made if the use of the Leased Property by the assignee or sublessee will affect the validity of this Lease. Any such assignment, sublease or license shall require the assignee, sublessee or licensee to execute an acceptable attornment agreement with the Lessee and the Trustee and to assume all of the terms, covenants and agreements of the Lessee hereunder to the extent of the portion of the Leased Property so assigned, sublet or licensed; *provided, however*, that where portions of the Leased Property have been so assigned, sublet or licensed, the Lessee shall continue to be responsible for the payment of Rentals due under this Lease. The Lessor may execute any and all instruments necessary and proper in connection therewith. The Lessee hereby agrees (a) to direct all of its permitted sublessees, assignees and transferees to pay all rentals and other amounts due under any sublease, assignment or transfer permitted by this Section 11.01 directly to the Trustee for deposit into the Bond Fund and (b) to pay any of such amounts received by the Lessee directly to the Trustee for deposit into the Bond Fund.

Section 11.02. Assignments by Lessor in General Without Release of Liability. (a) The Lessor's obligations to perform under this Lease may be assigned in whole or in part by the Lessor, but the Lessor shall remain liable to perform hereunder, with notice to the Lessee as provided in Section 11.02(b) hereof; provided that such assignment (other than an assignment for security purposes or the assignment effected by the Indenture and the exercise of any remedies thereunder and any further assignment resulting from the exercise of any such remedies) may only be made to a public corporation or other public entity duly authorized by applicable law to perform the obligations as Lessor hereunder.

(b) No assignment or reassignment of any of the Lessor's right, title or interest in this Lease or the Leased Property shall be effective unless and until the Lessee shall have received a duplicate original counterpart of the document by which the assignment or reassignment is made, disclosing the name and address of each such assignee. The Lessee hereby acknowledges receipt of the Indenture for purposes of this Section 11.02(b). During the term hereof, the Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code, and the regulations, proposed or existing, from time to time promulgated thereunder.

(c) The Lessor may assign its rights, title and interest in and to this Lease and any other documents executed with respect to this Lease and/or grant or assign a security interest in this Lease, in whole or in part, as herein provided. The Lessor, simultaneously with the execution of this Lease, has assigned this Lease and all Base Rentals and certain other sums (including any Additional Rentals payable pursuant to Section 4.01(b)(ix) hereof) due and to become due hereunder to the Trustee under the Indenture. Upon the execution and delivery of the Indenture, the Lessor therein gives written notice thereof to the Lessee, and all Base Rentals and certain other sums (including such Additional Rentals) due and to become due hereunder shall be paid to the Trustee when due and payable. Neither any purchaser of any of the Bonds nor the Trustee shall be bound or obligated to perform or see to the performance of any duty, covenant, condition or warranty (express or implied) made by the Lessor or required to be observed or performed by the Lessor under any of the terms hereof.

(d) The Lessor has, simultaneously with the execution of this Lease, assigned all of its duties and obligations hereunder with respect to the Acquisition of the Project to its agent pursuant to the Agency Agreement, except as otherwise therein provided. The Lessee hereby consents to such assignment by the Lessor pursuant to the Agency Agreement.

Section 11.03. Lessor's Assignment as a Whole and Release From Liability. Except as otherwise set forth in Section 11.04 hereafter, the rights, obligations and duties of the Lessor hereunder may be assigned as a whole and the Lessor may be released from its obligations hereunder only with the prior written consent of the Lessee and the Trustee and then only upon assignment of the Lessor's interest herein to a public corporation or other entity duly authorized by applicable law to perform the obligations as Lessor hereunder.

Section 11.04. Replacement of the Lessor. If any event occurs which in the judgment of the Trustee materially impairs the ability of the Lessor to serve as lessor hereunder or as Lessor under the Indenture, the Trustee may replace the Lessor with such other entity as the Trustee deems

appropriate so long as such successor entity is a public corporation or other public entity duly authorized by applicable law to perform the obligations as Lessor hereunder and as Lessor under the Indenture. In any such event, the Lessor being replaced shall cooperate with the Trustee in conveying title to the Leased Property and any and all other right, title and interest of the Lessor in, to and under the Lease and the Indenture to such successor entity as the Trustee may designate as provided herein.

Section 11.05. Subordination and Attornment. (a) This Lease and the Lessee's interest in the Leased Property and its interest as lessee hereunder shall at all times be subject and subordinate to the lien of the Indenture and the Deed of Trust and to all the terms, conditions and provisions thereof, whether now existing or hereafter created and without the need for any further act or agreement by the Lessee; *provided, however*, that so long as an Event of Default under the Indenture or an Event of Nonappropriation has not occurred and is then continuing this Lease shall remain in full force and effect notwithstanding such subordination or the Lessor's default in connection with the said lien, and the Lessee shall not be disturbed by the Lessor or the Trustee in its possession, use and enjoyment of the Leased Property during the term of the Lease or in the enjoyment of its rights hereunder. The Lessee shall not subordinate its interests hereunder or in the Leased Property to any other lien or encumbrance without the prior written consent of the Trustee. Any such unauthorized subordination by the Lessee shall be void and of no force or effect whatsoever.

(b) In the event of any sale, assignment or transfer of the Lessor's interest under this Lease or in the Leased Property, including any such disposition resulting from the Lessor's default under the said lien, the Lessee shall attorn to the Lessor's successor and shall recognize such successor as the Lessor under this Lease, said attornment to be effective and self-operative without the execution of any other instruments on the part of either party hereto immediately upon such successor succeeding to the interest of the Lessor hereunder, and this Lease shall continue in accordance with its terms between the Lessee, as lessee, and such successor, as Lessor.

ARTICLE XII

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 12.01. Representations, Covenants and Warranties of the Lessee. The Lessee hereby represents, covenants and warrants for the benefit of the Lessor and the owners from time to time of the Bonds as follows:

(a) The Lessee has the power and authority to enter into the Tax Certificate and the transactions contemplated by this Lease and the other Operative Agreements to which it is a party and to carry out its obligations hereunder and thereunder. The Lessee has been duly authorized to execute and deliver this Lease, and agrees that it will do or cause to be done all things necessary to preserve and keep this Lease (to the extent herein provided and subject to the limitations expressed herein, including but not limited to the limitations provided in Section 4.04 hereof) in full force and effect.

(b) The Lessee is not subject to any legal or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the Lessee from entering into this Lease and the other Operative Agreements to which it is a party or performing any of its obligations hereunder or thereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Lessee, nor to the best knowledge of the Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease or any other agreement or instrument to which the Lessee is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Lessee of this Lease or any such other agreement or instrument or in connection with the carrying out by the Lessee of its obligations hereunder or thereunder have been obtained.

(d) The payment of the Rentals hereunder by the Lessee or any portion thereof is not, and will not (so long as the Lessee pays Rentals hereunder) be, directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business or (B) payments in respect of such property or (ii) to be derived from payments (whether or not to the Lessor) in respect of property, or borrowed money, used for a private business use, all within the meaning of Section 141(b) of the Code. No proceeds of the Bonds are to be used (directly or indirectly) to make or finance loans to persons other than governmental units within the meaning of Section 141(c) of the Code.

(e) The entering into and performance of this Lease or any other document or agreement contemplated hereby to which the Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of the Lessee or on the Leased Property pursuant to, any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Lessee is a party or by which it or its assets may be bound, except as herein or in the Indenture provided.

(f) All requirements have been met and procedures have occurred in order to ensure the enforceability of this Lease, and the Lessee has complied with such public bidding requirements as may be applicable to this Lease and the Acquisition by the Lessee (in its capacity as agent for the Lessor) of the Project.

(g) During the term hereof, the Leased Property will be used by the Lessee (except as otherwise permitted by Section 11.01 hereof) only for the purpose of performing one or more essential governmental or proprietary functions (including related functions) of the Lessee consistent with the permissible scope of the Lessee's authority. The use,

occupancy and operation of the Leased Property is essential to the conduct of the Lessee's governmental operations to provide for the public health, welfare, safety and convenience of the Lessee and its inhabitants.

(h) The Lessee shall comply with all applicable laws, rules, regulations, orders, directions and requirements of all governmental departments, bodies, bureaus, agencies and officers, including, without limitation, all zoning and other laws that would be applicable to the Project (other than public bidding laws which are inapplicable to the Project or the letting of the Lease by virtue of Section 17D-2-108(2) of the Act) if it were not owned or occupied by a political subdivision of the State of Utah and with all reasonable rules, directions, requirements and recommendations of the local board of fire underwriters and other fire insurance rating organizations for the area in which the Project are situated, pertaining to the Project or the use, occupancy and operation thereof. The Lessee shall not do or suffer to be done, or keep or suffer to be kept anything in, upon or about the Project or the Leased Property which will contravene any policies insuring against loss or damage by fire or other hazards, including, but not limited to, public liability insurance.

(i) The Lessee has obtained and examined, or will obtain and examine in a timely fashion as is necessary to diligently complete the Project, all conditions, covenants, restrictions, easements, reservations, rights, rights-of-way and all legal requirements, use permits, occupancy permits, building permits and other requirements affecting or relating to the Project, and the Project does not and will not violate any of the same.

(j) The Lessee has complied in all material respects with all legal requirements in relation to environmental quality, and the Lessee is not under investigation by any state or federal agency designed to enforce such legal requirements.

(k) All streets, easements, utilities and related services necessary for the Project and the operation of the Leased Property for its intended purpose are (or will be, in a timely manner during the Acquisition of the Project) available to the boundaries of the Project Sites.

(l) Until the termination of the Lessee's possessory rights hereunder with the effect provided in Section 3.03 hereof, the Lessee shall (i) permit the agents or representatives of the Trustee upon two (2) Business Days' notice to have access to and to examine its properties, books and records relating to the Project and the Leased Property and furnish or cause to be furnished at the Lessee's expense to the Trustee the following:

(A) As soon as possible, and in any event not later than three (3) days after the occurrence of any Event of Default or Event of Nonappropriation, a statement of an Authorized Lessee Representative setting forth the details of such Event of Nonappropriation or Event of Default and the action which the Lessee proposes to take with respect thereto;

(B) As soon as available, and in any event not later than one hundred eighty (180) days after the close of each Fiscal Year, the audited financial statements of the Lessee as at the close of and for such Fiscal Year, all in reasonable detail and stating in comparative form the figures as at the close of and for the previous Fiscal Year, audited by and with the report of the Lessee's auditor; *provided, however*, the Trustee shall not be required to review or analyze such financial statements;

(C) Such other information relating to the affairs of the Lessee with respect to the Leased Property (including but not limited to evidence or appropriations and preliminary and final budgets) as the Trustee reasonably may request from time to time; and

(D) From time to time, record, register and file all such notices, statements and other documents and take such other steps, including without limitation the amendment of any of the Operative Agreements and any instruments perfecting interests thereunder, as may be necessary or advisable to render fully valid and enforceable under all legal requirements the rights, liens and priorities of the Lessor and the Trustee with respect to all security from time to time furnished under this Lease or intended to be so furnished in such form and at such times as shall be satisfactory to the Lessor and the Trustee, and pay all fees and expenses (including reasonable attorneys' fees) incident to compliance with this paragraph.

(m) Until the termination of the Lessee's possessory rights hereunder with the effect provided in Section 3.03 hereof, unless the Trustee shall otherwise consent in writing, the Lessee agrees not to:

(i) Create, incur, assume or permit to exist any mortgage, deed of trust, security interest (whether possessory or nonpossessory) or other encumbrance of any kind (including without limitation the charge upon property purchased under conditional sale or other title retention agreement) upon or on the Leased Property, other than (A) liens for taxes not delinquent or being contested as permitted hereunder; (B) liens in connection with workers' compensation, unemployment insurance or social security obligations; (C) mechanics', workmen's, materialmen's, landlords', carriers' or other like liens arising in the ordinary and normal course of business with respect to obligations which are not due or which are being contested hereunder; (D) liens in favor of the Trustee arising out of the transactions contemplated hereby; and (E) Permitted Encumbrances; or

(ii) Enter into or consent to any amendment of any of the documents contemplated hereby, except as may be permitted by the Indenture or this Lease.

(n) The estimated useful life of the Leased Property is not less than 50 years, based upon the certificate of the architect or engineer delivered as *Exhibit E* of Document No. 14 of the transcript of which this Lease is a part, as the architect or engineer responsible for designing and planning the Facilities, delivered prior to the execution of this Lease as

required by Section 17D-2-302 of the Act. The term of this Lease, including for this purpose all Renewal Terms authorized herein, does not exceed the shorter of (i) the estimated useful life of the Leased Property or (ii) forty (40) years.

Section 12.02. Representations, Covenants and Warranties of the Lessor. The Lessor hereby represents, covenants and warrants for the benefit of the Lessee and the owners from time to time of the Bonds as follows:

(a) The Lessor has the power and authority to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder and thereunder. The Lessor has been duly authorized to execute and deliver all of the Operative Agreements to which it is a party.

(b) The Lessor is not subject to any legal or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the Lessor from entering into this Lease or any of the other Operative Agreements or performing any of its obligations hereunder or thereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Lessor, nor to the best knowledge of the Lessor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease or any other agreement or instrument to which the Lessor is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Lessor of this Lease or any such other agreement or instrument or in connection with the carrying out by the Lessor of its obligations under this Lease or thereunder have been obtained.

(d) The Lessor holds a marketable leasehold interest in the Project Sites, which interest the Lessor has granted a security interest to the Trustee pursuant to the Indenture and the Deed of Trust as additional security for the payment of the principal of, and premium (if any) and interest on, the Bonds. The Lessor and the Lessee understand and agree that the Lessor shall have all right, title and interest in and to the Leased Property, the Indenture and the annually renewable leasehold interest of the Lessee and its option to purchase the Leased Property hereunder.

(e) The Lessor will not pledge the Base Rentals or any of its other rights hereunder and will not mortgage or encumber the Leased Property except as provided herein and under the Indenture. All property and moneys received by the Lessor from the Lessee will, so long as no Event of Nonappropriation or Event of Default has occurred and is then continuing, be applied for the benefit of the Lessee, and all property and moneys

received by the Lessor hereunder and under the Indenture for the owner or owners of the Bonds will be applied for the benefit of such owner or owners.

(f) So long as the Lessee pays the Rentals hereunder, the payment of the Bonds or any portion thereof is not and will not be directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business or (B) payments in respect of such property or (ii) to be derived from payments (whether or not to the Lessor in its capacity as the Lessor) in respect of property, or business use, all within the meaning of Section 141(b) of the Code. No proceeds of the Series 2025 Bonds are to be used (directly or indirectly) to make or finance loans to persons other than governmental units within the meaning of Section 141(c) of the Code.

ARTICLE XIII

AMENDMENTS

Section 13.01. Amendments, Changes and Modifications. (a) Except as otherwise expressly provided in Sections 13.01(b), 13.01(c) and 13.02 hereof, this Lease may not be amended, changed or modified without the prior written consent of the Trustee or the owners of the Bonds for the Series 2025 Bonds, all in accordance with the Indenture.

(b) So long as no Event of Default or Event of Nonappropriation has occurred hereunder and is then continuing, the Lessor and the Lessee may make, from time to time, without the consent of the Trustee or the owners of the Bonds, such modifications, alterations, amendments or additions to, or deletions from, the Project Sites as the Lessor and the Lessee mutually agree to be necessary and desirable to facilitate the use and development by the Lessee, its successors, permitted sublessees and assigns, of the Project Sites; *provided, however*, that the portion of the Project Sites remaining subject to this Lease after any such modification, alteration, amendment to, or deletion from, the Project Sites shall (i) be capable of being operated as a separate and independent functional unit without additional cost to the occupant, (ii) be a single legal parcel of land or a combination of contiguous legal parcels, (iii) include the Facilities located on the Project Sites financed with the proceeds of sale of the Bonds or the replacement of such Facilities, (iv) have adequate access to and from public streets and easements for the maintenance of all utilities and (v) not be in violation of any applicable law, rule, regulation, ordinance, covenant or restriction relating thereto. The Lessor and the Lessee hereby further covenant not to agree to any modification, alteration, amendment or addition to or deletion from the Project Sites which would reduce the fair rental value of the Leased Property remaining subject to this Lease (such value to be determined in each instance with reference to the value to the Lessee, as may be determined by the governing body of the Lessee, based upon its use of the Leased Property hereunder and not with reference to such value as may be applicable for a different use or by a different user of the Leased Property) below the Rentals payable under the Lease or otherwise adversely affect the purposes for which the Lessor acquired the Leased Property and for which the Lessee is leasing the Leased Property pursuant to this Lease. Upon such modification, alteration, amendment or addition to or deletion from the Project Sites, the Lessor and the Lessee shall execute and cause to be recorded an amendment to this Lease reflecting the release of such portion of the Project Sites.

(c) Without the consent of the Trustee or the owners of the Bonds and if no Event of Default hereunder or under the Indenture shall have happened and be continuing, the Lessee may at any time or times grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property or rights included in the Indenture, free from the lien of the Indenture, or the Lessee may release existing easements, licenses, rights-of-way and other rights or privileges with or without consideration, and the Lessor agrees that it shall execute and deliver and will cause and direct the Trustee to execute and deliver any such instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege upon receipt of: (i) a copy of the instrument of grant or release; (ii) a written application signed by an Authorized Lessee Representative requesting such instrument; (iii) a certificate executed by an Authorized Lessee Representative stating that such grant or release (A) is not detrimental to the proper conduct of the operations of the Lessee, and (B) will not impair the effective use or interfere with the operation of the Leased Property and will not materially weaken, diminish or impair the security intended to be given by or under the Indenture; and written confirmation by an independent engineer or consultant of the conclusions stated in the certificate executed by an Authorized Lessee Representative as provided in clause (iii) of this subsection (c) of Section 13.01.

(d) The release of any portion of the Project Sites or any interests therein as herein provided shall not entitle the Lessee to any postponement, abatement or diminution of the Base Rentals or any other payments required to be paid hereunder.

Section 13.02. Amendments by Lessor and Lessee Only. This Lease may be amended at any time by written agreement of the Lessor and the Lessee (regardless of any assignments of the Lessor's interests), with the prior written consent of the Trustee and, to the extent required by Article XIV of the Indenture, but without notice to or the consent of the owners of the Bonds pursuant to Section 1301 of the Indenture.

ARTICLE XIV

RIGHT OF ENTRY; LIENS; QUIET ENJOYMENT

Section 14.01. Right of Entry. The Lessor and the Trustee and their respective designated representatives shall have the right to enter upon the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Lessor's rights or obligations under this Lease or (c) for all other lawful purposes.

Section 14.02. Liens. Except for payments made or required to be made under the Indenture, the Lessee shall pay or cause to be paid, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about the Leased Property and which may be secured by any mechanics', materialmen's or other lien against the Leased Property, or the Lessor's interest therein, and shall cause each such lien to be fully discharged and released; *provided, however,* that if the Lessee desires to contest in good faith any such lien, this may be done, and if such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay

thereafter expires, then and in any such event the Lessee shall forthwith pay and discharge said judgment, but in each instance only from moneys duly appropriated and legally available for such purpose.

Section 14.03. Covenant of Quiet Enjoyment. The parties hereto mutually covenant and agree that the Lessee, by keeping and performing the covenants and agreements herein contained, shall at all times during the term hereof, peaceably and quietly, have, hold and enjoy the Leased Property, subject to all Permitted Encumbrances.

ARTICLE XV

EVENTS OF DEFAULT; REMEDIES

Section 15.01. Events of Default Defined. Any of the following shall be an "Event of Default" under this Lease:

(a) Failure by the Lessee to pay any Base Rentals required to be paid under Section 4.01(a) hereof with respect to the Bonds or failure by the Lessee to pay any Additional Rentals required to be paid under Section 4.01(b)(ix) hereof, in each case at the times specified therein as the respective due dates therefor; or

(b) Failure by the Lessee to pay any Additional Rentals (other than Additional Rentals required to be paid under Section 4.01(b)(ix) hereof) during the term of this Lease for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied shall be received by the Lessee from the Trustee; or

(c) Failure by the Lessee to vacate the Leased Property by the expiration of the Initial Term or any Renewal Term during which an Event of Nonappropriation occurs; or

(d) Failure by the Lessee to observe and perform any covenant, condition or agreement herein on its part to be observed or performed, other than as referred to in Section 15.01(a), 15.01(b) or 15.01(c) hereof, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Lessee by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; *provided, however,* that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected; or

(e) Any representation or warranty (i) made by the Lessee pursuant to Section 12.01 hereof or by the Lessor pursuant to Section 12.02 hereof or (ii) contained in any certificate delivered in connection with this Lease, shall prove to have been false or misleading in any material respect when made; or

(f) The entry of an order or decree in any court of competent jurisdiction enjoining or restraining the Project or development of the Facilities on the Project Sites or

enjoining, restraining or prohibiting the Lessee from consummating the transactions contemplated by this Lease, which order or decree is not vacated and which proceedings are not discontinued within sixty (60) days after the granting of such order or decree.

The foregoing provisions of this Section 15.01 are subject to the following limitations: (i) the obligations of the Lessee to make payments of the Base Rentals and the Additional Rentals shall be subject to the provisions of Section 4.09 of this Lease with respect to an Event of Nonappropriation; and (ii) if, by reason of *Force Majeure* (as such term is hereinafter defined), the Lessee shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations of the Lessee contained in Article IV hereof, the Lessee shall not be deemed in default during the continuance of such inability. The Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Lessee from carrying out its agreement; *provided, however*, that the settlement of strikes, lockouts and other disturbances shall be entirely within the discretion of the Lessee, and the Lessee shall not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Lessee, unfavorable to the Lessee. As used herein, the term "*Force Majeure*" shall mean, without limitation, the following: acts of God; strikes, lockouts or other disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the State of Utah or any of their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fire; storms; floods; washouts; droughts; arrests; restraints of government and people; civil disturbances; explosions; partial or entire failure or unavailability of utilities; or any other cause or event not reasonably within the control of the Lessee.

Section 15.02. Remedies on Default. (a) Upon the occurrence and continuance of any Event of Default hereunder or an Event of Nonappropriation, the Trustee as provided in Section 902 of the Indenture shall give notice to the Lessee to vacate the Leased Property immediately (but in no event earlier than the expiration of the Initial Term or the then current Renewal Term for which the Lessee has paid or appropriated moneys sufficient to pay all Rentals due for such Initial Term or Renewal Term, in the case of an Event of Nonappropriation) and shall, without any further demand or notice, (i) terminate this Lease or the Lessee's possessory rights hereunder (without otherwise terminating the Lease), re-enter the Leased Property and eject all parties in possession thereof therefrom, and relet the Leased Property, or then or at any time thereafter commence proceedings to foreclose on and liquidate, relet or sell the Leased Property in the manner permitted by law and as otherwise provided in the Indenture; (ii) exercise any of the remedies provided to the Trustee upon the occurrence of an Event of Default under the Indenture as the Trustee shall determine to be in the best interests of the Bondowners and as are consistent with the terms and provisions for the exercise of such remedies provided in the Indenture; or (iii) take any action at law or in equity deemed necessary or desirable to enforce its and the Bondowners' rights with respect to the Leased Property and the Lessee.

(b) Upon the termination of the term of this Lease or the Lessee's possessory interests herein by reason of an Event of Nonappropriation or an Event of Default, all moneys then held in any fund or account under the Indenture and any Net Proceeds received on such foreclosure, liquidation, reletting or sale shall be held by the Trustee for the benefit of the owners of the Bonds (and applied from time to time as provided in Section 907 of the Indenture). Notwithstanding

anything herein to the contrary, the Trustee shall be entitled to relet the Leased Property for such period as is necessary for the Trustee to obtain sufficient moneys to pay in full the principal of, and premium (if any) and interest on, the Bonds, and the obligations of the Trustee with respect to the owners of the Bonds and the receipt and disbursement of funds shall be continuing until the lien of the Indenture is discharged as provided in the Indenture except as a result of foreclosure.

(c) Any amount received by the Trustee in excess of the amount sufficient to pay in full the principal of, and premium (if any) and interest on, the Bonds, and the obligations of the Trustee with respect to the owners of the Bonds, and any other amounts payable under this Lease or the Indenture (including but not limited to reasonable attorney fees, expenses and costs) shall be paid to the Lessee.

Section 15.03. Surrender of Leased Property. Upon the occurrence and continuance of any Event of Default or Event of Nonappropriation, the Lessee shall immediately quit and surrender the Leased Property to the Trustee in the same condition in which it existed at the time of the initial use and occupancy thereof by the Lessee, ordinary wear and tear excepted.

Section 15.04. Limitations on Remedies. With the sole exception of the obligation of the Lessee to pay Base Rentals and Additional Rentals attributable to any period during which the Lessee shall actually use, occupy and operate the Leased Property, or for which the governing body of the Lessee has appropriated funds for such purpose, no judgment requiring the payment of money not subject to the lien of the Indenture may be entered against the Lessee by reason of any Event of Default or an Event of Nonappropriation under this Lease. In the event the term of this Lease is terminated as a result of an Event of Default or an Event of Nonappropriation, no deficiency judgment may be entered against the Lessee, except as otherwise expressly herein provided with respect to the Lessee's actual use, occupancy and operation of the Leased Property. Notwithstanding anything herein to the contrary, the Lessee shall not be under any obligation in respect to any creditors or security holders of the Lessor (including but not limited to the owners from time to time of the Bonds), and no remedy or other provision herein or in the Indenture provided shall be construed to provide any such remedy or to create or impose any such obligation.

Section 15.05. Remedies Cumulative. The rights and remedies given or reserved herein to the Lessor and the Trustee are and shall be deemed to be cumulative, and the exercise of any shall not be deemed to be an election excluding the exercise at any other time of a different or inconsistent right or remedy or the maintenance of any action either at law or in equity.

Section 15.06. Waiver. The delay or failure of the Lessor or the Trustee at any time to insist in any one or more instances upon a strict performance of any covenant of this Lease or to exercise any right, remedy, power or option herein granted or established by law, shall not be construed as an impairment of or a waiver or a relinquishment for the future of such covenant, right, remedy, power or option, but the same shall continue and remain in full force and effect, and if any breach shall occur and afterwards be compromised, settled or adjusted, this Lease shall continue in full force and effect as if no breach had occurred unless otherwise agreed. The receipt and acceptance by the Lessor or the Trustee of any Rentals, in whole or in part, with knowledge of the breach of any term, covenant or condition hereof, shall not be deemed a waiver of such breach, and no waiver

of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Lessor and the Trustee.

Section 15.07. Curing Lessee's Breach. If the Lessee shall default in the observance or performance of any term or covenant on the Lessee's part to be observed or performed under or by virtue of any of the terms of this Lease, the Trustee may (but shall not be obligated to do so) immediately, or at any time thereafter and without notice, and to the extent permitted by law, perform or cause to be performed the same for the account of the Lessee, and any sums paid or obligations incurred in connection therewith shall be deemed to be Additional Rentals hereunder and shall be paid by the Lessee to the Trustee for appropriate disbursement within fifteen (15) days of the rendering of any bill or statement to the Lessee therefor; *provided, however*, that nothing herein shall be construed to obligate the Lessee to pay any such Additional Rentals from any funds other than moneys legally available and appropriated for such purpose.

ARTICLE XVI

MISCELLANEOUS

Section 16.01. Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by United States registered mail, return receipt requested, postage prepaid and addressed as follows:

If to the Lessor:

Municipal Building Authority of Provo School District, Utah County, Utah
280 West 940 North
Provo, Utah 84604
Attention: Secretary

If to the Lessee:

Board of Education of Provo School District, Utah County, Utah
280 West 940 North
Provo, Utah 84604
Attention: Business Administrator

A duplicate copy of any such notice shall also be served upon the Trustee as herein provided to its address at One South Main Street, 12th Floor, Salt Lake City, Utah 84133, Attention: Corporate Trust Department.

Section 16.02. Governing Law. This Lease is made in the State of Utah under the Constitution and laws of such State and is to be so construed.

Section 16.03. Lessee's Obligation to Operate. The Lessee shall be obligated to use, occupy and operate the Leased Property so as to afford to the public the benefits contemplated by this Lease and to permit the Lessor and the Trustee to carry out their respective covenants to the owners of the Bonds.

Section 16.04. Execution in Counterparts. This Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one and the same Lease, and it is also understood and agreed that separate counterparts of this Lease may be separately executed by the Lessor and the Lessee, all with the same full force and effect as though the same counterpart had been executed simultaneously by the Lessor and the Lessee.

Section 16.05. Severability. If any one or more of the terms, provisions, promises, covenants or conditions of this Lease, or the application thereof to any person or circumstance, shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Lease, and the application thereof to other persons or circumstances, shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

Section 16.06. Successors and Assigns; Third Party Beneficiaries. (a) This Lease and the covenants, conditions and agreements herein contained shall be binding upon and inure to the benefit of the permitted successors and assigns of the parties hereto.

(b) This Lease is executed in part to induce the purchase by others of the Bonds, and for the further securing of the Bonds, and, accordingly, as long as any Bonds are outstanding, all respective covenants and agreements of the parties herein contained are hereby declared to be for the benefit of the owners from time to time of the Bonds, but may be enforced by or on behalf of such owners only in accordance with the provisions of the Indenture. The Lease shall not be deemed to create any right in any person who is not a party (other than the permitted successors and assigns of a party) and shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (other than the permitted successors and assigns of a party hereto), except in each case the owners from time to time of the Bonds and the Trustee .

Section 16.07. Limitation of Warranty. The Lessor makes no warranties except those warranties or representations expressly made by the Lessor in this Lease or other documents related to the issuance of the Bonds.

Section 16.08. Captions and Headings. The captions and headings used throughout this Lease are for convenience of reference only, and the words contained therein shall not be deemed to affect the meaning of any provision or the scope or intent of this Lease, nor in any way affect this Lease.

Section 16.09. "Net Lease". This Lease shall be deemed and construed to be a "net lease," and the Lessee hereby agrees that the Rentals provided for herein shall be an absolute net return to the Lessor free and clear of any expenses, charges or setoffs whatsoever, except as otherwise specifically provided herein.

Section 16.10. Provision for Payment. Any payment or prepayment by the Lessee shall be deemed made if sufficient Government Obligations or United States Obligations (as each such term is defined in Article VII of the Indenture) shall have been deposited with the Trustee as provided in the Indenture; provided that notice of the exercise of the Lessee's right of prepayment and the corresponding redemption of Bonds shall have been duly given in case of any redemption as provided in the Indenture. Such Government Obligations or United States Obligations shall be sufficient only if they are not redeemable at the option of the issuer thereof prior to maturity and if they mature and bear interest at such times and in such amounts as will assure sufficient cash to pay such payment or prepayment when due and otherwise comply with the requirements specified in Article VII of the Indenture.

Section 16.11. Action by the Lessee. Whenever it is herein provided or permitted for any action to be taken by the Lessee, such action may be taken by an Authorized Lessee Representative hereunder unless the context clearly indicates otherwise.

(Signature page follows.)

IN WITNESS WHEREOF, the Lessor and the Lessee have caused their respective names to be signed hereto by their respective officers hereunto duly authorized, all as of the day and year first above written.

LESSOR:

MUNICIPAL BUILDING AUTHORITY OF PROVO
SCHOOL DISTRICT, UTAH COUNTY, UTAH

By _____
President

ATTEST:

By _____
Secretary

LESSEE:

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

By _____
President

COUNTERSIGN AND ATTEST:

By _____
Business Administrator

ACKNOWLEDGMENTS

STATE OF UTAH)
 : SS.
COUNTY OF UTAH)

On the _____ day of _____, 2025, Jennifer Partridge and Devyn Dayley personally appeared before me and did say that they are the President of the Board of Education and Business Administrator, respectively, of Provo School District, Utah County, Utah, the governmental body described in, and which executed, the foregoing instrument, and that such instrument was signed on behalf of the Board of Education by such officers, by authority of a duly adopted resolution of the Board of Education.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

NOTARY PUBLIC
Residing at: _____, Utah

STATE OF UTAH)
 : SS.
COUNTY OF UTAH)

On the _____ day of _____, 2025, Jennifer Partridge and Devyn Dayley personally appeared before me and did say that they are the President and Secretary, respectively, of the Municipal Building Authority of Provo School District, Utah County, Utah, the Utah nonprofit corporation described in, and which executed, the foregoing instrument, and that such instrument was signed on behalf of such corporation by such officers by authority of its bylaws and a duly adopted resolution of its Board of Trustees.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

NOTARY PUBLIC
Residing at: _____, Utah

EXHIBIT A

The tracts of land constituting the Project Sites is located in Utah County, State of Utah, and are more particularly described as follows:

PARCEL 1:

PARCEL 2:

PARCEL 3:

SCHEDULE I

SCHEDULE OF BASE RENTAL PAYMENTS

EXHIBIT B

[FORM OF NOTICE OF EXTENSION OF TERM OF LEASE]

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Trustee
One South Main Street, 12th Floor
Salt Lake City, Utah 84133
Attention: Corporate Trust Department

Pursuant to Section 3.01 of that certain Master Lease Agreement, dated as of October 1, 2025 (the "*Lease*"), between the Municipal Building Authority of Provo School District, Utah County, Utah and the Board of Education of Provo School District, Utah County, Utah (the "*Lessee*"), the Lessee hereby declares that it has extended the term of the Lease for the Renewal Term (as defined in the Lease) commencing _____, 20 ____ and ending _____, 20 ____.

The Lessee met in regular public session on _____ and appropriated funds in the total amount of \$ _____ sufficient for the purpose of paying the Base Rentals and reasonably estimated Additional Rentals (as such terms are defined in the Lease) calculated as provided in Section 4.01(b) of the Lease, to become due during the aforementioned Renewal Term. Of the total amount appropriated, \$ _____ was appropriated for the purpose of paying Base Rentals and \$ _____ was appropriated for the purpose of paying reasonably estimated Additional Rentals.

DATED this ____ day of _____, 20 ____.

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

By _____
Authorized Lessee Representative

APPENDIX B

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024

The annual comprehensive financial report of the Board for FISCAL YEAR 2024 is contained herein. *The District's basic financial statements for FISCAL YEAR 2024 must be completed under State law by November 30, 2025.*

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association of the United States and Canada (“GFOA”) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board for its ACFR for the 20th consecutive year, beginning with Fiscal Year 2003 through Fiscal Year 2023. For the Fiscal Year 2020 certificate see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF PROVO CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2024—Introductory Section—GFOA Certificate of Achievement for Excellence in Financial Reporting” (ACFR page 8).

The Board has submitted its Fiscal Year 2024 ACFR to GFOA to determine its eligibility for a Certificate of Achievement for Excellence in Financial Reporting. The Board believes that its Fiscal Year 2024 ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting program requirements.

To be awarded a certificate of achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate of achievement is valid for a period of one year only.

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PROVO CITY SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDING
June 30, 2024

280 WEST 940 NORTH
PROVO, UT 84604
(801)374-4800
PROVO.EDU



Welcome • Educate • Inspire

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Provo City School District
280 W 940 N
Provo, UT 84604
801-374-4800
www.provo.edu

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Wendy Dau
Superintendent

Devyn Dayley
Business Administrator

Prepared By:
Devyn Dayley/Steven Reese, CPA

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Introductory Section



Wendy Dau
Superintendent
Devyn Dayley
Business Administrator

October 22, 2024

President Nielsen, Members of the Board of Education and Citizens of Provo City:

We are pleased to present the Annual Comprehensive Financial Report of Provo City School District for the fiscal year ended June 30, 2024. This Annual Comprehensive Financial Report includes financial and non-financial information to meet the needs of a broad spectrum of readers.

The report follows the guidelines so that it is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which apply to governmental entities throughout the United States. The Governmental Accounting Standards Board (GASB) establishes local government accounting principles. This report conforms to all current, relevant pronouncements of the GASB, which, taken as a whole, are referred to as generally accepted accounting principles.

Management assumes full responsibility for all of the information presented in this report. The District believes the presentation of this report is accurate in all material respects, and the financial position and results of operations are presented fairly. All disclosures necessary to enable the reader the ability to gain an understanding of the District's financial activities have been included. Because the cost of internal control typically should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The District's internal control framework has been designed to provide reasonable internal controls with limited resources in Business Services, but not absolute, assurances regarding:

- (1) the safeguarding of assets against loss from unauthorized use or disposition, and
- (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

State law requires that school districts publish, within five months of the close of each year, a complete set of financial statements that a licensed, certified public accounting firm has audited. HBME, LLC, a licensed, certified public accountant firm, has audited the District's financial statements. The independent audit involved:

- examining, on a test basis evidence supporting the amounts and disclosures in the financial statements
- assessing the accounting principles used and significant estimates made by management
- evaluating the overall financial statement presentation

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion for the District's financial statements for the fiscal year ended June 30, 2024; this opinion indicates the financial statements are fairly presented in conformity with U.S. GAAP. The independent auditors' report is presented as the first component of the Financial Section in this report.

**Superintendent's
Message**

The independent audit of the District's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the Office of Management and Budget Uniform Guidance, Audits of States and Local Governments and Non-Profit Organizations, are the authoritative standards governing Single Audit engagements. These standards require the independent auditor to report not only on the fair presentation of the financial statements but also on the District's internal controls and compliance with legal requirements, with a special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report. A copy of the Single Audit Report is available from the District Business Office.

In addition to the Single Audit requirements, the District is required to meet audit requirements according to Utah State Code 51-2 to report on compliance with significant state fiscal laws. Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A immediately follows the independent auditors' report.

DISTRICT PROFILE

Summary

The District was officially organized in 1898. The District is one of 41 public school districts in Utah and serves approximately 13,600 students. The primary purpose of the District is to provide public education to students who reside in Provo City, located in the central portion of Utah County, Utah. Because of Open enrollment laws, some students live outside of Provo city. To accomplish this purpose, the District operates two traditional high schools, an alternative high school, two middle schools, thirteen elementary schools, and an eSchool which services elementary and middle school students. The District continues to positively influence the community by offering traditional and proven non-traditional education to its students.

These non-traditional alternatives include preschool training for disabled students, adult high school completion, the largest selection of online courses in the state, and concurrent enrollment, where students can earn high school and college credits simultaneously. The District offers advanced placement, special education, music, career technology, dual language immersion, multicultural programs, gifted and talented programs, STEM, summer camps, music tracks, and many other enrichment programs in all curriculum areas. The District has strong technical and foreign language programs in traditional and online offerings. It is one of the few districts in the state to offer numerous elementary foreign languages at multiple schools, along with existing secondary language programs.

Reporting Entity

The District is a legally separate entity enjoying all rights and privileges accorded to political subdivisions in Utah. Policymaking legislative authority and oversight are vested in the Board of Education, which consists of seven members. The Board is responsible for, among other things, developing policy, adopting the annual budget, levying property taxes, incurring bonded debt, and appointing the Superintendent and Business Administrator. The Board and District administration recognize that the District's financial health largely dictates its ability to deliver the most appropriate education for each student.

Governing Structure

The Superintendent and Business Administrator are responsible for carrying out the policies of the Board and oversight of the District's day-to-day operations. The Board is elected locally on a non-partisan basis. The Provo City School District Foundation (Foundation) is a discretely presented component unit of the District; the Foundation is a legally separate entity established to support the District. The Foundation's financial data is presented as a separate column on the government-wide financial statements of the District. The Foundation's financial statements are not included in the annual audit.

The Provo City School District Municipal Building Authority (Building Authority) is a blended component unit established to support the District and is reported separately in the financial statements. There are no other units of government that are dependent on the District. See the MD&A for additional information regarding the Building Authority.

The Board represents the citizens of Provo City residing in various precincts that the Provo City Council independently determined. A map of the precinct boundaries is included in the report's Introductory Section.

MAJOR INITIATIVES AND LONG-TERM FINANCIAL PLANNING

District Efforts

One of the priorities of the Board and District administration is to plan for the future of Provo students and facilities progressively. In the past, the District created a Capital Facilities Advisory Committee, comprised of District staff and board members, with the responsibility to plan for current and future needs. Short and long-term recommendations were outlined so the Board could better prepare for the needs of the District and its students. One of the most significant issues addressed was the aging buildings throughout the District by determining which facilities were most critical to replace. This Committee met for a few years to strategize timing for bond issuances and uses for existing capital resources. The District also began planning for future needs by creating a Building Reserve fund to restrict resources for replacing a building or other capital needs.

With the assistance of that Committee, the District has completed four elementary schools and a high school in the last seven years. New general obligation bonds were issued in fiscal year 2021 to replace a portion of Timpview High School, and the Building Authority issued bonds in fiscal year 2022 to replace a middle school and an elementary school. With work still to be done, the District administration has redoubled its efforts in receiving additional input for future capital needs throughout the District. A new work order system is being implemented to track replacement cycles for better essential maintenance and ensure that all projects are completed in a reasonable time. It will provide a better tool for long-term budgeting and forecasting.

Capital improvements are funded through two major sources: capital tax levies and bonds. The District continues a targeted and aggressive capital improvement schedule based on recommendations from the Capital Facilities Advisory Committee. All capital projects and maintenance efforts are part of a progressive 20-year building replacement and major upgrade plan. The oldest buildings, in most need of repair, will be replaced first. The years of original construction of all District buildings range from 1931-2020. The District issued \$71.6 million in general obligation bonds and \$110.0 MBA funds since 2019 to address our critical building needs during fiscal year 2024. Fiscal year 2025 will see the completion of all bond projects throughout the District.

Fund balances decreased from \$203,381,534 on June 30, 2023 to \$152,703,523. This fund balance decrease is due primarily to ongoing construction on three schools in the District. State law allows only a modest committed contingency balance in the General fund, and these monies enable the District to respond to various emerging issues, including the need for funds in the future due to critical conditions, funding cuts, or a possible economic downturn. Healthy fund balances allow the District to secure future financing at favorable interest rates and to explore promising educational reform without reducing resources to current programs.

District administration's priority is to provide as many resources as possible to teachers and students in the classroom. The budget includes aggressive initiatives to provide up-to-date curriculum and cutting-edge technology, along with professional development activities to provide teachers with the tools they need to be effective educators. The District's Board of Education is also committed to increase teacher salaries, along with other critical employee groups.

**District Master
Plan**

The Board and District administration spent a great deal of time defining goals and objectives to guide decisions, both financial and educational, for students, teachers, and employees to create the best environment for education. In 2023, District administration and the Board of Education embarked on a new strategic plan to help guide the District for the next 10 years. District administration, board member, teachers, classified staff and many parents were part of the committee that helped create goals and objectives that are reflective of the District's desire to be the "destination" district in Utah County. This plan will be adopted in fiscal year 2025.

The District has been able to maintain small class sizes in the elementary schools with assistance from the American Rescue Plan (ARP) Act funding provided by the federal government. This funding has helped to provide additional support to regain learning loss from school closures in previous years. The grant also provided one-to-one technology devices to continue with state-of-the-art instructional opportunities. Professional development for staff was also a priority for District personnel to better navigate the "new normal" in education. This new normal has created an expectation of services provided by the District, but without having the ongoing funding to address these needs. In the year ended June 30, 2024, those grants were spent in their entirety. Future budget cycles will require significant evaluation of financial resources to be able to maintain desired services.

Throughout these significant challenges, the financial position of the District remained relatively stable. Local revenue increased from the previous year, including increased property tax revenue. State revenue increased primarily due to the increase in the WPU, the primary funding source per student in Utah. The District has maintained a solid financial position through ongoing challenges.

**Budget
Development**

With the clear direction and goals of the new strategic plan set, administration can prioritize resources to accomplish many of the goals set forth in the new plan. Any new budget requests will have direct correlation with stated goals with a clear plan to how desired outcomes will be reached and will be supported by ongoing revenue, if necessary.

The District has an established record of being financially transparent and well-run, consistently earning national financial awards. The District is committed to maintaining healthy budgeting practices. District reserves will decline over the next few years while completing construction projects and maintaining staff salaries. The District's policy on fund balances will guide the minimum acceptable threshold.

Financial resources are focused on the District's most important asset: its people. Making sure that we hire and retain the best teachers is a high priority for District administration. Significant efforts have been made to evaluate teacher salaries to make sure that the District remains competitive within the state of Utah. Several districts have also recognized that need, which requires conversations to continue to ensure teacher salaries remain a top priority to the Board of Education and District administration.

The District strategically manages its operations with a focused effort to maintain its end-of-year fund balances. The District's process includes an annual review of all District programs, including a program-level needs assessment analysis. The Board approves the budget in June for the following fiscal year unless a truth-in-taxation hearing is held.

The District is pleased to report that budget decisions made in the last few fiscal years have enabled the District to maintain healthy fund balances. The General Fund unassigned fund balance on June 30, 2023, was \$18.9 million. Total restricted governmental fund balances on June 30, 2024, were \$111.2 million, which accounts for unspent bond proceeds (\$32.5 million), \$3 million in restricted General Fund programs, \$7.9 million for debt service, \$44.8 million for non-bond-related capital projects, \$20.4 million in Building Reserve, and \$2.6 million in Food Services. The remaining fund balances include \$0.3 million in non-spendable fund balances, \$17.8 million in committed fund balances, and \$13.7 million in assigned fund balances.

State Funding

The 2024 state minimum school finance program is designed to provide every Utah school district with a basic amount totaling \$4,280 per weighted pupil unit (WPU) (up from \$4,038 in fiscal year 2024). The Weighted Pupil Unit (WPU), part of the Minimum School Program, measures student enrollment based on a pro-rated amount of days in attendance per student, with grades K-12 considered at full funding and students electing to attend half-day instead of full-day kindergarten at 55%.

LOCAL ECONOMY

**Utah Economic
Position**

The economic outlook of the District is heavily dependent on State aid, which provides 53.9% of General Fund revenues. As noted above, the WPU is based on student enrollment. Enrollment in fiscal year 2023 was approximately 13,400. Projected enrollment for FY24 and FY25 is projected to decrease slightly. The state Uniform School Fund was constitutionally established in 1938 and is used to allocate funding for statewide public education programs equitably. Additionally, a statewide property tax rate is levied to finance the Uniform School Fund and is applied against the taxable value of real and personal property.

Unemployment rates in Utah hit a record low in June 2023 at 2.5%. As of June 2024, unemployment rates are at 3%, which represents a 0.5% increase from the previous June. Provo City is the county seat of Utah County, which has seen explosive growth in recent years. The 2020 U.S. Census reported Utah County with a population of 702,434, representing a nearly 36% increase from the 2010 U.S. Census. The U.S. Census reports the current estimated population of Provo City is 113,523, which is only a small increase in comparison with the 2010 U.S. Census. Provo City has limited capacity for much growth, which is driving the flat enrollment numbers in the District.

Utah has historically seen faster population growth than other states because of a birth rates and immigration. Utah has one of the highest cumulative growth rates in the United States. While fertility rates are falling, net migration is still increasing due to the favorable quality of life offered, low unemployment rate, and other business opportunities. Utah County still had the highest natural increase, net migration, and a favorable climate. Most of the change in Utah County is in cities outside Provo, where more land is available.

**Budgetary
Control**

The District adopts an annual budget for all revenues and expenditures. The adopted budget serves as the financial operating plan for the fiscal year. Revisions may be made during the year authorizing a larger total appropriation of available resources after a public hearing and approval of the board. The level of legal budgetary control is at the overall fund level. According to Utah Code 53A-19-108, the District submits monthly budget reports to the Board for review. All annual appropriations lapse at fiscal year-end, except those indicated as a fund balance reserve. During June of each year, the 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. A final budget for the current year ending June 30. is also included.

Utah Code 53G-7-305 states, "A local school board may not make any appropriation above its estimated expendable revenue, including undistributed reserves." It has been the policy of the District to estimate appropriations as accurately as possible. The Board legally adopts, by resolution, the next fiscal year's budget on or before June 22, after obtaining taxpayer input. If the chooses to go through the truth-in-taxation process, revised tax rates are set in August through a public hearing and Board approval. The fiscal year 2024 budget was approved in June 2023 originally and amended in June 2024.

**Capital Budget /
Long-Term Plan-
ning**

The Board of Education approves an annual capital project plan, including any project that is over \$50,000. Monthly reports are submitted to track the progress of each project. While most resources are being used for significant construction projects, there are still some smaller projects that have been identified as essential and are approved by the Board in the budget process. The Board initially appropriated \$62.5 million for planned capital projects and improvements. After the updated draw schedules were provided by contractors, an additional \$36.3 million was added to the budget for construction projects. Expenditures will start to drop as construction projects are more substantially complete. One of the District objectives for fiscal year 2024 was to create a more robust long-term capital plan. A new system to track work orders and life cycle replacements has been implemented to plan better and prepare for capital projects in the future. This project, along with a Capital Facilities Committee, will provide valuable input to plan better for the future of our buildings and, in turn, create a safe environment for students.

Another District objective for fiscal year 2024 was to begin evaluating our health insurance for current employees. District administration wants to ensure that all employees are given access to affordable health plans while spending District resources wisely. In fiscal year 2024, a contract with a new insurance broker was signed to move the District to a self-funded insurance model. This will provide increased options for our employees and save money.

**Other Post-
Employment
Benefits**

The District provides a lifetime Medicare supplemental insurance benefit for retired employees who had completed at least 20 years of service as of January 1, 2005. The plan also includes coverage for spouses of employees who had completed 30 years of service by January 1, 2005. There are approximately 357 retirees (and some spouses) receiving benefit coverage in addition to 40 current employees who have earned vested coverage upon retirement. An actuarial study was completed in 2023, based on data as of July 1, 2023, which projects an estimated beginning OPEB liability of \$13.6 million. This year, \$1.5 million was spent on OPEB benefits. GASB requires districts to report their net OPEB liability and net pension liability on the government-wide statements. More detailed information can be found in Note 7 to the financial statements and in the Required Supplementary Information and subsequent notes.

AWARDS AND ACKNOWLEDGEMENTS

**Government
Finance
Officers
Association**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Provo City School District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the twenty-first consecutive year the District achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The District believes the current annual comprehensive financial report meets the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

The District expresses its appreciation to members of the Board for their interest and support in conducting the financial affairs of the District. The preparation of this report on a timely basis could only be accomplished with the efficient and dedicated services of the entire Business Services Department. The District appreciates the efforts made by Steven Reese his effort assisting in preparing this report and coordinating the annual audit.

Most importantly, the District expresses appreciation to all of the members of the departments and schools who assisted in the appropriate management, timely processing, and closing of the District's financial records. Their diligence and dedication are critical to the proper administration of the District's financial assets and the overall delivery of quality services to District patrons.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Devyn Dayley". The signature is fluid and cursive, with the first name "Devyn" and last name "Dayley" clearly distinguishable.

Devyn Dayley, Business Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

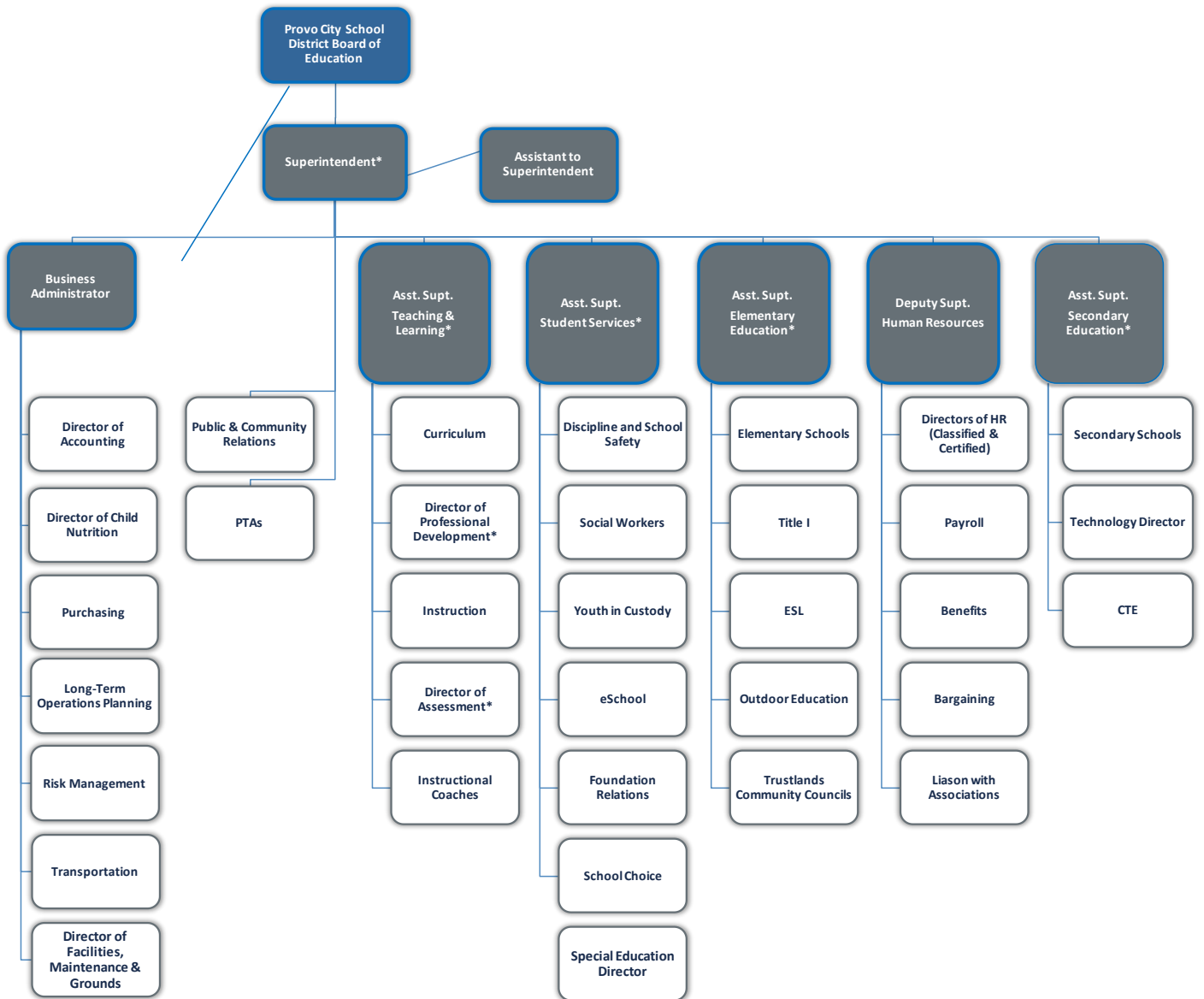
**Provo City School District
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



Board of Education

Lisa Boyce
District 1
Present Term: 2023-2027
Initial Appointment: 2023

Melanie Hall
District 2
Present Term: 2023-2027
Initial Appointment: 2017

Megan Van Wagenen
District 3
Present Term: 2023-2027
Initial Appointment: 2023

Jennifer Partridge (Vice President)
District 4
Present Term: 2023-2027
Initial Appointment: 2019

Teri McCabe
District 5
Present Term: 2021-2025
Initial Appointment: 2021

Rebecca Nielsen (President)
District 6
Present Term: 2021-2025
Initial Appointment: 2017

Gina Hales
District 7
Present Term: 2021-2025
Initial Appointment: 2021

District Executive
Administration

Wendy Dau
Superintendent
Initial Appointment: 2023

Devyn Dayley
Business Administrator
Initial Appointment: 2024

Doug Finch
Asst Superintendent, Student Services

Jason Cox
Asst Superintendent, Human Resources

Jarod Sites
Asst Superintendent, Elementary Educa-
tion

Darrell Jensen
Asst Superintendent, Secondary Educa-
tion

School Administration

Elementary Schools

Amelia Earhart..... Ryan McCarty
Canyon Crest Sean Edwards
Edgemont..... Harmony Kartchner
Provo Peaks Mark Burge
Franklin Jason Benson
Lakeview Jamie Leite
Provost..... Tricia Biggs
Rock Canyon Seth Hansen
Spring Creek..... Ruth Ann Snow
Sunset View..... Chris Chilcoat
Timpanogos Carrie Rawlins
Wasatch Chris Fuhrman
Westridge..... Kim Hawkins

Middle Schools

Centennial..... Brookanne Taylor
Dixon John Anderson

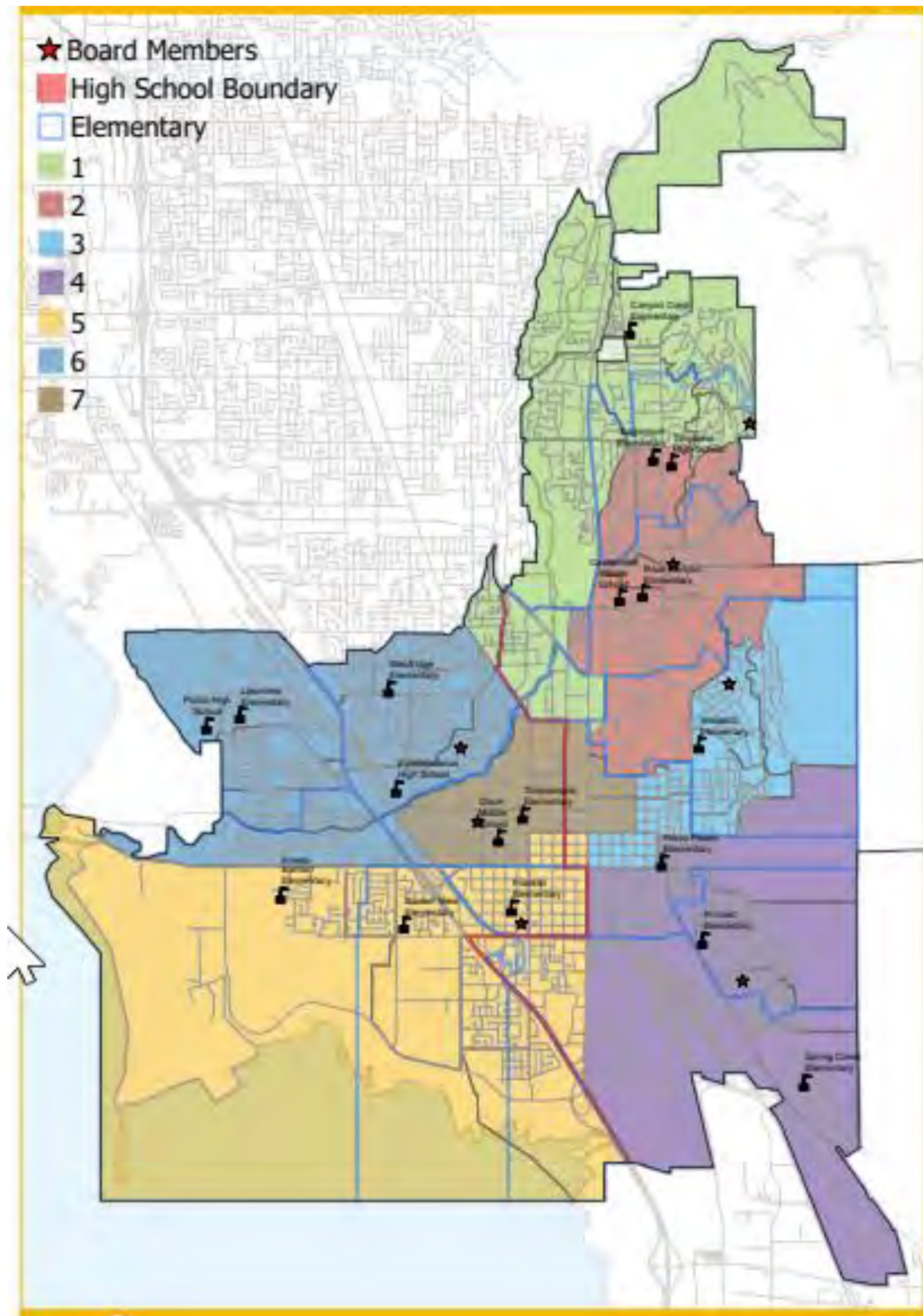
High Schools

Provo High..... Kami Alvarez
Timpview..... Momilani Tu’ua
Independence..... Jacob Griffin



Back (left to right) Lisa Boyce, Board Member; Jennifer Partridge, Board Vice President; Megan Van Wagenen, Board Member; Rebecca Nielsen, Board President

Front (left to right) Gina Hales, Board Member; Melanie Hall, Board Member; Teri McCabe, Board Member



Financial Section

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COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA
JANICE ANDERSON, EA
TROY F. NILSON, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Education
Provo City School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Provo City School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-27, pension schedules on pages 64-67, and other post-employment benefits schedules on pages 68-69, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 accompanying introductory section, combining and individual non-major fund financial statements, budgetary comparison schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024 on our consideration of Provo City School 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 solely 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 the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

HBME, LLC

October 22, 2024

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Management's Discussion and Analysis

This section of Provo City School District's (District) Annual Comprehensive Financial Report presents the Management's Discussion and Analysis (MD&A) of the District's financial performance during the year ended June 30, 2024. The MD&A is intended to provide an analysis of the District's financial position and performance during the past fiscal year. Information about the District can be found in the transmittal letter on pages 1 to 7 and the basic financial statements following the MD&A.

Financial Highlights

The financial position of the District remains stable. The following highlights are considered by the District to be significant factors in measuring the District's financial performance for the fiscal year ended June 30, 2024:

Government-Wide Net Position. The District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$217.6 million at fiscal year end. The overall net position of the District increased by \$32.4 million. The unrestricted net position (deficit) increased by \$14.7 million to \$37.7 million. The unrestricted net position (deficit) includes the effects of the net pension asset or liability, deferred outflows and inflows, as well as the Other Post Employment Benefits (OPEB) liability. Information about the OPEB and Utah Retirement System (URS) pension can be found in Notes 6 and 7 that accompany the basic financial statements and the Required Supplemental Information.

Government-Wide Financial Progress (full-accrual basis of accounting): During the year, expenses were \$32.4 million less than the \$240.3 million generated in taxes and other revenues for governmental activities. Expenses increased by \$26.4 million, due mainly to changes in the new Self Insurance Fund, the OPEB liability and URS pension. Revenues from operating grants and contributions increased by \$16.1 million (reflecting an increase in state funding) and property taxes increased by \$3.3 million. Other types of revenue increased by \$9.1 million, reflecting premiums paid to the Self Insurance Fund.

Governmental Funds Financial Progress (modified-accrual basis of accounting): During the year ended June 30, 2024, combined fund balances decreased by \$50.7 million. Much of the decrease is in relation to building projects in the Capital Projects fund and the Municipal Building Authority fund. The General Fund increased by \$11.8 million, primarily due to a sharp increase in investment earnings. Other funds had minor increases and decreases due to regular operating activity. State revenue increased by \$8.7 million due to an increase in the Weighted Pupil Unit (WPU) and other one-time appropriations. Federal revenue increased by \$9.3 million primarily due to the completion of COVID-related grants.

The Capital Projects fund decreased by \$6.0 million due to the planned construction projects from the 2021 General Obligation bonds. The MBA Fund decreased by \$45.5 million due to the substantial work done on the construction projects funded by the lease revenue bonds. The General fund has \$53.5 million in fund balances, which includes nonspendable, restricted, committed, assigned and unassigned categories. All nonmajor funds have a combined fund balance of \$25.5 million, the majority includes the \$20.3 million in the Building Reserve fund.

Overview of the Financial Statements

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

A. 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, deferred outflows of resources, liabilities and deferred inflows of resources of the District, with the difference reported as net position. Over time, increases or decreases in net position 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 position 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 only result in cash flows in future fiscal periods (e.g. uncollected taxes, early retirement obligations, OPEB and pension, and earned but unused compensated absences.)

The government-wide financial statements can be found on pages 30 to 31 of this report.

Component Units. The government-wide financial statements include not only the District (the primary government), but two other legally separate entities: first, a not-for-profit fundraising foundation for which the District is partnering with to provide resources to District schools. The foundation is discretely presented. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. Second, the Municipal Building Authority (MBA) of the Provo City School District, although also legally separate, functions for all practical purposes as a department of the District, and therefore has been included as an integral part of the primary government. The MBA is reported as blended.

B. Fund financial statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated and/or restricted 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. Except for the newly created self-insurance internal service fund, all of the funds of the District are *governmental funds*.

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 District'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, including the Municipal Building Authority fund, which is a blended component unit. The General fund, Debt Service fund, Capital Projects fund, and the Municipal Building Authority fund are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each governmental fund is provided in the form of *combining and individual fund statements* elsewhere in this report. The Passthrough Taxes fund reports on the amount of property tax revenue that the District would receive, but is sent to the Provo Redevelopment Agency for projects throughout the city of Provo and local charter schools through the Charter School Replacement levy.

The District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for the General fund and other major funds to demonstrate compliance with this budget.

The basic governmental fund statements can be found on pages 32 to 36 of this report.

Municipal Building Authority of the Provo City School District (the MBA). The annual debt service requirements of the MBA Fund relate to the Lease Revenue Bonds. The bonds are being funded by the capital projects property tax revenue, paid as lease expense to the MBA Fund. The District has a lease agreement with the MBA with each bond series of the MBA fund, which allows the District exclusive use of the assets constructed with the bond proceeds. The agreements call for a lease payment in the amount of the annual debt service obligations of the MBA, wherein a lease revenue is recorded.

See note 5 for further information and details on the MBA bonds.

Internal Service Funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Provo City School District's various functions. The District maintains one internal service fund, beginning July 1, 2022. In 2022, District administration made the decision to become self-funded for the District's health insurance for qualifying employees. Significant analysis was done based on existing plans and options for transitioning to self-funded for medical insurance.

Other types of insurance are elective and paid by the employees and are recorded in the General fund. The self-insurance plan began in September 2024. A transfer of \$1 million was made from the General fund. Future revenues, in addition to on-going revenues, will be from employee and employer contributions processed each month as part of payroll. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service fund financial statements can be found on pages 37 to 39 of this report.

C. Notes to the basic financial statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 41 to 62 of this report.

D. Required Supplemental Information

Information regarding net OPEB liability and net pension liability can be found on pages 64-69 of this report.

E. Other information

Combining and individual fund statements and schedules are presented immediately following the notes to the financial statements on pages 72-76 of this report. Additional financial and non-financial statistical data and trends are presented in the statistical section of the report.

Government-Wide Financial Analysis (full accrual basis of accounting)

A. Net Position - Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$217.6 million at the close of the most recent fiscal year. When compared to the previous fiscal year, net position of the District's governmental activities increased \$32.4 million. Net position is classified as unrestricted, restricted as to the purposes they can be used for, or are the net investment in capital assets (land, buildings and improvements, equipment, etc.). Consequently, with the implementation of GASB 68 and GASB 75, accounting for the net pension and net OPEB liabilities, unrestricted net position is \$37.7 million at the end of this year. The Utah Retirement System provides actuarially determined amounts for the net pension liability as well as the deferred outflows and inflows associated with pensions. During the year, the actuarial team annually determines adjustments necessary to correctly reflect district's liabilities. Those adjustments affect deferred outflows and inflows and the net pension and OPEB liabilities. . The 2024 numbers following reflect those updated numbers.

The largest portion of the District's net position (\$99.4 million) reflects its investment in capital assets (e.g., sites, buildings, equipment and vehicles net of accumulated depreciation), net of related long term debt used to acquire such assets (general obligation bonds payable and lease revenue bonds payable). Capital assets are used to provide services to students, and are not available for future spending. It should be noted that the resources needed to repay the related debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (\$80.5 million) represents fund balances that are subject to external restrictions on how they may be used. The majority of restricted net position (\$63.8 million) is for capital projects for the District, including the Capital Projects fund and Building Reserve fund.

Provo City School District's Net Position
June 30, 2024 and 2023 (in millions of dollars)

	Governmental activities		
	2024	2023	Change from 2023
Current and other assets	\$ 280.9	\$ 302.9	\$ (22.0)
Capital assets	348.1	292.6	55.5
Total assets	629.0	595.5	33.5
 Total Deferred Outflows of Resources	 25.2	 25.1	 0.1
 Other liabilities	 38.5	 28.2	 10.3
Long-term liabilities outstanding	319.1	336.3	(17.2)
Total liabilities	357.6	364.5	(6.9)
 Total Deferred Inflows of Resources	 79.0	 70.8	 8.2
 Net Position:			
Net investment in capital assets	99.4	102.4	(3.0)
Restricted	80.5	59.8	20.7
Unrestricted (deficit)	37.7	23.0	14.7
Total net position	\$ 217.6	\$ 185.2	\$ 32.4

B. Changes in Net Position – Governmental Activities

The District's total revenues for the year were \$240.3 million, which represents an increase of \$30.7 million over the prior year. Total revenue from operating grants and contributions (specific to programs and funds) comprise 54.6% of the District's revenues; property taxes generated 33.13% of the District's revenues.

As compared to the prior year, the total cost of all programs and services increased by \$26.4 million to \$207.9 million. Central Services and Operation and Maintenance of Facilities increased by \$22.3 million in total, due to the inclusion of Self Insurance claims paid and lease expense reported in the Capital Projects fund. Instruction and support services (including food services) were 50.55% and 44.83%, respectively, of the District's expenses.

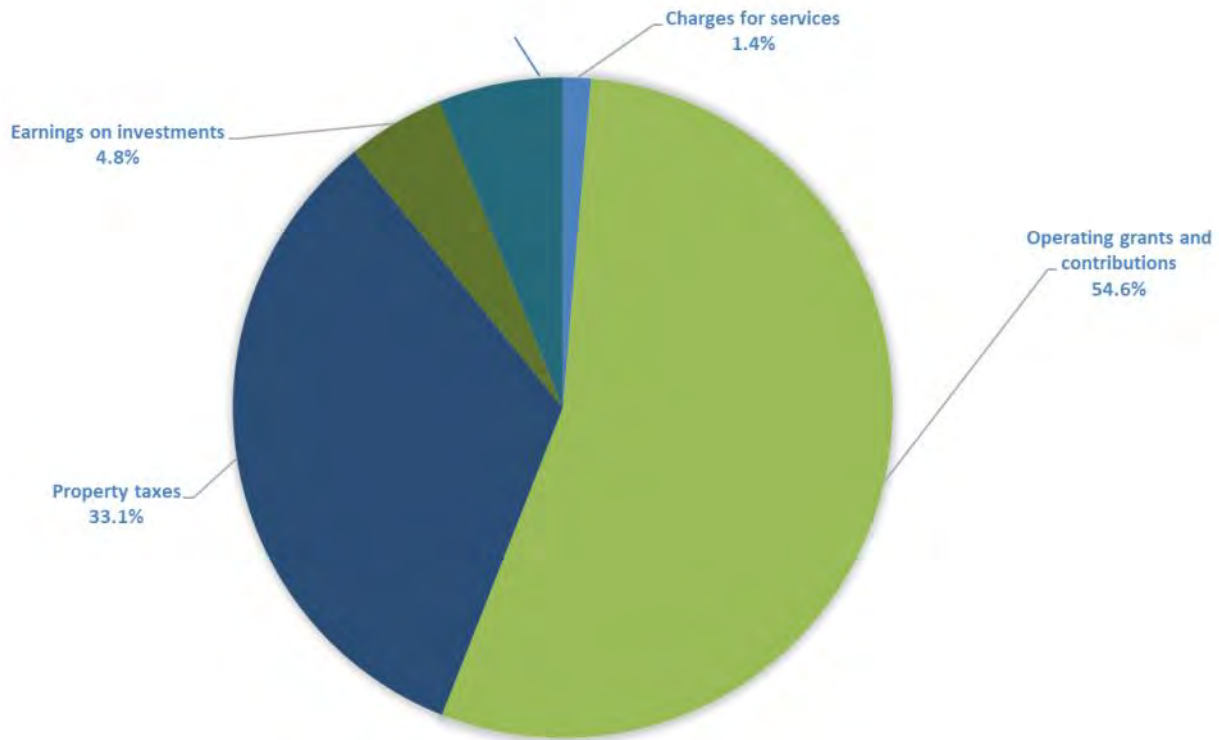
Changes in federal and state aid are a reflection of changes in funding for specific programs and changes in student enrollment. The District's primary source of funding is based on the WPU (weighted pupil unit) and other state appropriations. The state guarantees that if local taxes do not provide money equal to the guarantee it will make up the difference with state funding.

Provo City School District's Changes in Net Position

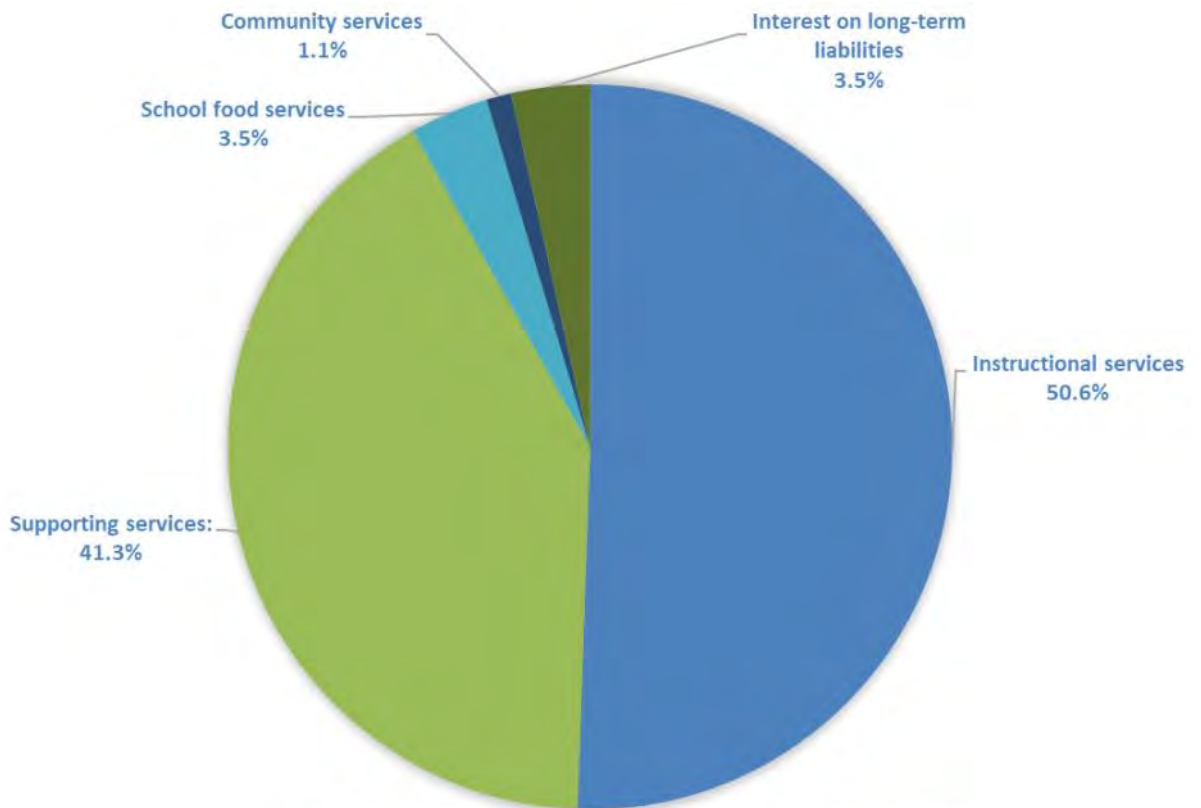
Years Ended June 30, 2024 and 2023

(in millions of dollars)

	Governmental activities		Change from 2023
	2024	2023	
Revenues:			
Program revenues:			
Charges for services	\$ 3.3	\$ 4.0	\$ (0.7)
Operating grants and contributions	131.2	115.1	16.1
General revenues:			
Property taxes	79.6	76.3	3.3
Earnings on investments	11.5	8.6	2.9
Miscellaneous	14.7	5.6	9.1
Total revenues	240.3	209.6	30.7
Expenses:			
Instructional services	105.1	103.7	1.4
Supporting services:			
Students	12.0	10.9	1.1
Instructional staff	14.8	15.4	(0.6)
District administration	1.7	1.6	0.1
School administration	9.9	9.0	0.9
Central Services	18.5	7.0	11.5
Operation and maintenance of facilities	26.4	15.6	10.8
Transportation	2.6	2.3	0.3
School food services	7.3	6.4	0.9
Community services	2.3	1.8	0.5
Interest on long-term liabilities	7.3	7.8	(0.5)
Total expenses	207.9	181.5	26.4
Changes in net position	32.4	28.1	4.3
Net position, beginning	185.2	157.1	28.1
Net position, ending	\$ 217.6	\$ 185.2	\$ 32.4



REVENUES BY SOURCES - GOVERNMENTAL ACTIVITIES
FOR YEAR ENDED JUNE 30, 2024



EXPENSES BY FUNCTION - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Governmental Fund Financial Analysis (modified accrual basis of accounting)

A. Governmental Funds

The focus of the District's *governmental funds* is to provide information regarding near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District is accountable for the following governmental funds:

General Fund - a major fund, used to account for funds associated with K-12 educational activities as well as those funds that do not meet the criteria for reporting in other governmental funds.

Student Activities Fund (special revenue fund) - used to account for activities at the school level, including sports, clubs and instruction related programs.

Food Services Fund (special revenue fund) - used to account for local, state, and federal funds restricted to providing breakfast, lunch, and other food services to students.

Debt Service Fund - a major fund, used to account for funds accumulated and restricted for payments of general long-term obligation debt.

Capital Projects Fund - a major fund, used to account for funds generated through property taxes restricted for capital projects, certain building maintenance costs, and capital lease obligations.

Building Reserve Fund - used to account for funds designated by the Board of Education for new buildings or remodels.

Municipal Building Authority Fund (special revenue fund) - a blended component unit, a major fund, used to account for funds received from lease revenue bonds under the direction of the Municipal Building Authority.

Passthrough Taxes Fund (special revenue fund) - used to account for property tax revenue that would be received by Provo City School District, but is collected by Utah County and remitted to the Provo City Redevelopment Agency to assist in major projects within Provo City limits and to local charter schools as part of the Charter School Replacement levy.

As the District completed the year, its governmental funds reported a combined fund balance of \$203.4 million, which is a \$45.8 million decrease from the previous year. The primary reason for the decrease in fund balance is the construction of Timpview High School, Shoreline Middle School and Wasatch Elementary School. In addition, the following changes should be noted:

- The District's *General* fund balance increased by \$11.8 million. The Restricted fund balance decreased by approximately \$157k. The Assigned fund balance increased by \$10.1 million. The Assigned fund balance accounts for items that are encumbered, administration directed projects, or school balances that carry forward from unrestricted funds.
- The *Capital Projects* fund balance decreased by \$6.0 million. The primary reason for this change in fund balance is the progress in the building of Timpview High School.
- The *Debt Service* fund balance increased by \$1.1 million. The primary reason for this increase is the prior year collections from property taxes.
- District-wide expenditures totaled \$269.1 million, an increase of \$16.1 million compared to the previous fiscal year. The increase is primarily due to construction costs and medical claims.
- Interest income increased significantly this year due to favorable interest rates that are directly related to federal reactions to nation-wide inflation.
- Expenditures in the *General* fund in purchased services and supplies decreased by \$1.0 million due to a decrease in COVID-related purchased services.
- With the ongoing maintenance of the *self-insurance fund*, a transfer was done from the General fund in the amount of \$1,000,000.

Governmental funds report the differences between their assets and liabilities and deferred outflows of resources and deferred inflows of resources as fund balance, which is divided into nonspendable, restricted, committed, assigned and unassigned portions. *Nonspendable* includes inventories and any prepaid expenditures (items not expected to be converted to cash). *Restricted* includes net fund balances that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or

creditors. Restrictions include tax revenues levied for specific purposes. *Committed* balances reflect the District’s self imposed limitation on the use of otherwise available funds. *Assigned* balances are intended for a specific use and do not require board action. *Assigned* includes unrestricted programs, encumbrances, amounts in excess of nonspendable, restricted, and committed fund balances in governmental funds. *Unassigned* balances in the General fund are all other undesignated funds, and any residual deficits from other funds.

Changes in local revenues are due to the following elements:

- *Property taxes:* Property taxes increased slightly due to growth in high-density housing in Provo and adjusted debt service levies required for annual debt service payments.
- *Student Fees/Tuitions:* Student fees/tuitions stayed relatively flat between years.
- *Earnings on investments:* Interest increased again due to favorable interest rates in investments.
- *Other revenue from local sources:* This classification represents collections for services rendered to other independent entities, fees for local services rendered, medical premiums, indirect charges and other miscellaneous income sources (i.e. lease revenue).
- *Transportation fees and food services:* Food Service and Transportation revenue increased slightly due to increased participation in both meals served and field trips.

PROVO CITY SCHOOL DISTRICT Local Revenues
(all governmental funds combined)

	2024	2023
Property taxes	\$ 80,576,952	\$ 76,786,890
Student Activities	3,323,363	3,368,700
Transportation fees	402,886	353,936
Earnings on investments	11,452,217	8,580,234
Food Services	1,227,566	1,003,161
Other revenues from local sources	13,255,105	12,931,330
Total	\$ 110,238,089	\$ 103,024,251

B. Proprietary Funds

Provo City School District uses an internal service fund to accumulate and allocate costs internally among the District’s various functions to account for the management of its health insurance for employees and their dependents. Because this service benefits governmental functions, revenue and expenditures related to insurance costs have been included within governmental activities in the government-wide financial statements.

Budgetary Highlights

During 2024, the Board revised the District’s budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget in the General fund was an increase of \$1.9 million in total General fund expenses and \$8.5 million in revenue. The most significant budget changes may be summarized as follows:

- *State Revenue* increased by \$1.3 million due to additional grant awards from the state.
- *Federal revenue* increased by \$2.7 million from the original and amended budget due to an increase in planned expenditures from federal emergency funding to assist in mitigating the effects of COVID-19.
- *Other local revenue* budget increased by \$4.4 million to account for adjustments in indirect costs and other revenue that was planned to be received.
- The biggest changes in *General* fund expenses from the original budget were supplies and property (an increase of \$1.9 million). This accounts for increased costs in technology devices used in schools and funding provided by the state for security measures in the schools.

Capital Assets & Debt Administration

A. Capital Assets

Many capital assets (buildings and equipment) are purchased out of the Capital Projects fund. The Capital Projects fund is also used to account for major costs incurred in maintaining and remodeling District facilities. Other funds are also used to account for maintenance of District facilities and to purchase equipment for the functions within each fund.

Capital assets at June 30, 2024 and 2023 are outlined below:

PROVO CITY SCHOOL DISTRICT Capital Assets (net of accumulated depreciation in millions of dollars)				
	2024	2023	Total Change	
School sites (land)	\$ 11.5	\$ 11.5	\$ -	
Works of art	0.2	0.2	-	
Construction in progress	168.3	104.1	64.2	
Buildings	160.4	167.6	(7.2)	
Furniture, equipment and vehicles	7.6	9.1	(1.5)	
Total	\$ 348.1	\$ 292.6	\$ 55.5	

Major capital asset events during the current fiscal year included the following:

- No major building projects other than projects funded by previously issued bonds. Timpview High School, Shoreline Middle School and Wasatch Elementary School are currently being built which accounts for the large increase in Construction in progress.
- Most activity in Buildings and Furniture is current depreciation and removal of obsolete assets.

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

B. Debt Administration

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2024 is \$640.7 million. General obligation debt at June 30, 2024 is \$144.4 million, resulting in a legal debt margin of \$496.3 million.

Outstanding General Obligation Debt			
	2024	2023	Total Change
Outstanding G.O. Debt	\$ 144.4	\$ 153.2	\$ (8.8)

Additional information regarding the District's debt can be found in Note 5 to the basic financial statements.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Provo City School District, 280 West 940 North, Provo, UT, 84604.

Basic Financial Statements

Financial Section

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PROVO CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Primary Government	Component Unit Provo School District Foundation
	Governmental Activities	
Assets:		
Cash and investments	\$ 59,630,395	\$ 1,320,634
Restricted cash and investments	124,882,237	-
Receivables:		
Property taxes	78,541,341	-
Other local	11,749,821	-
State	1,192,728	-
Federal	4,649,491	-
Inventories	274,703	-
Capital Assets not being depreciated	180,039,443	-
Capital assets, net of accumulated depreciation/amortization	168,068,642	-
Total assets	629,028,801	1,320,634
Deferred Outflows of Resources:		
Pension related	25,154,497	-
Liabilities:		
Accounts payable	22,205,277	4,279
Accrued interest payable	1,321,631	-
Payroll and related payables	14,936,438	-
Unearned revenue:		
Other local	5,100	-
Noncurrent liabilities:		
Due within one year: bonds, notes, leases, compensated absences	15,217,134	-
Due in more than one year:		
Bonds, notes, leases, compensated absences	255,342,636	-
Net OPEB liability	12,535,511	-
Net pension liability	35,962,326	-
Total liabilities	357,526,053	4,279
Deferred Inflows of Resources:		
Property tax related	78,125,247	-
Pension related	910,732	-
Total deferred inflows of resources	79,035,979	-
Net Position:		
Net investment in capital assets	99,407,415	-
Restricted for:		
Debt service	7,914,696	-
Capital projects	43,463,843	-
Building reserve	20,372,240	-
Self Insurance	2,890,938	-
School food services	2,890,384	-
State/Federal restricted programs	3,010,094	-
Unrestricted	37,671,656	1,316,355
Total net position	\$ 217,621,266	\$ 1,316,355

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

					Net Revenues (Expenses) and Changes in net position	
		Program Revenues			Primary Government	Component Unit
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Provo School District Foundation
Provo City School District						
Governmental activities:						
Instructional services	\$ 105,064,996	\$ 2,095,797	\$ 90,462,851	\$ -	\$ (12,506,348)	\$ -
Supporting services:						
Students	12,039,440	-	8,554,641	-	(3,484,799)	-
Instructional staff	14,828,971	-	12,979,962	-	(1,849,009)	-
District administration	1,756,352	-	1,281	-	(1,755,071)	-
School administration	9,889,271	-	1,266,056	-	(8,623,215)	-
Central services	18,516,360	-	-	-	(18,516,360)	-
Operation and maintenance of facilities	26,414,691	10,498,325	319,971	-	(15,596,395)	-
Transportation	2,559,924	-	1,515,226	-	(1,044,698)	-
School food services	7,322,183	1,227,566	5,555,406	-	(539,211)	-
Community services	2,266,075	-	-	-	(2,266,075)	-
Interest	7,276,006	-	-	-	(7,276,006)	-
Total Provo City School District	207,934,269	13,821,688	120,655,394	-	(73,457,187)	-
Component unit:						
Provo School District Foundation	\$ 116,929	\$ -	279,154	-	\$ -	\$ 162,225
General Revenues:						
Property taxes levied for:						
Basic state supported program for regular K-12 instruction					19,083,627	-
Voted leeway for regular K-12 instruction					10,464,958	-
Board leeway and Board local leeway					19,927,190	-
Debt service of general obligation bonds					15,502,463	-
Capital outlay for buildings and other capital needs					14,603,192	-
Unrestricted investment earnings					11,520,206	43,314
Lease Revenue					7,487,329	
Miscellaneous					7,229,894	-
Total general revenues					105,818,859	43,314
Changes in net position					32,361,672	205,539
Net position - beginning					185,259,594	1,110,816
Net position - ending					\$ 217,621,266	\$ 1,316,355

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

PROVO CITY SCHOOL DISTRICT
Balance Sheet—Governmental Funds
June 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Municipal Bldg Authority	Total Nonmajor Funds	Total Governmental Funds
Assets:						
Cash and investments	\$ 54,438,709	\$ -	\$ -	\$ -	\$ 2,238,063	\$ 56,676,772
Restricted cash and investments	3,010,094	2,057,865	50,917,871	45,846,254	23,050,153	124,882,237
Receivables:						
Property tax	49,518,667	15,158,247	13,109,427	-	-	77,786,341
Other local	11,534,786	-	-	-	215,035	11,749,821
State	1,018,647	-	-	-	174,081	1,192,728
Federal	4,588,806	-	-	-	60,685	4,649,491
Inventories	-	-	-	-	274,703	274,703
Total assets	\$ 124,109,709	\$ 17,216,112	\$ 64,027,298	\$ 45,846,254	\$ 26,012,720	\$ 277,212,093
Liabilities:						
Construction/Accounts Payable	\$ 7,150,408	\$ 3,000	\$ 2,694,050	\$ 11,359,553	\$ 180,581	\$ 21,387,592
Payroll and related payables	14,639,440	-	-	-	296,998	14,936,438
Unearned revenue:						
Other local	5,100	-	-	-	-	5,100
Total liabilities	21,794,948	3,000	2,694,050	11,359,553	477,579	36,329,130
Deferred Inflows of Resources:						
Deferred property tax revenue	48,854,504	14,943,203	12,929,516	-	-	76,727,223
Fund Balances:						
Nonspendable:						
Inventories and prepaid items	-	-	-	-	274,703	274,703
Restricted For:						
Building reserve	-	-	-	-	20,372,240	20,372,240
School food services	-	-	-	-	2,615,681	2,615,681
Capital projects	-	-	48,403,732	28,841,914	-	77,245,646
Debt service	-	2,269,909	-	5,644,787	-	7,914,696
State/Federal restricted programs	3,010,094	-	-	-	-	3,010,094
Committed To:						
OPEB	13,448,244	-	-	-	-	13,448,244
Board voted economic stabilization	4,344,402	-	-	-	-	4,344,402
Assigned To:						
District/Administrative Programs	13,708,000	-	-	-	-	13,708,000
Schools	-	-	-	-	2,272,517	2,272,517
Unassigned	18,949,517	-	-	-	-	18,949,517
Total fund balances	53,460,257	2,269,909	48,403,732	34,486,701	25,535,141	164,155,740
Total liabilities, deferred inflows of resources, and fund balances	\$ 124,109,709	\$ 17,216,112	\$ 64,027,298	\$ 45,846,254	\$ 26,012,720	\$ 277,212,093

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

Total net position reported for governmental activities in the statement of net position is different because:

Total fund balances for governmental funds \$ 164,155,740

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 11,538,174	
Construction in progress	168,267,019	
Works of art	234,250	
Buildings and improvements	268,136,955	
Right to Use Asset - Modular Units	126,233	
Furniture and equipment	31,537,497	
Accumulated depreciation for:		
Buildings and improvements	(107,742,126)	
Machinery and Equipment - Right to Use	(126,233)	
Furniture and equipment	<u>(23,863,684)</u>	348,108,085

An internal service fund is used by management to charge the cost of self-insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position 2,890,938

GASB 68 requires state and local governments to disclose in their government-wide statement of net position, their net pension liability and/or the net pension asset and the deferred inflows and outflows of resources relating to pensions and pension expense. GASB 75 requires state and local governments to disclose their total OPEB liability and the deferred inflows of resources and the deferred outflows of resources relating to OPEB and OPEB expenses.

Deferred outflows relating to pensions	25,154,497	
Net OPEB liability	(12,535,511)	
Deferred inflows relating to pensions	<u>(910,732)</u>	(24,254,072)

Some of the District's property taxes will be collected after year-end, and are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the funds. (1,398,024)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (1,321,631)

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:

General obligation bonds	(144,355,000)	
Deferred amounts for issuance premium/discount	(23,607,271)	
MBA Lease revenue bonds	(100,517,000)	
Notes payable	(13,202)	
Compensated Absences Payable	<u>(2,067,297)</u>	(270,559,770)

Total net position of governmental activities \$ 217,621,266

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

PROVO CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds
Year Ended June 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Municipal Bldg Authority	Total Nonmajor Funds	Total Governmental Funds
Revenues:						
Local sources:						
Property taxes	\$ 49,096,894	\$ 15,894,362	\$ 13,306,293	\$ -	\$ 2,279,403	\$ 80,576,952
Food service sales	-	-	-	-	1,227,566	1,227,566
Other local	5,457,701	-	155,667	7,487,329	3,880,657	16,981,354
State	95,009,658	-	-	-	1,461,229	96,470,887
Federal	19,989,985	-	-	-	4,094,177	24,084,162
Investment Earnings	7,097,506	43,125	943,502	3,321,858	46,226	11,452,217
Total revenues	176,651,744	15,937,487	14,405,462	10,809,187	12,989,258	230,793,138
Expenditures:						
Current:						
Instructional services	94,131,845	-	-	-	3,929,568	98,061,413
Supporting services:						
Students	12,140,634	-	-	-	81,402	12,222,036
Instructional staff	15,021,585	-	-	-	56,621	15,078,206
District administration	1,805,670	-	-	-	-	1,805,670
School administration	10,035,195	-	-	-	69,991	10,105,186
Central services	7,089,136	-	-	-	-	7,089,136
Operations and maintenance of facilities	12,566,765	-	13,131,577	-	-	25,698,342
Transportation	2,491,962	-	-	-	-	2,491,962
School food services	-	-	-	-	7,236,898	7,236,898
Community services	-	-	-	-	2,279,403	2,279,403
Capital outlay						
Capital Outlay (Buildings & Construction)	-	-	15,193,583	48,998,613	-	64,192,196
Instructional Services	94,209	-	-	-	-	94,209
Instructional Staff	29,900	-	-	-	-	29,900
Other Support Services	216,378	-	-	-	-	216,378
Operation and maintenance of facilities	388,093	-	257,544	-	-	645,637
Transportation	-	-	423,993	-	-	423,993
School Food Services	-	-	-	-	128,322	128,322
Debt service:						
Principal retirement	-	8,840,000	72,122	3,300,000	-	12,212,122
Interest and fiscal charges	-	5,040,060	1,049	4,003,183	-	9,044,292
Total expenditures	156,011,372	13,880,060	29,079,868	56,301,796	13,782,205	269,055,301
Excess (deficiency) of revenues over (under) expenditures	20,640,372	2,057,427	(14,674,406)	(45,492,609)	(792,947)	(38,262,163)
Other financing sources (uses):						
Proceeds from sale of capital assets	35,664	-	-	-	705	36,369
Transfers in	-	-	8,723,000	-	200,000	8,923,000
Transfers out	(8,923,000)	(1,000,000)	-	-	-	(9,923,000)
Total other financing sources (uses)	(8,887,336)	(1,000,000)	8,723,000	-	200,705	(963,631)
Net change in fund balances	11,753,036	1,057,427	(5,951,406)	(45,492,609)	(592,242)	(39,225,794)
Fund balances - beginning	41,707,221	1,212,482	54,355,138	79,979,310	26,127,383	203,381,534
Fund balances - ending	\$ 53,460,257	\$ 2,269,909	\$ 48,403,732	\$ 34,486,701	\$ 25,535,141	\$ 164,155,740

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

PROVO CITY 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, 2024

Total net change in fund balances reported for governmental activities in the statement of activities is different because:

Net change in *fund balances* - total governmental funds \$ (39,225,794)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial cost of \$5,000 or basket purchase cost of more than \$20,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. Proceeds from any related sale of capital assets, as well as any gain or loss and notes receivable are also reported in the statement of activities.

Capital outlay	\$ 65,730,635	
Sale of capital assets	(53,013)	
Depreciation expense - capital assets	<u>(10,151,008)</u>	55,526,614

Governmental funds report Other Post Employment Benefits (OPEB) contributions as expenditures. However in the Statement of Activities, the cost of OPEB benefits is reported as OPEB expense.	1,111,055
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Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	2,220,902
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Property tax revenues in the statement of activities that do not provide current financial resources are not reported in the fund statements.	(995,522)
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The governmental funds report bond proceeds as an other 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 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 when it is due. The net effect of these differences in the treatment of bonds and related items is as follows:

Repayment of bond principal	12,140,000	
Bond interest expense	34,304	
Amortization of deferred amounts, net	<u>1,733,982</u>	13,908,286

Capital assets acquired through capital leases are shown as an expenditure and other financing sources in the governmental funds. The other financing source must be removed from the statement of activities. Repayment of principal is reported as an expenditure in the governmental funds for both capital leases and lease revenue bond obligations, but repayment of principal is applied to the liability in the statement of net position and reduces the District's obligations. Interest expense is recognized as it accrues.

Principal payments on note/lease payable	72,122
--	--------

The internal service fund is used by management to charge the costs of the self-insurance fund to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities	(11,536)
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In the statement of activities, obligations for compensated absences (vacations) and voluntary termination benefits (early retirement) 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).

Compensated Absences Payable (Vacation payable)	<u>(244,455)</u>
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Change in net position of governmental activities	<u>\$ 32,361,672</u>
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The notes to the basic financial statements are an integral part of this statement

PROVO CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—*General Fund*
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Local sources:				
Property taxes	\$ 46,822,975	\$ 46,822,975	\$ 49,096,894	\$ 2,273,919
Other local	3,708,395	8,143,964	5,457,701	(2,686,263)
State	93,810,326	95,105,067	95,009,658	(95,409)
Federal	15,698,430	18,431,837	19,989,985	1,558,148
Investment Earnings	3,000,000	4,000,000	7,097,506	3,097,506
Total revenues	160,040,126	168,503,843	176,651,744	1,050,395
Expenditures:				
Current:				
Instructional services	98,875,137	99,736,910	94,131,845	5,605,065
Supporting services:				
Students	10,783,497	11,319,107	12,140,634	(821,527)
Instructional staff	15,289,107	15,078,126	15,021,585	56,541
District administration	1,980,863	1,881,307	1,805,670	75,637
School administration	10,109,453	10,049,295	10,035,195	14,100
Central services	7,342,914	7,292,246	7,089,136	203,110
Operations and maintenance of facilities	8,347,205	8,779,043	12,566,765	(3,787,722)
Transportation	2,371,752	2,371,752	2,491,962	(120,210)
Capital Outlay	27,000	555,000	728,580	(173,580)
Total expenditures	155,126,928	157,062,786	156,011,372	1,051,414
Excess (deficiency) of revenues over expenditures	4,913,198	11,441,057	20,640,372	2,101,809
Other financing sources (uses):				
Proceeds from sale of capital assets	10,000	10,000	35,664	25,664
Transfer Out	(7,923,000)	(8,923,000)	(8,923,000)	-
Total other financing sources (uses)	(7,913,000)	(8,913,000)	(8,887,336)	25,664
Net change in fund balance	(2,999,802)	2,528,057	11,753,036	2,127,473
Fund balance - beginning	41,707,221	41,707,221	41,707,221	
Fund balance - ending	\$ 38,707,419	\$ 44,235,278	\$ 53,460,257	\$ 2,127,473

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

	<u>Governmental Activities Self-Insurance Fund</u>
Assets:	
Cash and investments, restricted	<u>\$ 2,953,623</u>
Local Receivable	<u> 755,000</u>
Total assets	<u> 3,708,623</u>
Liabilities and Net Position:	
Accounts Payable	<u> 817,685</u>
Net Position:	
Restricted For:	
Self Insurance	<u> 2,890,938</u>
Total net position	<u><u>\$ 2,890,938</u></u>

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

	Governmental Activities Self-Insurance Fund
Operating Revenues	
Insurance premiums	\$ 10,430,336
Operating Expenses	
Brokerage fees	11,509,861
Operating loss	(1,079,525)
Nonoperating Income	
Investment Earnings	67,989
Transfer in	1,000,000
Total Nonoperating Income	1,067,989
Change in Net Position	(11,536)
Net position-beginning	2,902,474
Net position-ending	\$ 2,890,938

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

	<u>Governmental Activities Self-Insurance Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Insurance Premiums	\$ 10,430,336
Payments to Service Providers	<u>(11,509,861)</u>
Net cash provided (used) by operating activities	(1,079,525)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITEIS	
Transfer from general fund	<u>1,000,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Earnings	67,989
Net decrease in cash and cash equivalents	(11,536)
Cash and Cash Equivalents - beginning	<u>2,902,474</u>
Cash and Cash Equivalents - ending	<u><u>\$ 2,890,938</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	<u>\$ (1,079,525)</u>
Net cash used by operating activities	<u><u>\$ (1,079,525)</u></u>

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Board of Education (the Board), comprised of seven elected individuals, is the primary governing authority for the District. The Board establishes District policies, approves the budget, appoints a Superintendent with responsibilities for administering all educational activities of the District, and appoints a Business Administrator with responsibilities for fiscal matters. The Board is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government. The District is not a component unit of any other primary government.

These basic financial statements present the activities of the District and its component units. The discrete and blended component units, although legally separate, function exclusively for the benefit of the District and, in substance, are part of the District's operations. The District is not a component unit of any other government.

The *Provo City School District Foundation (the Foundation)*. The Foundation is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible contributions to the District. The Foundation serves the District almost entirely, and the District has a significant influence upon the financial operations of the Foundation and is able to access the economic resources held by the Foundation. The Foundation is considered a discrete component unit.

Provo City School District Municipal Building Authority (Building Authority). Use of the Building Authority was authorized during the fiscal year ended June 30, 2010 for the purpose of issuing lease revenue bonds to construct and furnish various school buildings, which are then leased to the District. The Building Authority has the same board as the District and provides financing services solely to the District. All of the Building Authority's debt outstanding is expected to be repaid with lease revenue payments from the resources of the District. The Building Authority is presented as a blended component unit of the District as its own fund.

B. Government-wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of changes in net position) display information about the primary government (the District) and its discretely presented component unit (the Foundation). These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. As a general practice, interfund activity has been eliminated from the government-wide financial statements in order to avoid double counting. Exceptions to this general rule are payments made between functions for internal services provided; elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 is included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in direct expenses of the appropriate functions. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line item. 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 function.

Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

C. Fund Financial Statements

The fund financial statements provide information about the District's funds and blended component unit. Separate statements for each governmental fund are presented. 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 District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- *Debt Service Fund* - accounts for resources accumulated and payments made for principal and interest of general obligation school building bonds.
- *Capital Projects Fund* - accounts for resources accumulated and payments made for the acquisition, maintenance, improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.
- *Municipal Building Authority Fund* - accounts for resources accumulated and payments made related to the lease revenue bonds, including costs of construction on the bond projects, and bond interest payments. The Building Authority is a blended component unit of the District.

The District reports the following nonmajor Special Revenue funds that receive revenues which are restricted to expenditures for specified purposes:

- *Student Activities Fund* – used to account for curricular, co-curricular and extra-curricular fees collected for classes and programs and for the expenses associated with each activity.
- *Food Services Fund* - to account for preparation and serving of school lunches, breakfasts and healthy snacks.
- *Building Reserve Fund* - to account for funds designated by the Board for new buildings or remodels. This fund is wholly funded by transfers from the General and Capital Projects fund. Expenditures are not recorded in the Building Reserve fund, so transfers back to the Capital fund will be done when buildings are constructed.
- *Passthrough Taxes Fund* - accounts for property tax revenue that is remitted to the Provo City Redevelopment Agency and to local charter schools.

The District reports the following Internal Service fund:

- *Self-Insurance Fund* - to account for premiums collected by governmental fund employees to pay for costs of insurance and medical claims. This fund, created during the year ended June 30, 2023, is not a fiduciary fund, as its purpose is for the benefit of all eligible employees who are currently employed by the District. All resources collected, maintained, and used by the fund are the assets of the District.

D. Measurement Focus, Basis of Accounting & Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. The governmental activities column incorporates data from governmental funds and the district internal service fund.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations are 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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty 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. Expenditures generally are recorded when the related fund liability is incurred, except for principal and

interest on general long-term liabilities, claims and judgments, early retirement and post-employment health care benefits, arbitrage rebates, and compensated absences, which are recognized as expenditures to the extent they have matured. 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 such programs, followed by categorical block grants, and then by general revenues. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

E. Budgets and Budgetary Accounting

The District operates within budget requirements for school districts as specified by state law and as interpreted by the State Superintendent of Public Instruction. All governmental funds have legally adopted annual budgets. Budgets are presented on the modified accrual basis of accounting for all governmental funds. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance commitment. The following procedures are used in establishing the budgetary data reflected in the financial statements:

- During May or June of each year, the District Business Administrator 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.
- Copies of the proposed budget are made available for public inspection before the Board hearing in which the Board adopts the proposed budget.
- If the District does not require a truth in taxation hearing, a public hearing is held prior to June 22, at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District does require truth in taxation, the budget is adopted in August when data is available to set 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, at the fund level, require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2024, 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.

F. Deposits and Investments

Substantially all of the cash balances, of all funds, are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The pool's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to funds based on the average balance of each participating fund.

G. Prepaids

Prepaid assets are generally accounted for using the consumption method.

H. 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.

I. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements, and which are outstanding at year-end, are referred to as either "due to/from other funds".

J. Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as individual assets with an initial cost of \$5,000 or more for land, furniture, equipment, buildings and improvements, and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets or works of art are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

All works of art are capitalized at estimated fair value at the time the donation was made. However, some of the works of art were appraised in 1994 as no value was previously determined for financial reporting purposes. Those pieces have been capitalized at the acquisition value of the appraisal. The District's art collection carries a net book value of \$234,250 in the government-wide financial statements; works of art are a non-depreciable item in the government-wide financial statements.

Major outlays for capital assets and improvements are capitalized when the assets are acquired and placed into operation and/or as construction occurs. Interest incurred during construction is not capitalized.

Buildings and improvements, as well as furniture and equipment of the District, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	Assets	Years
Buildings	50	Grounds & Accessories	15
Building Additions	40	Audio Visual	10
Building Improvements	20	Lab Equipment	10
Physical Education Equipment	20	Music - Instruments & Accessories	10
Standard Furniture & Accessories	20	Licensed Vehicles	8
Stage & Auditorium	20	Business Machines	5
Portable Classrooms	15	Miscellaneous Equipment	5
Machinery & Tools	15	Software	3
Appliances	15		

K. Expenditure Driven Grants - Variances Between Budget and Actual Data

Expenditure driven grants are recognized as revenue when the qualifying expenditures are incurred and all other grant requirements are met; unspent grant amounts are carried forward and included in the succeeding fiscal year's budget. Therefore, actual grant revenues and expenditures can be significantly different than the amounts budgeted.

L. Compensated Absences and Voluntary Termination Benefits

Compensated absences and voluntary termination benefits are typically paid for by resources from the District's General fund. However, it is the District's policy to use resources from other funds, when those other funds directly funded the employees' related positions to pay for these costs. Consequently, minimal costs related to these benefits are periodically funded by funds other than the General fund when it is reasonably practical to do so.

Under terms of association agreements, eligible employees can earn vacation and sick time in amounts varying with tenure and classification. In the event of termination or death, an eligible employee is reimbursed for accumulated vacation days to a maximum of 20 days. All vacation pay is 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.

In fiscal year 2017, administration put into policy a sick buy-back incentive. The incentive is based on the amount of time an employee has worked for the District. Employees working less than 12 years receive no sick buy-back. Employees working 12-18 years receive one day per 10 days in their sick bank; 19-25 years receive one day per eight days; and 26+ receive one day per six days. The maximum number of days allowed in a sick bank is 85.

See Note 5 for a description of these long-term obligations.

M. Comparative Data

Comparative data for the prior year is presented in certain sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations.

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time of the bond issuance.

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 expenditures.

O. Fund Balance

In the fund financial statements, governmental funds report fund balances based on a hierarchy that shows the level or form of constraints on fund balance resources, and the extent to which the District is bound to honor those constraints. Fund balance classifications are:

Nonspendable - includes fund balance amounts that cannot be spent because they are either a) not in a spendable form, or b) legally or contractually required to be maintained intact. Fund balances related to inventory, long term portions of notes receivable and prepaid expenditures are classified as nonspendable.

Restricted - includes fund balance amounts subject to external constraints that have been placed on the use of the resources imposed by either: a) creditors, grantors, contributors, or laws and regulations of other governments, or b) law through constitutional provisions or enabling legislation. Restricted fund balances include unspent tax revenues for specific purposes (building reserve, capital projects, debt service and other purposes), unspent bond proceeds, remaining child nutrition funds, and donations held in the Provo City School District Foundation. See Note 11 for more information on restricted fund balances.

Committed - includes fund balance amounts that can only be used for specific purposes established by formal action of the Board. Formal action entails a public Board Meeting with a proposed commitment being voted upon by all Board members. Fund balance commitments can only be removed or changed by the same action of the Board. Committed resources also include any contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Utah State law allows for the establishment of a committed reserve. This reserve is for contingencies and/or economic stabilization. The reserve cannot be used in the negotiation or settlement of contract salaries for District employees. The Board Voted Economic Stabilization cannot exceed 5.00% of the current operational budget adopted by the Board. User of the reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and State Auditor.

The following fund balance amounts have been committed by the Board of Education:

- OPEB
- Contractual obligations
- Board Voted Economic Stabilization

Assigned - includes funds that are intended for a specific use but do not require board action; (District administration may establish use of such funds) unrestricted programs, and those amounts in excess of nonspendable, restricted, and remaining positive fund balances in funds *other than* the General fund, such as the School Activities fund.

Unassigned - funds in excess of other categories in the General fund and any residual deficits in any fund.

It is the District's policy to use restricted resources first when both unrestricted and restricted are available. Of the unrestricted resources, the District will first use committed, followed by assigned, and then unassigned.

P. Inventories

Inventories are valued at cost at fair value when received, using the first-in first-out (FIFO) method. Inventory in the special revenue fund consists of expendable supplies held for consumption. The cost is recorded as an asset at the time individual inventory items are purchased, and an expenditure is recorded when the assets are distributed and consumed.

Commodities received from federal sources are consumable inventories intended to support short-term District food service operations. Thus, federal commodities are treated as a current financial resource and are recorded as revenues when received in both the fund statements and government-wide statements.

Inventory amounts reported in governmental funds are offset by nonspendable fund balances of equal amount, indicating they are not expected to be converted to cash.

Q. Indirect Costs

Indirect costs charged to certain programs are routinely recorded in the District's *governmental fund* financial statements.

As a general practice, interfund indirect costs have been eliminated from the *government-wide* financial statements in order to avoid double counting and to provide direct-cost information to financial statement readers.

R. Use Of Estimates

Presenting financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make certain estimates concerning assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

S. Bond Discounts/Premiums and Issuance Costs

In the government-wide statements, bond discounts/premiums are deferred and amortized over the life of the bonds. Bond issuance costs are reported as an expense of the current period. Refundings of debt result in deferred gains or losses and are reported as deferred inflows and outflows of resources.

For governmental fund types in the fund financial statements, the bond discounts/premiums, along with all debt issuance costs, are reported as debt service expenditures.

T. 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.

U. Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period. The District recognizes deferred inflows in relation to pensions and property tax revenue.

Deferred outflows represent a consumption of net assets that applies to a future period. The District recognizes deferred outflows in relation to pensions.

V. Tax Abatements

Provo City School District participates in five tax increments through the Provo Redevelopment Agency. Local government units may permit, by board vote, property tax increments to support business development within the cities they preside over. At the end of the fiscal year ending June 30, 2024, the District had two existing board-approved projects and three newly approved projects. Two new projects have also been approved but have no specific start date.

2. DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2024, as shown on the financial statements is as follows:

	Primary Government	Component Unit
Carrying amount of deposits	\$ 445,585	\$ 502,539
Carrying amount of investments:		
Public Treasurers' Investment Fund	166,391,805	818,095
Zions Public Finance Investment	11,796,646	-
Sinking Fund (Lease Revenue Bond)	5,644,787	-
Repurchase Agreement	233,809	-
Total investments	184,067,047	818,095
Total cash and investments	\$ 184,512,632	\$ 1,320,634

Deposits

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2024, the District's exposure to custodial credit risk for deposits was as follows:

Depository Account	Carrying Amount	Bank Balance	Amount Insured
Provo City School District	\$ (96,959)	\$ 183,023	\$ 183,023
Student Activities	542,544	613,042	539,663
Total primary government	\$ 445,585	\$ 796,065	\$ 722,686
Component unit:			
Provo School District Foundation	\$ 502,539	\$ 504,021	\$ 250,000

Investments

The District's investments are managed through participation in the Utah Public Treasurers' Investment Fund and through an escrow account and repurchase agreement arrangements with local banks. In FY2024, the District invested a portion of the MBA bond proceeds with Zions Capital Advisors to capitalize on higher interest rates. The reported value of the Public Treasurer's Pool and Zions investment accounts have a slight difference to the fair market value of the shares. As of June 30, 2024, the District had the following investments:

Investment Type	Fair Value	Maturities	
		<1 Year	1-5 Years
PTIF	\$ 172,854,687	\$ 172,854,687	\$ -
US Obligations	5,637,516	978,122	4,659,394
Corporate Floating	1,254,389	250,163	1,004,226
Government Agency Securities	1,029,787	-	1,029,787
International Bonds	749,974	249,974	500,000
Marketable CD	469,216	230,427	238,790
Corporate Bonds	2,655,764	895,902	1,759,862
Repurchase Agreement	233,809	233,809	-
	\$ 184,885,142	\$ 175,693,083	\$ 9,192,059

Investments - Interest Rate Risk - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, interest rate risk is managed by compliance to the Utah Money Management Act which provides guidance for handling depository and investing transactions in order to minimize interest rate risk.

Investments - Credit Risk - The District follows the requirements of the Utah Money Management Act (Section 51, chapter 7 of the Utah Code) in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers’ Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, bankers’ acceptances, repurchase agreements, corporate bonds, restricted mutual funds, and obligations of governmental entities within the State of Utah. The PTIF is invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the PTIF. The degree of risk of the PTIF depends upon the underlying portfolio. The PTIF is not rated.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The District has no investment policy that would further limit its investment choices.

Investment Type	Fair Value	Rating			
		AAA	AA - A-	BBB+-BB-	Unrated
PTIF	\$ 172,854,687	\$ -	\$ -	\$ -	\$ 172,854,687
US Obligations	5,637,516	5,637,516	-	-	-
Corporate Floating	1,254,389	-	3,886,103	-	-
Government Agency Securities	1,029,787	1,029,787	-	-	-
International Bonds	749,974	-	749,974	-	-
Corporate Bonds	2,655,764	-	2,655,764	-	-
Marketable CD	469,216	-	-	-	469,216
Repurchase Agreement	233,809	233,809	-	-	-
	<u>\$ 184,885,142</u>	<u>\$ 6,901,112</u>	<u>\$ 7,291,841</u>	<u>\$ -</u>	<u>\$ 173,323,903</u>

Investments - Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The entire \$233,809 invested in repurchase agreements consists of underlying securities which are held by the investment’s counter party, not in the name of the District, and are not insured.

The District’s repurchase agreements arrangement primarily invests in obligations of the United States Treasury, agencies or financial instruments of the United States that meet allowable investments of the Utah Money Management Act. The District does not have an investment policy for custodial credit risk.

Investments - Fair Value of Investments - 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: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instruments. The prices are determined using significant unobservable inputs or valuation techniques.

At June 30, 2024, the District ad the following recurring fair value measurements.

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt Securities				
PTIF	\$ 172,854,687	\$ -	\$ 172,854,687	\$ -
US Obligations	5,637,516	-	5,637,516	-
Corporate Bonds	2,655,764	-	2,655,764	-
Corporate Floating	1,254,389	-	1,254,389	-
Government Agency Securities	1,029,787	-	1,029,787	-
International Bonds	749,974	-	749,974	-
Marketable CD	469,216	-	469,216	-
Repurchase Agreement	233,809	-	233,809	-
	<u>\$ 184,885,142</u>	<u>\$ -</u>	<u>\$ 184,885,142</u>	<u>\$ -</u>

3.
 PROPERTY TAXES

The budgeting and accounting for property taxes are accounted for on a modified-accrual basis, with appropriate recognition of property taxes receivable at year-end. The District has recorded a corresponding property tax deferral for taxes assessed January 1, but not due and collectible within thirty days of the end of the fiscal year.

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 county assessor is required to assess a lien on real property as of January 1 and complete the tax rolls by May 15. The District's Board of Education is required to adopt its initial budget for the next fiscal year by June 22; this initial budget adoption establishes tax levy rates to provide resources to fund District operations for the next fiscal year beginning July 1. If the proposed District budget requires changes to levied tax rates, which are above the tax levy rates certified by the Utah State Tax Commission, the District may be required to meet specific due process requirements as outlined in Utah Truth-in-Taxation laws by August 17. By July 21, the 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 rate determined by the County; the interest period is from January 1, until the taxes are paid. If, in May of the fifth year, the taxes remain delinquent, the County advertises and sells the property at a tax sale.

Beginning January 1, 1992, an annual uniform fee based on the value of motor vehicles was levied in lieu of an additional tax on motor vehicles. This uniform fee was 1.5% of the fair market statewide value of the property, as established by the State Tax Commission. Effective January 1, 1999, legislation required motor vehicles be 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 and remits the collections to the District.

As of June 30, 2024, the District had accrued a property tax receivable on the government-wide financial statements of \$77,786,341. This accrual includes calendar year 2023 property taxes of \$76,727,223 levied for the year ended June 30, 2024 due to be collected by November 30, 2024, plus \$1,398,024 of delinquent property taxes receivable for taxes assessed prior to 2023 that remain uncollected.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,538,174	\$ -	\$ -	\$ 11,538,174
Construction in progress	104,074,823	64,192,196	-	168,267,019
Works of art	234,250	-	-	234,250
Total capital assets, not being depreciated	115,847,247	64,192,196	-	180,039,443
Capital assets, being depreciated :				
Buildings and improvements	268,136,955	-	-	268,136,955
Right to Use - Modular Units	126,233	-	(126,233)	-
Furniture, equipment and vehicles	36,756,718	1,538,439	(6,757,660)	31,537,497
Total capital assets, being depreciated	305,019,906	1,538,439	(6,883,893)	299,674,452
Accumulated depreciation for:				
Buildings and improvements	(100,529,711)	(7,212,415)	-	(107,742,126)
Right to Use - Modular Units	(89,758)	(22,719)	112,477	-
Furniture and equipment	(27,666,213)	(2,915,874)	6,718,403	(23,863,684)
Total accumulated depreciation	(128,285,682)	(10,151,008)	6,830,880	(131,605,810)
Total capital assets, being depreciated, net	176,734,224	(8,612,569)	(53,013)	168,068,642
Governmental activity capital assets, net	\$ 292,581,471	\$ 55,579,627	\$ (53,013)	\$ 348,108,085

For the year ended June 30, 2024, depreciation expense was charged to functions of the District as follows:

Governmental activities:

	Buildings and improvements	Furniture and equipment	Total
Instructional services	\$ 6,274,801	\$ 2,536,810	\$ 8,811,611
Supporting services:			
Students	36,062	14,579	50,641
Instructional Staff	36,062	14,579	50,641
District administration	36,062	14,579	50,641
School administration	36,062	14,579	50,641
Business	36,062	14,579	50,641
Operation and maintenance of facilities	576,993	233,270	810,263
Transportation	72,124	29,159	101,283
School food services	130,905	43,738	174,643
Total depreciation expense, governmental activities	<u>\$ 7,235,136</u>	<u>\$ 2,915,872</u>	<u>\$ 10,151,008</u>

5. LONG TERM LIABILITIES

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 153,195,000	\$ -	\$ (8,840,000)	\$ 144,355,000	\$ 9,775,000
MBA Lease Revenue Bonds	103,817,000	-	(3,300,000)	100,517,000	3,465,000
Deferred amounts for issuance premium/discount	25,341,253	-	(1,733,982)	23,607,271	-
Total bonds payable, net	282,353,253	-	(13,873,982)	268,479,271	13,240,000
Other long-term liabilities:					
Notes payable	38,974	-	(25,772)	13,202	13,202
Net pension liability	38,426,671	-	(2,464,345)	35,962,326	-
Net OPEB liability	13,646,566	-	(1,111,055)	12,535,511	-
Compensated Absences	1,805,371	1,253,494	(1,009,039)	2,049,826	929,539
Total governmental activity long-term liabilities	<u>\$ 336,270,835</u>	<u>\$ 1,253,494</u>	<u>\$ (18,484,193)</u>	<u>\$ 319,040,136</u>	<u>\$ 14,182,741</u>

Payments on compensated absences are typically charged to the fund in which the employee worked. Funds that include payroll are the General fund, Capital Projects fund and Food Services fund. Annual OPEB payments are budgeted and expended from the General fund. Payments to URS for future pension liabilities are made in the fund where employees' payroll is expended. Amounts due in one year for pensions and OPEB are not included due to the variable nature of the payments. All payments for the pension liability are made through the Utah Retirement System and not provided to the district.

B. General Obligation Bonds Payable

Bonds payable at June 30, 2024, are comprised of the following general obligation issues and are serviced by property tax revenues received by the Debt Service fund:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
2015 Series G.O. Bonds	School Building	\$ 50,615,000	2.25% to 5.00%	June 15, 2035	\$ 32,350,000
2016 Series G.O. Bonds	School Building	50,650,000	2.00% to 5.00%	June 15, 2036	36,300,000
2021 Series G.O. Bonds	School Building	73,670,000	1.75% to 5.00%	June 15, 2041	69,820,000
2021B Series G.O. Bonds	Bond Refunding	11,650,000	5.00%	June 15, 2027	5,885,000
Total General Obligation Bonds Payable as of June 30, 2024					<u>\$ 144,355,000</u>

Debt service requirements to maturity, including interest for the general obligation bonds payable, are as follows:

General Obligation Bonds

Year Ending June 30,	Principal	Interest	Debt Service Fund
2025	\$ 9,775,000	\$ 4,654,810	\$ 14,429,810
2026	10,650,000	4,222,535	14,872,535
2027	10,280,000	3,741,635	14,021,635
2028	8,955,000	3,362,485	12,317,485
2029	9,270,000	3,039,010	12,309,010
2030-2034	52,050,000	9,569,300	61,619,300
2035-2039	33,525,000	2,807,503	36,332,503
2040-2041	9,850,000	296,500	10,146,500
	<u>\$ 144,355,000</u>	<u>\$ 31,693,778</u>	<u>\$ 176,048,778</u>

C. MBA Lease Revenue Bonds Payable

During fiscal year 2010, the District was awarded \$6,462,000 in Building Authority Lease Revenue Bonds, Series 2010, referred to as Qualified School Construction Bonds (QSCB). These bonds were part of the 2009 federal stimulus bill. The bonds were issued via the Building Authority to rebuild an elementary school (Provo Peaks Elementary). The bonds carry an interest rate of 1.2% and mature in 2026.

The District transfers \$460,000 annually into a sinking fund. At June 30, 2023, the sinking fund has a balance of \$5,644,787. Payments into the sinking fund come from the Building Authority via a transfer from the Capital Projects Fund.

In 2022, the Building Authority issued new bonds in the amount of \$100,355,000. These bonds will be used to rebuild Watsatch Elementary School on the same site and Shoreline Middle School (formerly Dixon Middle School) on a new site. Lease payments will be made to the Building Authority from the Capital Projects fund to meet debt service obligations.

The debt service requirements to maturity, including interest for all bonds held in the Building Authority are as follows:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
2010 MBA Lease Revenue Bonds	School Building	\$6,462,000	1.23%	June 15, 2026	\$ 6,462,000
2022 MBA Lease Revenue Bonds	School Building	100,355,000	3.00% to 5.00%	March 15, 2042	94,055,000
Total MBA Lease Revenue Bonds Payable as of June 30, 2024					<u>\$ 100,517,000</u>

Lease Revenue Bonds

Year Ending June 30,	Principal	Interest	Total
2025	\$ 3,465,000	\$ 3,832,683	\$ 7,297,683
2026	10,097,000	3,659,433	13,756,433
2027	3,820,000	3,398,200	7,218,200
2028	4,010,000	3,207,200	7,217,200
2029	4,210,000	3,006,700	7,216,700
2030-2034	24,425,000	11,657,750	36,082,750
2035-2039	30,080,000	6,002,450	36,082,450
2040-2043	20,410,000	1,236,600	21,646,600
	<u>\$ 100,517,000</u>	<u>\$ 36,001,016</u>	<u>\$ 136,518,015</u>

D. Note Payable

Utah State Office of Energy Development - In fiscal year 2013, the District entered into a note payable agreement in the amount of \$320,720, with an imputed interest rate of 3.3% including interest, until maturity in January 2025. The purpose of this note was to replace a chiller at Timpview High School. Annual payments are typically financed through the District’s General fund, and payments at June 30, 2024 are as follows:

<u>Note Payable</u>				
	Year Ending June 30,	Principal	Interest	Capital Fund
	2025			
		\$ 13,202	\$ 161	\$ 13,363
		<u>\$ 13,202</u>	<u>\$ 161</u>	<u>\$ 13,363</u>

E. Combined Maturities on Long-Term Borrowings

The combined aggregate amounts of maturities on all long-term borrowings (general obligation bonds, lease revenue bonds, and note payable) are as follows:

<u>All Long-term Borrowings</u>				
	Year Ending June 30,	Principal	Interest	Total
	2025	\$ 13,253,202	\$ 8,487,760	\$ 21,740,962
	2026	20,747,000	7,881,968	28,628,968
	2027	14,100,000	7,139,835	21,239,835
	2028	12,965,000	6,569,685	19,534,685
	2029	13,480,000	6,045,710	19,525,710
	2030-2034	76,475,000	21,227,050	97,702,050
	2035-2039	63,605,000	8,809,953	72,414,953
	2040-2043	<u>30,260,000</u>	<u>1,533,100</u>	<u>31,793,100</u>
		244,885,202	\$ 67,695,060	\$ 312,580,262
	Add: Deferred amounts, net:	<u>23,607,271</u>		
		<u>\$ 268,492,473</u>		

6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLAN

General Information about the Pension Plan

Plan Description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) and Public Employees Contributory Retirement System (Contributory System), are multiple employer, cost sharing, retirement systems.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System), is a multiple employer, cost sharing, public employees retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Benefits Provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:'

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975 2.00% per year July 1975 to present	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* Actuarial reductions are applied

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

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute 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 employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2024 are as follows:

<u>Utah Retirement Systems</u>		Employer Contribution Rates	Employer Rate for 401(k) Plan
	Employee Paid		
Contributory System			
State and School Tier 1	6.00%	17.70%	N/A
State and School Tier 2	N/A	19.84%	0.18%
Noncontributory System			
State and School Tier1	N/A	22.19%	1.50%
Tier 2 DC Only			
State and School	N/A	10.02%	10.00%

***Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2024, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 9,165,029	\$ -
Contributory System	15,773	5,347
Tier 2 Public Employees System	6,542,207	-
Tier 2 DC Only System	781,343	-
Total Contributions	\$ 16,504,352	\$ 5,347

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a net pension liability of \$35,962,326 and no net pension asset.

	Measurement Date: December 31, 2023			December 31, 2022	
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	Change (Decrease)
Noncontributory System	\$ -	\$ 33,514,041	1.6356401%	1.7079299%	-0.0722898%
Contributory System	-	149,965	1.6148456%	1.2193744%	0.3954712%
Tier 2 Public Employees System	-	2,298,320	1.1808170%	1.2750631%	-0.0942461%
Total Net Pension Asset/Liability	\$ -	\$ 35,962,326			

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the System during the plan year over the total of all employer contributions to the system during the plan year.

For the year ended June 30, 2024, the District recognized a pension expense of \$14,234,428.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,260,472	\$ 37,638
Changes in assumptions	4,528,685	1,817
Net difference between projected and actual earnings on pension plan investments	4,594,799	-
Changes in proportion and differences between contributions and proportionate share of contributions	458,715	871,277
Contributions subsequent to the measurement date	8,311,826	-
Total	\$ 25,154,497	\$ 910,732

\$8,311,826 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 3,243,920
2025	4,080,093
2026	8,986,581
2027	(1,673,471)
2028	235,875
Thereafter	1,058,941

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the District recognized a pension expense of \$11,265,193.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,524,336	\$ -
Changes in assumptions	3,213,138	-
Net difference between projected and actual earnings on pension plan investments	4,260,669	-
Changes in proportion and differences between contributions and proportionate share of contributions	124,959	804,096
Contributions subsequent to the measurement date	4,601,546	-
Total	<u>\$ 18,724,648</u>	<u>\$ 804,096</u>

\$4,601,546 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 3,131,296
2025	3,760,838
2026	8,230,063
2027	(1,803,192)
2028	-
Thereafter	-

Contributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognized pension expense of (\$37,247).

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	74,597	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	8,018	-
Total	<u>\$ 82,615</u>	<u>\$ -</u>

\$8,018 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ (108,931)
2025	6,162
2026	222,905
2027	(45,539)
2028	-
Thereafter	-

Tier 2 Public Employees System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the District recognized pension expense of \$3,006,482.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 736,136	\$ 37,638
Changes in assumptions	1,315,547	1,817
Net difference between projected and actual earnings on pension plan investments	259,533	-
Changes in proportion and differences between contributions and proportionate share of contributions	333,756	67,181
Contributions subsequent to the measurement date	3,702,262	-
Total	<u>\$ 6,347,234</u>	<u>\$ 106,636</u>

\$3,702,262 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 221,554
2025	313,094
2026	533,613
2027	175,260
2028	235,875
Thereafter	1,058,941

Actuarial Assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	3.5-9.5 percent, average, including inflation
Investment Rate of Return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

The long-term expected rate of return on 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 and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target asset allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	35.00%	6.87%	2.40%
Debt securities	20.00%	1.54%	0.31%
Real assets	18.00%	5.43%	0.98%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	3.86%	0.58%
Cash and cash equivalents	0.00%	0.24%	0.00%
Totals	100%		5.45%
		Inflation	2.50%
		Expected arithmetic nominal return	7.95%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85%. 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 that are actuarially determined and certified by the URS Board. 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 discount rate does not use the Municipal Bond Index Rate.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 88,825,768	\$ 33,514,041	\$ (12,850,036)
Contributory System	1,024,811	149,964	(606,676)
Tier 2 Public Employees System	7,896,699	2,298,320	(2,043,222)
Total Pension Liability	\$ 97,747,278	\$ 35,962,326	\$ (15,499,934)

Pension plan fiduciary net position: Detailed information about the pension plans fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Provo School District participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30 were as follows:

	2024	2023	2022
401(k) Plan			
Employer Contributions	\$ 1,818,568	\$ 1,743,835	\$ 1,675,284
Employee Contributions	1,298,149	1,238,277	1,116,162
457 Plan			
Employer Contributions	-	-	-
Employee Contributions	193,348	186,804	127,278
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	324,166	276,174	260,809
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	2,860	6,725	15,000
Total Contributions	\$ 3,637,091	\$ 2,870,649	\$ 3,194,533

7. EARLY RETIREMENT INCENTIVE AND POST EMPLOYMENT HEALTH CARE BENEFIT OBLIGATION

Plan Description: The District self-administers single-employer retirement plans described below. The District is the only employer participating and contributing to the plans, and they do not issue a publicly available report.

The District provides a voluntary early retirement incentive program. Eligibility is restricted to those employees hired prior to September 1, 2005, and who have a minimum of 12 years of service in the District who retire under provisions of the Utah State Employee's Retirement Act. Those qualifying under this program, who choose to retire early, may receive a salary benefit for up to five years and a health and accident benefit up to eight years. Benefits vary based upon years of service, position on salary schedule, and employee classification as follows:

- For those with 20 years of service, the Board will pay 5 years of stipend benefits of 54% of final salary above lane 5 step 1 - \$27,680.
- For those with 12-19 years of service, the Board will pay a single lump sum payment of the present value of 5 years of stipend of 20% of final salary. The lump sum will be prorated on service as follows:
 - 18-19 years 70%
 - 16-17 years 60%
 - 14-15 years 50%
 - 12-13 years 40%

The District also provides a life-time Medicare supplemental insurance benefit for retired employees who have completed at least 20 years of service as of January 1, 2005; the plan also provides coverage for spouses of employees who have completed 30 years of service by January 1, 2005.

There are approximately 287 retirees receiving benefit coverage, 70 spouses of retirees and 40 present employees who have earned vested coverage upon retirement. The 40 present employees will receive a prorated benefit. There are no inactive employees who are entitled to benefits.

No other District-sponsored OPEB plans are currently available for current or future employees.

Funding Policy The District contributes the full cost of the current year benefits for eligible retirees. The contribution is pay-as-you-go, no plan assets are accumulated. District expenditures for OPEB for the 2024, 2023, and 2022 were \$1,394,211, \$1,901,612, and \$2,147,470, respectively.

Actuarial Methods and Assumptions Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The District, as required, has a full actuarial valuation every other year. On the off years, the District is provided with interim numbers to provide timely OPEB liability projections for financial statements.

Each of the assumptions used was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations and the professional judgment of the actuary.

Actuarial Assumptions and Methods		
July 1, 2023		
Rate of investment return (net of administrative expenses)		4.10%
Inflation rate		2.50%
Health care cost increase (65 and under)		6.50%
Salary increases	The salary scale used to value GASB 75 liabilities is similar to the table used to value pension liabilities for Utah school district employees. The rates are based on the Utah Retirement System actuarial experience study performed as of January 1, 2020.	
Actuarial Cost Method	Entry Age Normal based on level percentage of salary	
Plan participation percentage	100% of all employees and eligible dependents will participate in medical plan	
Mortality rates	The most recent valuation updated to the mortality assumption from the SOA-RP-2014 Adjusted to 2006 Total Dataset Mortality with the MP-2018 projection scale to the Pri-2012 White Cllar Dataset Retiree Amount-Weighted Mortality with Scale MP-2020.	
Future Dependent Coverage	55% of current active members are assumed to elect dependent coverage at retirement. All female spouses are assumed to be three years younger than males.	

Change in Total OPEB Liability

Net OPEB Liability

Total OPEB Liability at June 30, 2023	\$ 13,646,566
Activity during the year	
Service Cost	24,367
Interest Cost	504,602
Assumption Changes	(161,017)
Effect of economic/demographic gains or losses	-
Differences between Expected and Actual Experience	-
Benefit Payments	(1,479,007)
Net change in total OPEB liability	(1,111,055)
Total OPEB Liability at June 30, 2024	\$ 12,535,511

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability for the District, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate of one-percentage-point higher (4.90%) and one-percentage-point lower (2.90%) than the current discount rate:

	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Net OPEB Liability	\$ 13,386,906	\$ 12,535,511	\$ 11,781,482

The following presents the net OPEB liability for the District, as well as what the District's net OPEB liability would be if it were calculated using health care cost trend rates of one-percentage-point higher and one-percentage-point lower than the current health care cost trend rate:

	1% Decrease	Current Trend Rate	1% Increase
Healthcare Cost Trends \$	11,746,418	\$ 12,535,511	\$ 13,413,381

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the District reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

General Fund Balance Designations

At June 30, 2024, the District has committed \$12,535,511 of the general fund balance for future funding of the OPEB liability.

8. GRANTS - CONTINGENT LIABILITY

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursements 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. As of October 7, 2024, the District had not received any notification from any grant providing agency or government identifying any noncompliance liabilities associated with past District grant awards.

9. LITIGATION AND LEGAL COMPLIANCE

The District is involved in claims arising in the normal course of business. It is not possible to state the ultimate liability, if any, in these matters. These claims are generally insured through the District's risk management insurance and are investigated by the District's insurance representatives and defended by the State Attorney General's office. In the opinion of management, such litigation will have no material effect upon the financial operations of the District.

10. TRANSFERS BETWEEN FUNDS

Three transfers from the General Fund occurred in FY24. One transfer in the amount of \$1,000,000 was done from the General Fund to the Self Insurance Fund, a new internal service fund for the school district, allowing transparency for medical costs for employees and their families. Another transfer was done from the General Fund to the Student Activities Fund in the amount of \$200,000 to provide support for revenue lost through fees waived for students in economic need. Another transfer was done from the General Fund to the Capital Projects Fund in the amount of \$7,723,000 for the lease payment to the Municipal Building Authority. Another transfer was done from the Debt Service Fund to the Capital Projects Fund to pay for technology needs for the District.

11. LEASE OBLIGATIONS

GASB Statement No. 87 *Leases* is a comprehensive change the Government Accounting Standards Board for lease arrangements. Prior guidance did not allow for separate accounting for operating leases in the Statement of Net Position. GASB 87 requires government entities to disclose and monetize current and future lease arrangements that the District enters into. The District generally does not often enter into new lease arrangements, unless circumstances require different types of financing. In FY24, all lease obligations were liquidated. One modular unit was purchased and one was returned.

12. RESTRICTED FUND BALANCE

Restricted fund balance includes fund balance amounts subject to external constraints that have been placed on the use of the resources imposed by either: a) creditors, grantors, contributors, or laws and regulations of other governments, or b) law through constitutional provisions or enabling legislation. Restricted fund balances include unspent tax revenues for specific purposes (building reserve, capital projects, debt service and other purposes), and remaining child nutrition funds. The following table shows the detail of the restricted fund balances in all funds in the governmental financial statements.

	Fund					
	General	Debt Service	Capital Projects	Municipal Building Authority	Building Reserve	Food Services
Debt Service	\$ -	\$ 2,269,909	\$ -	\$ -	\$ -	\$ -
Capital Levy	-	-	48,403,732	-	-	-
Municipal Building Authority	-	-	-	34,486,701	-	-
Food Services	-	-	-	-	-	2,615,681
Building Reserve	-	-	-	-	20,372,240	-
Special Education	93,566	-	-	-	-	-
Adult Education	201,206	-	-	-	-	-
CTE	1,074,211	-	-	-	-	-
Advanced Placement	148,381	-	-	-	-	-
Youth in Custody	402,268	-	-	-	-	-
Concurrent Enrollment	59,534	-	-	-	-	-
Drivers Education	116,011	-	-	-	-	-
STEM Action Center	83,173	-	-	-	-	-
Professional Development/Other State	11,398	-	-	-	-	-
Critical Languages	124,543	-	-	-	-	-
School Land Trust	238,758	-	-	-	-	-
TSSA	344,397	-	-	-	-	-
Elementary Counseling	32,244	-	-	-	-	-
Financial Literacy	5,255	-	-	-	-	-
Tobacco Prevention	73,929	-	-	-	-	-
Teacher Materials/Supplies	1,220	-	-	-	-	-
Total	\$ 3,010,094	\$ 2,269,909	\$ 48,403,732	\$ 34,486,701	\$ 20,372,240	\$ 2,615,681
Total Restricted Fund Balances	\$ 111,158,357					

13. RISK MANAGEMENT

A. Property and Liability Insurance Coverage

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability through policies administered by Utah State Risk Management (Fund). The District also insures its buildings and contents against all insurable risks of direct physical loss or damage with the fund. The Fund is a public entity risk pool operated by the State for the benefit of the state and local governments within Utah. This is a pooled arrangement where the participants’ pay experienced rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool re-insures sizeable losses to preserve the capital base. During fiscal year ended June 30, 2024, there were no significant reductions in coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Worker’s Compensation & Long-Term Disability Insurance Coverage

The District participates in the Utah School Boards Risk Management Mutual Insurance Association which is a risk pool for workers’ compensation. The District has purchased commercial insurance for other risks of loss including employee health and accident insurance. Unemployment compensation is handled on a cost of benefits reimbursement basis with the state of Utah. During the fiscal year ended June 30, 2024, there were no significant reductions in coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

C. Self-Insured Short-Term Disability Coverage

The District is self-insured for certain short-term disability benefits. Employees that are on short-term disability are paid by the district until the date long-term disability takes effect (short-term disability payments begin after 15 days sick time has been used). There were no cases that occurred prior to June 30, 2024, which have not been resolved.

Required Supplemental Information

PROVO CITY SCHOOL DISTRICT
 Required Supplemental Information
Schedule of the Proportionate Share of the Net Pension Liability
 Last Ten Fiscal Years
 June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Noncontributory Retirement System			
Proportion of Net Pension Liability	1.6356401%	1.7079299%	1.7582934%
Proportionate share of the net pension liability (asset)	\$ 33,514,041	\$ 36,878,905	\$ (12,013,439)
Covered payroll	\$ 41,434,185	\$ 41,384,687	\$ 42,053,691
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	80.89%	89.11%	-28.57%
Plan fiduciary net position as percentage of covered payroll	92.49%	91.6%	102.7%
Contributory Retirement System			
Proportion of Net Pension Liability	1.6148456%	1.2193744%	1.4686382%
Proportionate share of the net pension liability (asset)	\$ 149,964	\$ 159,357	\$ (1,322,510)
Covered payroll	\$ 83,846	\$ 80,064	\$ 124,310
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	178.86%	199.04%	-1063.9%
Plan fiduciary net position as percentage of covered payroll	98.51%	97.9%	114.1%
Tier 2 Public Employees System			
Proportion of Net Pension Liability	1.1808170%	1.2750631%	1.3680775%
Proportionate share of the net pension liability (asset)	\$ 2,298,320	\$ 1,388,408	\$ (579,021)
Covered payroll	\$ 30,528,179	\$ 28,028,846	\$ 25,518,281
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	7.53%	4.95%	-2.27%
Plan fiduciary net position as percentage of covered payroll	89.6%	92.3%	103.8%

This information was provided by Utah Retirement Systems and represents amounts for the District.

PROVO CITY SCHOOL DISTRICT
Required Supplemental Information
Schedule of the Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years
June 30, 2024

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1.6766854%	1.7091602%	1.5711423%	1.6334430%	1.5742888%	1.5900394%	1.6109284%
\$ 22,352,259	\$ 37,972,444	\$ 58,454,619	\$ 39,943,588	\$ 51,021,392	\$ 49,947,691	\$ 40,475,038
\$ 39,739,238	\$ 40,232,417	\$ 39,620,195	\$ 41,361,914	\$ 40,485,774	\$ 40,944,924	\$ 42,956,230
56.25%	94.38%	147.50%	96.57%	126.0%	122.0%	94.2%
94.3%	90.1%	84.1%	89.2%	84.9%	84.5%	87.2%
1.4515114%	1.2771143%	0.9173062%	1.1657030%	1.4158416%	1.4845473%	1.4374656%
\$ (345,226)	\$ 88,170	\$ 551,291	\$ 76,708	\$ 775,821	\$ 930,295	\$ 157,616
\$ 139,987	\$ 142,480	\$ 178,026	\$ 265,231	\$ 379,541	\$ 470,271	\$ 528,776
-246.6%	61.9%	365.8%	28.9%	204.4%	197.8%	29.8%
103.7%	98.9%	91.4%	99.2%	93.4%	92.4%	98.7%
1.3255556%	1.3982956%	1.4593175%	1.5173020%	1.5164092%	1.6688829%	1.8017097%
\$ 190,652	\$ 314,487	\$ 624,994	\$ 133,776	\$ 169,154	\$ (3,643)	\$ (54,600)
\$ 21,242,671	\$ 19,477,405	\$ 17,171,718	\$ 14,901,285	\$ 12,435,747	\$ 10,775,651	\$ 8,814,157
0.90%	1.61%	3.64%	0.90%	1.4%	0.0%	-0.6%
98.3%	96.5%	90.8%	97.4%	95.1%	100.2%	103.5%

PROVO CITY SCHOOL DISTRICT
 Required Supplemental Information
Schedule of Employer Contributions
 Last Ten Fiscal Years
 June 30, 2024

	2024	2023	2022	2021
Noncontributory System				
Actuarial determined contributions	\$ 9,165,029	\$ 9,017,515	\$ 9,112,129	\$ 8,981,723
Contributions in relation to				
contractually required contribution	9,165,029	9,017,515	9,112,129	8,981,723
Covered payroll	42,015,334	41,270,109	41,648,029	40,885,528
Contributions as a percentage of				
covered payroll	21.81%	21.85%	21.88%	21.97%
Contributory System				
Actuarial determined contributions	\$ 15,773	\$ 14,421	\$ 16,145	\$ 25,694
Contributions in relation to				
contractually required contribution	15,773	14,421	16,145	25,694
Covered payroll	89,113	81,472	92,923	145,162
Contributions as a percentage of				
covered payroll	17.70%	17.70%	17.37%	17.70%
Tier 2 Public Employees System*				
Actuarial determined contributions	\$ 6,542,207	\$ 5,750,982	\$ 5,229,390	\$ 4,589,910
Contributions in relation to				
contractually required contribution	6,542,207	5,750,982	5,229,390	4,589,910
Covered payroll	32,979,289	29,185,555	27,070,486	24,410,979
Contributions as a percentage of				
covered payroll	19.84%	19.70%	19.32%	18.80%
Tier 2 Public Employees DC Only System*				
Actuarial determined contributions	\$ 781,343	\$ 701,714	\$ 580,805	\$ 425,491
Contributions in relation to				
contractually required contribution	781,343	701,714	580,805	425,491
Covered payroll	7,788,133	6,890,930	5,778,398	4,263,345
Contributions as a percentage of				
covered payroll	10.03%	10.18%	10.05%	9.98%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.
 Tier 2 systems were created effective July 1, 2011

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions
 as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

	2020	2019	2018	2017	2016	2015
\$	8,843,583	\$ 8,735,716	\$ 8,934,339	\$ 8,896,189	\$ 8,903,564	\$ 9,137,526
	8,843,583	8,735,716	8,934,339	8,896,189	8,903,564	9,137,526
	40,250,731	39,861,680	40,764,845	40,561,200	40,564,154	42,407,414
	21.97%	21.92%	21.92%	21.93%	21.95%	21.55%
\$	24,779	\$ 25,466	\$ 37,357	\$ 60,401	\$ 82,894	\$ 81,264
	24,779	25,466	37,357	60,401	82,894	81,264
	139,993	143,878	211,056	339,769	480,171	466,690
	17.70%	17.70%	17.70%	17.78%	17.26%	17.41%
\$	3,831,829	\$ 3,524,919	\$ 2,988,873	\$ 2,464,611	\$ 2,189,852	\$ 1,628,003
	3,831,829	3,425,919	2,988,873	2,464,611	2,189,852	1,628,003
	20,247,336	18,736,479	16,206,393	13,512,648	11,950,243	9,005,387
	18.93%	18.81%	18.44%	18.24%	18.32%	18.08%
\$	404,212	\$ 318,684	\$ 280,148	\$ 240,413	\$ 139,472	\$ 94,707
	404,212	318,684	280,148	240,413	139,472	94,707
	3,877,370	3,059,541	2,723,643	2,143,782	1,363,576	897,234
	10.42%	10.42%	10.29%	11.21%	10.23%	10.56%

PROVO CITY SCHOOL DISTRICT

Required Supplemental Information

Schedule of Changes in Net OPEB Liability and Related Ratios and Notes to the Required Supplemental Information

Last Seven Fiscal Years

June 30, 2024

	2024	2023	2022
Total OPEB Liability			
Service Cost	\$ 24,367	\$ 24,559	\$ 113,020
Interest	504,602	628,996	443,895
Effect of economic/demographic gains or losses	-	-	-
Differences between expected and actual experience	-	(3,854,940)	-
Changes of assumptions	(161,017)	63,339	(1,740,879)
Benefit payments	(1,479,007)	(1,901,612)	(1,128,937)
Net change in total OPEB Liability	(1,111,055)	(5,039,658)	(2,312,901)
Total OPEB Liability--beginning	13,646,566	18,686,224	20,999,125
Total OPEB Liability--ending	<u>\$ 12,535,511</u>	<u>\$ 13,646,566</u>	<u>\$ 18,686,224</u>
 Covered employee payroll	 \$ 3,728,837	 \$ 3,620,230	 \$ 4,562,601
 Net OPEB liability as a percentage of covered employee payroll	 336%	 377%	 410%

The 10-year schedule will need to be built prospectively. Full actuarial valuations are done every year, and the latest valuation was done as of July 1, 2023. Changes to the OPEB liability reported in the notes to the financial statements and the required supplementary information will be reported as actual benefit payments are made and the actuarial valuations provide information.

USI Consulting Group completed the District's actuarial valuation for the year beginning July 1, 2024. They completed the valuation in accordance with GASB Statement 75. Each of the assumptions used in this valuation, with the exception of those set by law, was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and USI's professional judgment regarding future plan experience. Entry age normal cost is required to be used, rather than other methods acceptable under GASB 45. As the District's OPEB is not prefunded, a 20-year AA-rated municipal bond yield is used to determine discount rates. Enhanced disclosures of contributions and current OPEB liabilities will be shown as more data is available.

None of the existing OPEB plans for District employees changed with the valuation. The District does have a committed fund balance of \$13,448,244 that was set aside over a period of a few years to assist in covering the total OPEB liability for retired employees and covered dependents. District personnel made the decision to manage it on the balance sheet, rather than creating a trust with a third-party. The District has, as part of the annual budget, budgeted the OPEB expenses for a pay-as-you-go method.

The District has no assets accumulated in a trust that meets the criteria of the Government Accounting Standards Board applicable to either pensions or OPEB.

PROVO CITY SCHOOL DISTRICT
Required Supplemental Information
Schedule of Changes in Net OPEB Liability and Related Ratios and Notes to the Required Supplemental Information
Last Seven Fiscal Years
June 30, 2024

	2021	2020	2019	2018	2017
\$	92,294	\$ 133,969	\$ 133,762	\$ -	\$ 225,142
	612,314	949,483	1,037,186	-	1,346,728
	(4,601,624)	-	157,805	-	-
	-	-	-	-	(7,200,082)
	(1,476,100)	2,533,737	33,524	-	4,138,650
	(2,470,480)	(3,331,060)	(3,252,580)	(3,722,215)	(3,462,281)
	(7,843,596)	286,129	(1,890,303)	(3,722,215)	(4,951,843)
	28,842,721	28,559,592	30,449,895	34,172,110	39,123,953
\$	20,999,125	\$ 28,845,721	\$ 28,559,592	\$ 30,449,895	\$ 34,172,110
\$	4,418,984	\$ 9,349,091	\$ 9,054,810	\$ 11,726,291	\$ 11,440,284
	475%	309%	315%	260%	299%

Actuarial Assumptions and Methods

July 1, 2024

Rate of investment return (net of administrative expenses)	4.10%
Inflation rate	2.50%
Health care cost increase (65 and under)	6.50%
Salary increases	The salary scale used to value GASB 75 liabilities is similar to the table used to value pension liabilities for Utah school district employees. The rates are based on the Utah Retirement System actuarial experience study performed as of January 1, 2020.
Actuarial Cost Method	Entry Age Normal based on level percentage of salary
Plan participation percentage	100% of all employees and eligible dependents will participate in medical plan
Mortality rates	The most recent valuation updated to the mortality assumption from the SOA-RP-2014 Adjusted to 2006 Total Dataset Mortality with the MP-2018 projection scale to the Pri-2012 White Collar Dataset Retiree Amount-Weighted Mortality with Scale MP-2020.
Future Dependent Coverage	55% of current active members are assumed to elect dependent coverage at retirement. All female spouses are assumed to be three years younger than males.

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES**

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PROVO CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Student Activities	Food Services	Building Reserve	Tax Increment	
Assets:					
Cash and investments	\$ 2,238,063	\$ -	\$ -	\$ -	\$ 2,238,063
Restricted cash and investments	-	2,677,913	20,372,240	-	23,050,153
Receivables:					
Other local	215,035	-	-	-	215,035
State	-	174,081	-	-	174,081
Federal	-	60,685	-	-	60,685
Inventories	-	274,703	-	-	274,703
Total assets	<u>\$ 2,453,098</u>	<u>\$ 3,187,382</u>	<u>\$ 20,372,240</u>	<u>\$ -</u>	<u>\$ 26,012,720</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ 180,581	\$ -	\$ -	\$ -	\$ 180,581
Payroll and related payables	-	296,998	-	-	296,998
Total liabilities	<u>180,581</u>	<u>296,998</u>	<u>-</u>	<u>-</u>	<u>477,579</u>
Fund Balance:					
Nonspendable:					
Inventories	-	274,703	-	-	274,703
Restricted	-	2,615,681	20,372,240	-	22,987,921
Assigned to:					
Schools	<u>2,272,517</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,272,517</u>
Total fund balance	<u>2,272,517</u>	<u>2,890,384</u>	<u>20,372,240</u>	<u>-</u>	<u>25,535,141</u>
Total liabilities and fund balance	<u>\$ 2,453,098</u>	<u>\$ 3,187,382</u>	<u>\$ 20,372,240</u>	<u>\$ -</u>	<u>\$ 26,012,720</u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Student Activities	Food Services	Building Reserve	Tax Increment	
Revenues:					
Local sources:					
Property taxes	\$ -	\$ -	\$ -	\$ 2,279,403	\$ 2,279,403
Food service sales	-	1,227,566	-	-	1,227,566
Other local	3,546,962	333,695	-	-	3,880,657
State	-	1,461,229	-	-	1,461,229
Federal	-	4,094,177	-	-	4,094,177
Investment earnings	46,226	-	-	-	46,226
Total revenues	3,593,188	7,116,667	-	2,279,403	12,943,032
Expenditures:					
Current:					
Instructional services	3,929,568	-	-	-	3,929,568
Student Support	81,402	-	-	-	81,402
Instructional staff	56,621	-	-	-	56,621
School food services	-	7,236,898	-	-	7,236,898
Admin	69,991	-	-	-	69,991
Community services	-	-	-	2,279,403	2,279,403
Capital Outlay	-	128,322	-	-	128,322
Total expenditures	4,137,582	7,365,220	-	2,279,403	13,782,205
Excess of revenues over expenditures	(544,394)	(248,553)	-	-	(839,173)
Other financing sources:					
Transfers In	200,000	-	-	-	200,000
Proceeds from sale of capital assets	-	705	-	-	705
Total other financing sources	200,000	705	-	-	200,705
Net change in fund balance	(344,394)	(247,848)	-	-	(638,468)
Fund balances, beginning	2,616,911	3,138,232	20,372,240	-	26,127,383
Fund balances, ending	\$ 2,272,517	\$ 2,890,384	\$ 20,372,240	\$ -	\$ 25,488,915

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—*Debt Service Fund*
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Local sources:				
Property taxes	\$ 13,875,560	\$ 14,875,560	\$ 15,894,362	\$ 1,018,802
Investment Earnings	-	-	43,125	43,125
Total revenues	13,875,560	14,875,560	15,937,487	1,061,927
Expenditures:				
Debt service:				
Principal retirement	8,840,000	8,840,000	8,840,000	-
Interest and fiscal charges	5,042,560	5,042,560	5,040,060	2,500
Total expenditures	13,882,560	13,882,560	13,880,060	2,500
Excess (deficiency) of revenues over (under) expenditures	(7,000)	993,000	2,057,427	1,064,427
Other financing sources (uses):				
Transfer to Capital Fund (Technology)	-	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	-	(1,000,000)	(1,000,000)	-
Net change in fund balance	(7,000)	(7,000)	1,057,427	1,064,427
Fund balance - beginning	1,212,482	1,212,482	1,212,482	-
Fund balance - ending	\$ 1,205,482	\$ 1,205,482	\$ 2,269,909	\$ 1,064,427

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—*Capital Projects Fund*
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Local sources:				
Property taxes	\$ 11,246,325	\$ 13,550,330	\$ 13,306,293	\$ (244,037)
Other local	-	-	155,667	155,667
State	-	-	-	-
Investment Earnings	500,286	711,964	943,502	231,538
Total revenues	11,746,611	14,262,294	14,405,462	143,168
Expenditures:				
Salaries	1,432,924	1,506,274	-	1,506,274
Employee benefits	719,709	719,709	-	719,709
Purchased services	12,529,268	32,435,404	18,643,229	13,792,175
Supplies	90,000	2,359,000	1,144,267	1,214,733
Property	10,009,100	11,503,665	9,219,201	2,284,464
Other	26,727	26,727	-	26,727
Debt service:				
Principal retirement	-	-	72,122	(72,122)
Interest and fiscal charges	955	955	1,049	(94)
Total expenditures	24,808,683	48,551,734	29,079,868	19,471,866
Excess (deficiency) of revenues over (under) expenditures	(13,062,072)	(34,289,440)	(14,674,406)	19,615,034
Other financing sources (uses):				
Transfers in (out)	(8,723,200)	-	8,723,000	8,723,000
Total other financing sources (uses)	(8,723,200)	-	8,723,000	8,723,000
Net change in fund balance	(21,785,272)	(34,289,440)	(5,951,406)	28,338,034
Fund balance - beginning	54,355,138	54,355,138	54,355,138	-
Fund balance - ending	\$ 32,569,866	\$ 20,065,698	\$ 48,403,732	\$ 28,338,034

PROVO CITY SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual—*Municipal Building Authority*
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Interest/Other Local	\$ 1,500,000	\$ 9,652,962	10,809,187	\$ 1,156,225
Total revenues	1,500,000	9,652,962	10,809,187	1,156,225
Expenditures:				
Purchased services	50,000,000	53,906,082	48,998,613	4,907,469
Debt service:				
Principal retirement	-	3,300,000	3,300,000	-
Interest and fiscal charges	7,297,683	4,003,183	4,003,183	-
Total expenditures	57,297,683	61,209,265	56,301,796	4,907,469
Excess (deficiency) of revenues over (under) expenditures	(55,797,683)	(51,556,303)	(45,492,609)	6,063,694
Other financing sources (uses)				
Issuance of debt	-	-	-	-
Issuance of debt (premium)	-	-	-	-
Transfers from other funds	6,800,000	-	-	-
Net change in fund balance	(48,997,683)	(51,556,303)	(45,492,609)	6,063,694
Fund balance - beginning	79,979,310	79,979,310	79,979,310	-
Fund balance - ending	\$ 30,981,627	\$ 28,423,007	\$ 34,486,701	\$ 6,063,694

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Statistical Information

This part of Provo City School District's Annual Comprehensive Financial report presents detailed unaudited information as a context for better understanding the information in the financial statements, note disclosures, and required supplementary information. The statistical section is divided into five main categories as follows:

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

<u>Year Ended June 30,</u>	<u>Net investment in capital assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total Net Position</u>
2024	\$ 99,407,415	\$ 80,542,195	\$ 37,671,656	\$ 217,621,266
2023	111,605,150	50,618,927	23,035,517	185,259,594
2022	97,458,082	63,374,486	(3,762,595)	157,069,973
2021	107,909,657	57,220,887	(28,909,513)	136,221,031
2020	99,594,734	41,230,951	(37,899,891)	102,925,794
2019	97,993,796	36,311,721	(33,673,795)	100,631,722
2018	83,854,481	42,594,091	(36,393,538)	90,055,034
2017	60,551,276	56,017,341	(43,931,757)	72,636,860
2016	67,791,542	21,422,081	1,785,888	90,999,511
2015	61,464,177	12,098,626	1,535,966	75,098,769

Source: District data

PROVO CITY SCHOOL DISTRICT
Comparative Statements of Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2024	2023	2022	2021
Assets:				
Cash and temporary cash investments	\$ 184,512,632	\$ 216,898,855	\$ 256,731,448	\$ 172,783,318
Accounts, taxes, and grants receivables:				
Local	90,291,162	76,675,795	56,140,238	54,051,809
State	1,192,728	1,006,269	1,243,287	866,834
Federal	4,649,491	7,906,843	12,741,285	7,096,695
Note receivable	-	-	-	-
Prepaid expenditures	-	28,529	170,723	57,439
Inventory	274,703	359,327	268,107	133,525
Net Pension Asset	-	-	13,914,970	345,226
Net other post employment benefits	-	-	-	-
Total capital assets, net accumulated depreciation	<u>348,108,085</u>	<u>292,581,471</u>	<u>240,919,866</u>	<u>217,397,003</u>
Total assets	<u>629,028,801</u>	<u>595,457,089</u>	<u>582,129,924</u>	<u>452,731,849</u>
Deferred Outflows of Resources:				
Deferred outflows relating to pensions	25,154,497	25,093,479	21,804,799	12,570,093
Deferred outflows relating to OPEB	-	-	-	-
Deferred loss on refundings	-	-	-	108,086
Total deferred outflows of resources	<u>25,154,497</u>	<u>25,093,479</u>	<u>21,804,799</u>	<u>12,678,179</u>
Liabilities:				
Accounts payable	22,205,277	13,122,408	9,063,139	3,260,616
Accrued interest payable	1,321,631	1,355,935	1,499,241	244,789
Payroll and related payables	14,936,438	13,697,832	15,214,309	15,186,504
Unearned Revenue				
Federal	-	-	594,491	-
Other deferred revenues	5,100	9,600	273,000	120,600
Noncurrent liabilities:				
Due within one year: bonds, notes, leases, compensated absences	15,217,134	13,107,333	11,924,983	7,905,507
Due in more than one year:				
Net OPEB Liability	12,535,511	13,646,566	18,686,224	20,999,125
Net Pension Liability	35,962,326	38,426,671	-	22,542,911
Bonds, notes, leases, compensated absences	<u>255,342,636</u>	<u>271,154,086</u>	<u>285,071,407</u>	<u>184,603,972</u>
Total liabilities	<u>357,526,053</u>	<u>364,520,431</u>	<u>342,326,794</u>	<u>254,864,024</u>
Deferred Inflows of Resources:				
Deferred inflows relating to pensions	910,732	606,271	51,595,408	24,777,959
Deferred inflows relating to OPEB	-	-	-	-
Deferred property tax revenue	<u>78,125,247</u>	<u>70,164,272</u>	<u>52,942,548</u>	<u>49,547,014</u>
Total Deferred inflows of resources	<u>79,035,979</u>	<u>70,770,543</u>	<u>104,537,956</u>	<u>74,324,973</u>
Net Position:				
Net investment in capital assets	99,407,415	102,467,999	97,458,082	107,909,657
Restricted for:				
Debt service	7,914,696	6,370,160	4,827,246	1,775,205
Capital projects	43,463,843	26,708,771	24,216,927	22,519,963
Building Reserve	20,372,240	20,372,240	20,372,240	18,372,240
Student Activities	-	-	2,219,256	2,043,907
Self Insurance Fund	2,890,938	-	-	-
School food services	2,890,384	3,138,232	3,281,437	1,904,379
Other restricted programs	3,010,094	3,166,675	8,457,380	10,605,193
Unrestricted	<u>37,671,656</u>	<u>23,035,517</u>	<u>(3,762,595)</u>	<u>(28,909,513)</u>
Total net position	<u>\$ 217,621,266</u>	<u>\$ 185,259,594</u>	<u>\$ 157,069,973</u>	<u>\$ 136,221,031</u>

Source: District Data

PROVO CITY SCHOOL DISTRICT
Comparative Statements of Net Position - Continued
Last Ten Fiscal Years
(accrual basis of accounting)

2020	2019	2018	2017	2016	2015
\$ 82,689,528	\$ 75,954,070	\$ 85,454,172	\$ 122,227,835	\$ 140,573,367	\$ 101,681,552
48,114,202	47,314,812	42,585,573	40,623,503	37,607,056	31,524,701
614,489	1,330,518	1,566,912	1,866,318	1,295,937	780,388
2,949,214	4,772,842	3,509,438	3,200,651	2,532,608	3,122,256
-	-	-	45,065	71,072	91,028
357,175	22,313	708,947	428,657	430,940	438,103
118,333	146,798	140,423	124,915	138,511	153,905
-	-	-	-	3,643	54,600
-	-	-	-	10,427,705	8,701,705
215,216,179	219,974,268	211,899,507	170,174,684	127,624,677	101,577,050
350,059,120	349,515,621	345,864,972	338,691,628	320,705,516	248,125,288
10,134,807	23,713,695	24,147,714	21,507,634	19,285,859	6,252,334
-	-	2,167,865	2,167,865	-	-
172,420	455,692	738,964	1,022,236	1,305,508	1,588,780
10,307,227	24,169,387	27,054,543	24,697,735	20,591,367	7,841,114
2,550,767	2,991,031	5,808,890	8,354,379	6,413,102	4,151,620
170,153	153,341	218,620	228,764	174,074	592,055
11,969,653	11,553,718	12,221,730	10,260,788	9,862,485	11,657,418
-	-	-	-	-	-
-	161,209	125,105	397,589	600,035	618,515
7,313,688	6,950,202	6,505,067	5,699,736	5,888,581	7,514,299
28,842,721	28,559,592	30,449,895	34,172,110	-	-
38,375,101	59,730,904	40,154,073	51,966,368	50,877,986	40,632,654
109,935,834	116,907,495	123,709,102	130,526,638	135,994,988	82,763,845
199,157,917	227,007,492	219,192,482	241,606,372	209,811,251	147,930,406
13,462,576	2,368,754	20,474,819	7,152,188	5,506,188	3,856,245
-	-	3,625,689	3,771,471	-	-
44,820,060	43,677,039	39,614,261	38,222,472	34,979,933	29,080,982
58,282,636	46,045,793	63,714,769	49,146,131	40,486,121	32,937,227
99,594,734	97,993,796	83,854,481	60,551,276	67,791,542	61,464,177
1,637,708	2,051,858	1,827,540	1,758,706	1,721,779	876,789
13,952,631	17,040,015	24,658,658	38,989,571	7,774,982	2,599,405
18,372,240	8,372,240	6,872,240	4,872,240	4,872,240	3,372,240
2,076,272	2,143,292	2,146,124	2,087,804	1,732,942	1,554,242
-	-	-	-	-	-
2,104,952	1,816,119	1,879,374	2,285,570	2,214,535	1,679,420
3,087,148	4,843,448	5,210,155	6,023,450	3,105,603	2,016,530
(37,899,891)	(33,629,046)	(36,393,538)	(43,931,757)	1,785,888	1,535,966
\$ 102,925,794	\$ 100,631,722	\$ 90,055,034	\$ 72,636,860	\$ 90,999,511	\$ 75,098,769

PROVO CITY SCHOOL DISTRICT

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2024	2023	2022	2021
Expenses:				
Instruction	\$ 105,064,996	\$ 103,672,236	\$ 84,798,122	\$ 82,609,361
Supporting services:				
Student	12,039,440	10,913,835	8,950,150	8,465,017
Instructional staff	14,828,971	15,419,363	10,359,929	10,612,930
District administration	1,756,352	1,571,842	2,184,594	2,133,421
School administration	9,889,271	8,986,264	7,004,581	7,058,696
Business	18,516,360	7,009,256	5,234,774	5,194,675
Operation and maintenance of facilities	26,414,691	15,628,975	13,675,292	14,191,446
Student transportation	2,559,924	2,260,554	2,104,720	1,955,939
School food services	7,322,183	6,426,315	5,683,857	5,522,618
Community services	2,266,075	1,773,070	1,624,249	1,957,885
Interest on long-term liabilities	7,276,006	7,790,608	7,591,577	3,133,033
Total school district	207,934,269	181,452,318	149,211,845	142,835,021
Program Revenues:				
Instructional services	92,558,648	93,185,157	84,722,154	92,373,446
Supporting services:				
Student	8,554,641	6,622,122	6,422,451	5,854,046
Instructional staff	12,979,962	7,551,849	4,881,116	4,669,816
General administration	1,281	97,082	968,929	770,249
School administration	1,266,056	873,098	848,176	862,142
Business	-	25,727	106,076	37,311
Operation and maintenance of facilities	10,818,296	2,331,505	316,190	761,010
Transportation	1,515,226	2,153,732	2,120,009	1,785,388
Other	-	-	-	-
School food services	6,782,972	6,282,835	7,244,120	5,420,177
Community services	-	-	-	-
Interest on long-term liabilities	-	-	-	-
Total program revenues	134,477,082	119,123,107	107,629,221	112,533,585
Net (expense) revenue	(73,457,187)	(62,329,211)	(41,582,624)	(30,301,436)
General revenues:				
Property taxes levied for:				
General purposes	49,475,775	47,460,888	34,283,453	36,554,657
Debt service	15,502,463	14,871,130	10,742,186	11,187,721
Capital outlay	14,603,192	14,008,482	10,119,051	11,033,686
Ten percent of basic for construction, textbooks and supplies	-	-	-	-
Federal and state aid not restricted to specific purposes	-	-	-	-
Earnings on investments	11,520,206	8,580,234	290,546	587,864
Gain on sale of assets	-	-	-	15,375
Miscellaneous	14,717,223	5,598,098	7,005,983	4,217,370
Total general revenues	105,818,859	90,518,832	62,441,219	63,596,673
Change in net position	32,361,672	28,189,621	20,858,595	33,295,237
Net position - beginning	185,259,594	157,069,973	136,221,031	102,925,794
Prior period adjustments	-	-	(9,653)	-
Net position - ending	\$ 217,621,266	\$ 185,259,594	\$ 157,069,973	\$ 136,221,031

Source: District data

PROVO CITY SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

2020	2019	2018	2017	2016	2015
\$ 94,909,706	\$ 89,330,430	\$ 83,343,381	\$ 85,107,082	\$ 81,704,867	\$ 79,335,822
8,777,403	8,050,659	7,925,025	7,007,455	4,506,235	4,136,695
10,945,083	9,896,451	8,343,232	4,867,301	1,385,368	1,230,402
3,014,386	2,968,609	1,398,299	2,733,059	2,726,120	2,217,104
8,093,390	7,135,542	6,905,709	6,384,894	6,069,529	5,495,155
5,377,033	5,192,276	4,844,251	6,276,657	6,786,963	5,700,965
14,423,966	12,679,298	13,659,049	10,792,684	8,006,633	6,421,600
2,196,094	2,211,707	2,030,154	2,459,535	2,405,649	1,983,217
6,138,971	5,726,784	5,301,448	5,691,721	5,744,991	5,554,392
1,836,848	1,783,862	1,591,801	2,570,966	3,944,727	3,570,276
3,532,523	3,685,963	3,957,233	4,071,417	2,753,362	1,973,634
159,245,403	148,661,581	139,299,582	137,962,771	126,034,444	117,619,262
84,522,439	81,823,335	84,740,299	84,377,168	85,135,704	74,173,782
4,563,224	4,189,798	4,222,799	4,259,217	2,338,180	4,028,684
4,056,111	4,054,228	2,947,347	1,508,225	350,447	1,570,259
825,393	1,242,044	1,536,143	1,345,595	757,370	606,471
862,703	713,532	630,249	474,717	416,914	155,889
2,087	36,084	232,633	319,478	314,039	-
330,217	244,489	99,969	124	-	474,297
1,630,269	1,905,603	1,680,543	1,411,968	1,370,907	1,293,995
-	-	-	-	-	-
6,181,406	5,548,469	5,240,959	5,594,088	5,653,530	5,718,773
653	64,211	50,405	1,910,589	2,323,484	3,038,102
-	-	-	-	-	-
102,974,502	99,821,793	101,381,346	101,201,169	98,660,575	91,060,252
(56,270,901)	(48,839,788)	(37,918,236)	(36,761,602)	(27,373,869)	(26,559,010)
32,649,667	32,124,664	29,012,440	28,120,500	25,578,966	21,439,190
9,992,580	9,831,901	8,879,390	8,606,408	7,828,560	6,561,563
9,855,001	9,696,534	8,757,138	8,487,914	7,720,775	6,471,222
-	-	-	-	-	-
-	-	-	-	-	2,309,132
1,745,463	2,451,659	1,982,001	1,684,216	569,045	328,576
4,263	90,281	-	14,637,846	(992,929)	37,086
4,317,999	5,221,437	6,705,441	6,413,725	2,570,194	478,360
58,564,973	59,416,476	55,336,410	67,950,609	43,274,611	37,625,129
2,294,072	10,576,688	17,418,174	31,189,007	15,900,742	11,066,119
100,631,722	90,055,034	72,636,860	90,999,511	75,098,769	105,370,189
-	-	-	(49,551,658)	-	(41,337,539)
\$ 102,925,794	\$ 100,631,722	\$ 90,055,034	\$ 72,636,860	\$ 90,999,511	\$ 75,098,769

PROVO CITY SCHOOL DISTRICT
Governmental Funds—Aggregate Fund Balances
Last Ten Fiscal Years

Year Ending June 30,	General Fund					
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2024	\$ -	\$ 3,010,094	\$ 17,792,646	\$ 13,708,000	\$ 18,949,517	\$ 53,460,257
2023	28,529	3,166,675	17,792,646	3,589,000	17,130,371	41,707,221
2022	170,723	4,039,026	17,792,646	4,418,354	16,230,407	42,651,156
2021	57,439	3,116,148	18,542,646	7,489,045	14,505,594	43,710,872
2020	11,157	1,520,930	18,542,646	1,566,218	12,374,282	34,015,233
2019	22,313	1,129,146	19,542,646	3,714,302	12,743,617	37,152,024
2018	493,947	1,686,996	19,542,646	3,523,159	11,129,459	36,376,207
2017	473,722	2,913,152	19,542,646	3,110,298	9,000,366	35,040,184
2016	499,507	3,105,603	19,542,646	-	7,337,273	30,485,029
2015	533,351	2,016,530	19,542,646	-	5,712,495	27,805,022

Fiscal Year Ended June 30,	All Other Governmental Funds					
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2024	\$ 274,703	\$ 108,148,263	\$ -	\$ 2,272,517	\$ -	\$ 110,695,483
2023	359,327	158,698,075	-	2,616,911	-	161,674,313
2022	133,525	117,418,652	-	2,043,907	-	119,596,084
2021	464,351	35,949,198	-	2,076,272	-	38,489,821
2020	146,798	29,133,434	-	2,143,292	-	31,423,524
2019	355,423	35,097,389	-	2,146,124	-	37,598,936
2018	124,915	72,106,701	-	2,087,804	-	74,319,420
2017	141,216	96,466,004	-	1,732,942	-	98,340,162
2016	146,980	60,783,429	-	1,554,242	-	62,484,651
2015	91,355	9,274,868	-	1,397,081	(506,002)	10,257,302

Source: District data

PROVO CITY SCHOOL DISTRICT
Governmental Funds—Net Changes in Aggregate Fund Balances
Last Ten Fiscal Years

Year Ending June 30,	General Fund	Debt Service	Capital Projects	Non K-12 Instruction	Student Activities	Food Services	Building Reserve	Municipal Building Authority	Total Governmental Funds
2024	\$11,753,036	\$ 1,057,427	\$ (5,951,406)	\$ -	\$(344,394)	\$ (247,848)	\$ -	\$ (45,492,609)	\$(39,225,794)
2023	(943,935)	995,680	(13,495,465)	-	397,655	(143,205)	-	(32,592,909)	(45,782,179)
2022	(1,059,716)	(1,558,403)	(23,502,849)	-	175,349	1,377,058	2,000,000	108,425,318	90,801,902
2021	9,695,639	137,497	81,201,704	-	(32,365)	(200,573)	-	-	3,929,506
2020	(3,136,791)	(414,150)	(2,741,366)	-	(67,020)	288,833	10,000,000	-	(5,399,595)
2019	775,817	224,318	(7,833,643)	-	(2,832)	(63,255)	1,500,000	-	(35,384,461)
2018	1,336,023	68,834	(38,441,442)	-	58,320	(406,196)	2,000,000	-	(19,465,587)
2017	4,555,155	36,927	(24,483,566)	-	354,862	71,035	-	-	37,153,416
2016	2,680,007	844,990	31,414,604	-	178,700	535,115	1,500,000	-	53,648,136
2015	1,420,787	342,954	53,113,179	232,145	157,161	381,910	(2,000,000)	-	(646,623)

Source: District data

PROVO CITY SCHOOL DISTRICT
Governmental Funds—Fund Balances
Last Ten Fiscal Years

	2024	2023	2022	2021
General Fund				
Nonspendable	\$ -	\$ 28,529	\$ 170,723	\$ 57,439
Restricted	3,010,094	3,166,675	4,039,026	3,116,148
Committed	17,792,646	17,792,646	17,792,646	18,542,646
Assigned	13,708,000	3,589,000	4,418,354	7,489,045
Unassigned	18,949,517	17,130,371	16,230,407	14,505,594
	<u>53,460,257</u>	<u>41,707,221</u>	<u>42,651,156</u>	<u>43,710,872</u>
Debt Service Fund				
Restricted	<u>2,269,909</u>	<u>1,212,482</u>	<u>216,802</u>	<u>1,775,205</u>
	<u>2,269,909</u>	<u>1,212,482</u>	<u>216,802</u>	<u>1,775,205</u>
Capital Projects Fund				
Nonspendable	-	-	-	-
Restricted	<u>48,403,732</u>	<u>54,355,138</u>	<u>67,850,603</u>	<u>95,500,353</u>
	<u>48,403,732</u>	<u>54,355,138</u>	<u>67,850,603</u>	<u>95,500,353</u>
Non K-12 Instruction Fund				
Restricted	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Student Activities Fund				
Assigned	<u>2,272,517</u>	<u>2,616,911</u>	<u>2,219,256</u>	<u>2,043,907</u>
	<u>2,272,517</u>	<u>2,616,911</u>	<u>2,219,256</u>	<u>2,043,907</u>
Food Services Fund				
Nonspendable	274,703	359,327	268,107	133,525
Restricted	<u>2,615,681</u>	<u>2,778,905</u>	<u>3,013,330</u>	<u>1,770,854</u>
	<u>2,890,384</u>	<u>3,138,232</u>	<u>3,281,437</u>	<u>1,904,379</u>
Building Reserve Fund				
Restricted	<u>20,372,240</u>	<u>20,372,240</u>	<u>20,372,240</u>	<u>18,372,240</u>
	<u>20,372,240</u>	<u>20,372,240</u>	<u>20,372,240</u>	<u>18,372,240</u>
Municipal Building Authority				
Committed	-	-	-	-
Restricted	<u>34,486,701</u>	<u>79,979,310</u>	<u>112,572,219</u>	<u>-</u>
	<u>34,486,701</u>	<u>79,979,310</u>	<u>112,572,219</u>	<u>-</u>
Total All Governmental Funds				
Nonspendable	274,703	387,856	438,830	190,964
Committed	17,792,646	17,792,646	17,792,646	18,542,646
Restricted	111,158,357	161,864,750	208,064,220	120,534,800
Assigned	15,980,517	6,205,911	6,637,610	9,532,952
Unassigned	18,949,517	17,130,371	16,230,407	14,505,594
	<u>\$ 164,155,740</u>	<u>\$ 203,381,534</u>	<u>\$ 249,163,713</u>	<u>\$ 163,306,956</u>

Source: District data

2020	2019	2018	2017	2016	2015
\$ 11,157	\$ 22,313	\$ 493,947	\$ 473,722	\$ 499,507	\$ 533,351
1,520,930	1,177,585	1,686,996	2,913,152	3,105,603	2,016,530
18,542,646	19,542,646	19,542,646	19,542,646	19,542,646	19,542,646
1,566,218	3,714,302	3,523,159	3,110,298	-	-
12,374,282	12,695,178	11,129,459	9,000,366	7,337,273	5,712,495
34,015,233	37,152,024	36,376,207	35,040,184	30,485,029	27,805,022
1,637,708	2,051,858	1,827,540	1,758,706	1,721,779	876,789
1,637,708	2,051,858	1,827,540	1,758,706	1,721,779	876,789
346,018	-	215,000	-	2,705	-
13,952,631	17,040,015	24,658,658	63,315,100	87,795,961	55,001,960
14,298,649	17,040,015	24,873,658	63,315,100	87,798,666	55,001,960
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,076,272	2,143,292	2,146,124	2,087,804	1,732,942	1,554,242
2,076,272	2,143,292	2,146,124	2,087,804	1,732,942	1,554,242
118,333	146,798	140,423	124,915	138,511	146,980
1,986,619	1,669,321	1,738,951	2,160,655	2,076,024	1,532,440
2,104,952	1,816,119	1,879,374	2,285,570	2,214,535	1,679,420
18,372,240	8,372,240	6,872,240	4,872,240	4,872,240	3,372,240
18,372,240	8,372,240	6,872,240	4,872,240	4,872,240	3,372,240
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
475,508	169,111	849,370	598,637	640,723	680,331
18,542,646	19,542,646	19,542,646	19,542,646	19,542,646	19,542,646
37,470,128	30,311,019	36,784,385	75,019,853	99,571,607	62,799,959
3,642,490	5,857,594	5,669,283	5,198,102	1,732,942	1,554,242
12,374,282	12,695,178	11,129,459	9,000,366	7,337,273	5,712,495
\$ 72,505,054	\$ 68,575,548	\$ 73,975,143	\$ 109,359,604	\$ 128,825,191	\$ 90,289,673

PROVO CITY SCHOOL DISTRICT
Total Governmental Funds—Change in Fund Balances
Last Ten Fiscal Years

	2024	2023	2022	2021
Revenues:				
Property taxes	\$ 80,576,952	\$ 76,786,890	\$ 58,668,732	\$ 58,205,541
Other local sources	29,661,137	26,237,361	10,189,462	6,920,196
State of Utah	96,470,887	87,784,664	78,939,363	91,376,286
Federal government	24,084,162	19,279,414	25,796,923	19,042,337
Total revenues	<u>230,793,138</u>	<u>210,088,329</u>	<u>173,594,480</u>	<u>175,544,360</u>
Expenditures:				
Instruction	98,061,413	89,750,917	88,879,025	82,536,613
Supporting services:				
Students	12,222,036	11,352,034	10,358,912	9,472,770
Instructional staff	15,078,206	15,997,079	12,185,547	11,923,502
District administration	1,805,670	1,731,009	2,759,644	2,535,537
School administration	10,105,186	9,494,223	8,621,772	8,217,857
Business	7,089,136	7,140,654	6,018,253	5,748,200
Operation and maintenance of facilities	25,698,342	15,116,278	13,661,660	13,963,297
Transportation	2,491,962	2,230,094	2,212,681	2,003,125
Other	-	-	-	-
School food services	7,236,898	6,415,505	5,950,011	5,669,101
Community Services	2,279,403	1,800,973	1,707,621	2,018,448
Capital outlay	65,730,635	71,194,781	33,569,783	12,603,144
Debt Service:				
Principal retirement	12,212,122	11,018,460	20,005,863	6,443,387
Interest and fiscal charges	9,044,292	9,667,896	7,374,993	3,438,719
Total expenditures	<u>269,055,301</u>	<u>252,909,903</u>	<u>213,305,765</u>	<u>166,573,700</u>
Excess (deficiency) of revenues over (under) expenditures	(38,262,163)	(42,821,574)	(39,711,285)	8,970,660
Other financing sources (uses):				
Capital lease	-	-	-	-
Transfers to other funds	(1,000,000)	(3,000,000)	-	-
Proceeds from sale of capital assets	36,369	39,395	38,461	15,375
Proceeds from debt issuance	-	-	112,005,000	73,670,000
Proceeds from debt issuance (premium)	-	-	13,524,581	8,145,867
Refunding bonds issued	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(963,631)</u>	<u>(2,960,605)</u>	<u>125,568,042</u>	<u>81,831,242</u>
Net change in fund balances	<u>\$ (39,225,794)</u>	<u>\$ (45,782,179)</u>	<u>\$ 85,856,757</u>	<u>\$ 90,801,902</u>
Debt service as a percentage of noncapital expenditures	10.5%	11.4%	15.2%	6.4%

Source: District data

2020	2019	2018	2017	2016	2015
\$ 52,082,647	\$ 51,290,626	\$ 46,350,744	\$ 45,261,455	\$ 41,153,281	\$ 34,716,507
9,159,781	11,336,047	11,461,923	11,156,491	9,481,640	8,147,091
86,692,546	83,519,693	86,540,920	84,634,483	78,150,999	71,360,702
13,185,638	12,639,150	12,065,945	13,508,136	14,167,175	14,668,527
<u>161,120,612</u>	<u>158,785,516</u>	<u>156,419,532</u>	<u>154,560,565</u>	<u>142,953,095</u>	<u>128,892,827</u>
83,637,213	80,966,915	79,908,799	81,693,787	80,002,630	77,992,377
8,473,557	8,055,457	8,088,360	6,866,314	4,351,628	4,103,008
10,569,236	9,864,643	8,379,815	4,910,014	1,401,766	1,277,995
2,854,541	2,942,204	1,453,592	2,743,761	2,677,541	2,220,421
7,753,544	7,178,006	7,199,465	6,530,722	6,074,372	5,650,292
5,181,189	5,194,789	4,999,674	6,344,098	6,817,715	5,814,250
13,450,470	11,883,835	11,172,612	10,402,522	7,677,616	6,251,578
2,056,407	2,131,430	2,045,629	2,341,818	2,358,055	1,986,869
-	-	-	-	-	-
5,911,440	5,612,524	5,345,973	5,527,221	5,387,139	5,336,863
1,822,447	1,836,912	1,775,494	2,504,604	3,836,172	3,565,614
5,610,588	18,702,786	51,894,378	59,671,944	32,464,306	7,506,058
6,197,642	5,945,941	5,699,757	5,743,793	6,932,626	5,667,993
3,677,095	3,912,626	4,128,761	4,178,111	3,009,273	1,354,260
<u>157,195,369</u>	<u>164,228,068</u>	<u>192,092,309</u>	<u>199,458,709</u>	<u>162,990,839</u>	<u>128,727,578</u>
3,925,243	(5,442,552)	(35,672,777)	(44,898,144)	(20,037,744)	165,249
-	-	-	-	-	-
-	-	-	-	-	22,789,999
4,263	42,957	288,316	25,432,557	30,044	415,807
-	-	-	-	50,501,596	50,615,000
-	-	-	-	6,659,520	2,382,005
-	-	-	-	-	22,789,999
-	-	-	-	-	(22,719,924)
<u>4,263</u>	<u>42,957</u>	<u>288,316</u>	<u>25,432,557</u>	<u>57,191,160</u>	<u>53,482,887</u>
<u>\$ 3,929,506</u>	<u>\$ (5,399,595)</u>	<u>\$ (35,384,461)</u>	<u>\$ (19,465,587)</u>	<u>\$ 37,153,416</u>	<u>\$ 53,648,136</u>
6.5%	6.8%	7.0%	7.2%	7.6%	5.8%

PROVO CITY SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Tax Years, as of December 31, 2023

<u>Tax Year</u>	<u>Mill Levy or Tax Rate</u>	<u>Real Property/Centrally Assessed Taxable Value</u>	<u>Personal Property Taxes Charged</u>	<u>Total Taxable Value</u>	<u>Total Tax Levied</u>
2023	0.007333	\$ 9,861,981,377	\$ 548,527,004	\$10,410,508,381	\$ 76,334,773
2022	0.007323	9,581,773,544	424,418,304	10,006,191,848	73,896,657
2021	0.007017	7,494,701,092	382,057,152	7,876,758,244	55,393,471
2020	0.007337	7,035,898,303	423,595,277	7,459,493,580	54,642,197
2019	0.007129	6,556,126,226	383,049,409	6,939,175,635	49,640,606
2018	0.007576	5,979,918,769	313,159,380	6,293,078,149	47,598,383
2017	0.007327	5,547,618,256	356,967,730	5,904,585,986	43,461,376
2016	0.007883	5,083,605,595	340,696,637	5,424,302,232	42,652,455
2015	0.007568	4,784,980,364	347,852,851	5,132,833,215	38,521,083
2014	0.006636	4,463,972,529	326,866,640	4,790,839,169	31,941,714

Source: taxrates.utah.gov

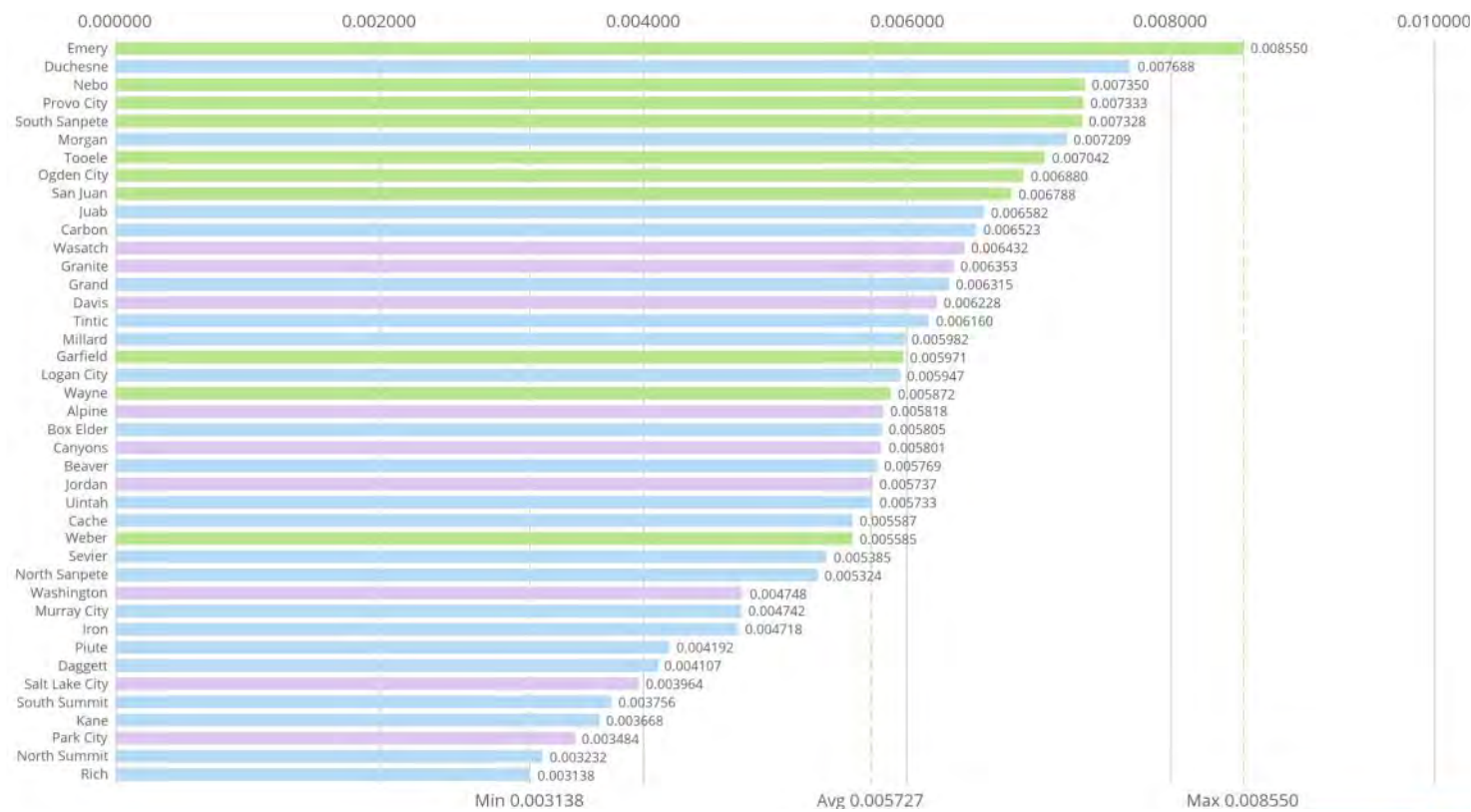
Tax Year	Collected within the Calendar Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
	Current	Percentage of Levy	Fee-in-Lieu & Other Collections		Amount	Percentage of Levy
2023	\$ 72,509,872	94.99%	\$ 2,148,871	\$ 4,123,676	\$ 78,530,255	97.47%
2022	68,519,534	92.72%	3,492,694	4,030,943	75,791,008	97.11%
2021	51,869,428	93.62%	3,213,424	3,360,005	58,190,694	98.98%
2020	51,153,078	93.60%	2,773,319	3,835,290	57,761,687	98.69%
2019	46,643,199	93.96%	3,041,146	3,322,644	53,006,989	100.09%
2018	44,709,303	93.93%	3,300,501	2,897,396	50,907,200	100.86%
2017	40,473,376	93.12%	3,055,999	3,141,665	46,671,040	100.16%
2016	38,280,360	89.75%	2,903,511	2,317,766	43,501,637	96.56%
2015	36,202,369	93.98%	2,535,560	2,263,279	41,001,208	100.56%
2014	30,058,947	94.11%	2,388,566	2,178,116	34,625,629	101.58%

PROVO CITY SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years, as of December 31, 2023

Tax Year	Centrally Assessed	Residential	Industrial & Commercial	Agriculture	Personal	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Taxable Value as a Percentage of Actual Value
2023	\$ 128,991,878	\$ 6,751,713,723	\$ 2,979,272,376	\$ 2,003,400	\$ 548,527,004	\$ 10,410,508,381	0.007333	\$ 15,814,010,050	65.83%
2022	167,048,134	6,563,510,062	2,849,428,348	1,787,000	424,418,304	10,006,191,848	0.007323	15,242,906,265	65.64%
2021	181,091,398	4,937,695,465	2,371,949,181	1,821,700	382,057,152	7,874,614,896	0.007017	11,864,928,556	66.37%
2020	171,167,613	4,502,782,059	2,360,095,831	1,852,800	423,595,277	7,459,493,580	0.007337	11,103,352,058	67.18%
2019	147,413,591	5,032,973,125	1,373,953,310	1,786,200	383,049,409	6,939,175,635	0.007129	10,376,702,550	66.87%
2018	148,504,794	3,836,735,607	1,993,322,668	1,355,700	313,159,380	6,293,078,149	0.007576	9,423,134,014	66.78%
2017	122,235,928	4,280,912,747	1,142,996,081	1,473,500	356,967,730	5,904,585,986	0.007327	8,785,451,744	67.21%
2016	108,238,377	3,221,349,131	1,602,427,048	2,581,881	340,696,637	5,275,293,074	0.007883	7,904,221,043	66.74%
2015	101,032,025	2,984,495,487	1,557,330,708	1,966,767	487,123,189	5,131,948,176	0.007568	7,568,631,079	67.81%
2014	82,937,762	2,772,015,561	1,478,928,761	1,491,220	476,336,473	4,790,839,169	0.006636	7,204,269,301	66.50%

Source: taxrates.utah.gov

PROVO CITY SCHOOL DISTRICT
Comparison of Utah School District Property Tax Rates
Tax Year 2023



Source: taxrates.utah.gov

PROVO CITY SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Tax Years, as of December 31, 2023
(rate per \$1 of assessed value)

	Tax Rate Levied by Entity by Tax Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Direct Rates:										
Basic Program	0.001406	0.001652	0.001661	0.001628	0.001661	0.001666	0.001568	0.001675	0.001736	0.001419
Voted Leeway	0.001300	0.000587	0.000911	0.000968	0.001016	0.001094	0.001024	0.001093	0.001151	0.001228
Board Leeway	0.001831	0.001760	0.001734	0.001997	0.001548	0.001682	0.001416	0.001600	0.001293	0.001445
Debt Service	0.001469	0.001381	0.001349	0.001453	0.001550	0.001692	0.001812	0.001995	0.002139	0.001268
Capital Outlay Foundation	0.001229	0.001847	0.001271	0.001198	0.001257	0.001353	0.001424	0.001520	0.001249	0.001276
Charter School	<u>0.000098</u>	<u>0.000096</u>	<u>0.000091</u>	<u>0.000093</u>	<u>0.000097</u>	<u>0.000089</u>	<u>0.000083</u>	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>
Total direct rate	0.007333	0.007323	0.007017	0.007337	0.007129	0.007576	0.007327	0.007883	0.007568	0.006636
Overlapping rates:*										
Provo City	0.001791	0.001710	0.002230	0.002426	0.002560	0.001888	0.002089	0.002239	0.002377	0.002775
Utah County	0.000656	0.000661	0.000853	0.001041	0.000672	0.000732	0.000779	0.000834	0.000870	0.000916
Central UT Water District	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000405	0.000422

Source: taxrates.utah.gov

PROVO CITY SCHOOL DISTRICT
History of the Weighted Pupil Unit (WPU)
Fiscal Years 1976-2024

Fiscal Year	WPU	Dollar Change	Percent Change	Fiscal Year	WPU	Dollar Change	Percent Change
1975-76	\$ 621	\$ -	-	2000-01	\$ 2,006	\$ 105	5.52%
1976-77	683	62	9.98%	2001-02	2,116	110	5.48%
1977-78	732	49	7.17%	2002-03	2,132	16	0.76%
1978-79	795	63	8.61%	2003-04	2,150	18	0.84%
1979-80	852	57	7.17%	2004-05	2,182	32	1.49%
1980-81	946	94	11.03%	2005-06	2,280	98	4.49%
1981-82	1,003	57	6.03%	2006-07	2,417	137	6.01%
1982-83	1,103	100	9.97%	2007-08	2,514	97	4.01%
1983-84	1,103	-	0.00%	2008-09	2,577	63	2.51%
1984-85	1,124	21	1.90%	2009-10	2,577	-	0.00%
1985-86	1,180	56	4.98%	2010-11	2,577	-	0.00%
1986-87	1,204	24	2.03%	2011-12	2,816	239	9.27%
1987-88	1,204	-	0.00%	2012-13	2,842	26	0.92%
1988-89	1,204	-	0.00%	2013-14	2,899	57	2.01%
1989-90	1,240	36	2.99%	2014-15	2,971	72	2.48%
1990-91	1,346	106	8.55%	2015-16	3,092	121	4.07%
1991-92	1,408	62	4.61%	2016-17	3,184	92	2.98%
1992-93	1,490	82	5.82%	2017-18	3,311	127	3.99%
1993-94	1,539	49	3.29%	2018-19	3,395	84	2.54%
1994-95	1,608	69	4.48%	2019-20	3,532	137	4.04%
1995-96	1,672	64	3.98%	2020-21	3,596	64	1.81%
1996-97	1,739	67	4.01%	2021-22	3,809	213	5.92%
1997-98	1,791	52	2.99%	2022-23	4,038	229	6.01%
1998-99	1,854	63	3.52%	2023-24	4,280	242	5.99%
1999-00	1,901	47	2.54%				

Source: District data

PROVO CITY SCHOOL DISTRICT

Changes in Fund Balance & Ratio of Annual Debt Service to General Fund Expenditures

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2024	2023	2022	2021
Revenues:				
Property taxes	\$ 49,096,894	\$ 41,473,053	\$ 35,541,844	\$ 37,861,708
Other local sources	12,555,207	9,349,686	4,799,528	4,306,537
State of Utah	95,009,658	85,206,842	77,841,829	90,307,945
Federal government	19,989,985	14,771,764	19,690,191	14,790,719
Total revenues	<u>176,651,744</u>	<u>150,801,345</u>	<u>137,873,392</u>	<u>147,266,909</u>
Expenditures:				
Instructional services	94,131,845	86,897,477	86,107,486	80,569,988
Supporting services:				
Students	12,140,634	11,290,286	10,309,708	9,338,445
Instructional staff	15,021,585	15,918,194	12,131,958	11,866,384
District administration	1,805,670	1,730,609	2,759,644	2,535,537
School administration	10,035,195	9,401,217	8,472,995	7,918,849
Business	7,089,136	6,960,522	6,018,253	5,748,200
Operations and maintenance	12,566,765	13,794,385	7,903,718	13,956,836
Student transportation	2,491,962	2,230,094	2,212,681	2,003,125
Other	-	-	-	-
School food services	-	-	82,949	111,953
Community services	-	-	133,733	208,730
Capital Outlay	728,580	436,058	699,858	3,328,598
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>156,011,372</u>	<u>148,658,842</u>	<u>136,832,983</u>	<u>137,586,645</u>
Excess (deficiency) of revenues over expenditures	20,640,372	2,142,503	1,040,409	9,680,264
Other financing sources (uses):				
Sale of assets	35,664	39,395	38,461	15,375
Transfers In (Out)	(8,923,000)	(3,125,833)	(2,138,586)	-
Total other financing sources (uses)	<u>(8,887,336)</u>	<u>(3,086,438)</u>	<u>(2,100,125)</u>	<u>15,375</u>
Net change in fund balance	<u>11,753,036</u>	<u>(943,935)</u>	<u>(1,059,716)</u>	<u>9,695,639</u>
Total debt service expenditures (all funds) (general obligations, capital leases, etc.)	21,256,414	20,686,356	27,380,856	9,882,106
Debt service as a percentage of total general fund expenditures	13.6%	13.9%	20.0%	7.2%

Source: District data

PROVO CITY SCHOOL DISTRICT
Changes in Fund Balance & Ratio of Annual Debt Service to General Fund Expenditures - Continued
Last Ten Fiscal Years
(modified accrual basis of accounting)

2020	2019	2018	2017	2016	2015
\$ 33,046,806	\$ 31,310,666	\$ 26,762,574	\$ 26,310,700	\$ 22,720,856	\$ 20,808,558
5,440,387	6,345,904	4,813,702	3,751,585	3,666,797	2,990,279
85,411,264	82,056,244	84,782,657	82,795,715	76,361,890	70,389,904
8,905,035	8,858,715	8,482,019	9,924,840	10,429,429	10,593,904
132,803,492	128,571,529	124,840,952	122,782,840	113,178,972	104,782,645
80,768,604	77,346,369	76,287,006	78,028,370	76,138,778	74,229,205
8,473,557	8,055,457	8,088,360	6,866,314	4,351,628	4,103,008
10,550,190	9,854,662	8,379,815	4,910,014	1,401,766	1,277,995
2,854,541	2,942,204	1,453,592	2,743,761	2,677,541	2,220,421
7,718,485	7,178,006	7,199,465	6,530,722	6,074,372	5,650,292
5,181,189	5,194,789	4,999,674	5,715,810	5,572,004	4,704,250
9,683,180	9,474,167	9,560,307	8,583,757	6,855,656	5,407,883
2,056,407	2,131,430	2,045,629	2,341,818	2,111,779	1,986,869
-	-	-	-	-	-
30,997	-	52,748	-	-	-
381,596	531,780	540,859	2,504,604	3,836,172	3,291,762
2,745,800	3,620,785	3,177,257	28,732	-	-
-	9,020	8,533	-	-	-
-	-	-	-	-	-
130,444,546	126,338,669	121,793,245	118,253,902	109,019,696	102,871,685
2,358,946	2,232,860	3,047,707	4,528,938	4,159,276	1,910,960
4,263	42,957	288,316	26,217	20,731	15,824
(5,500,000)	(1,500,000)	(2,000,000)	-	(1,500,000)	(505,997)
(5,495,737)	(1,457,043)	(1,711,684)	26,217	(1,479,269)	(490,173)
(3,136,791)	775,817	1,336,023	4,555,155	2,680,007	1,420,787
9,874,737	9,746,785	9,828,518	9,921,904	9,834,812	6,455,797
7.6%	7.7%	8.1%	8.4%	9.0%	6.3%

PROVO CITY SCHOOL DISTRICT
Schedule of Long-Term Debt Service
As of June 30, 2024

		2025	2026	2027	2028	2029	2030	2031	2032	2033
General obligation bonds:										
<i>Debt Service Fund</i>										
Series 2021B Refunding	Principal	\$ 2,080,000	\$ 2,185,000	\$ 1,620,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$11,650,000	Interest	294,250	190,250	81,000	-	-	-	-	-	-
Series 2015	Principal	2,510,000	2,580,000	2,655,000	2,735,000	2,830,000	2,930,000	3,035,000	3,125,000	3,220,000
\$50,615,000	Interest	1,006,700	937,675	860,275	780,625	684,900	585,850	483,300	392,250	298,500
Series 2016	Principal	2,475,000	2,600,000	2,725,000	2,775,000	2,825,000	2,950,000	3,075,000	3,150,000	3,275,000
\$50,650,000	Interest	1,260,813	1,137,063	1,007,063	952,563	897,063	784,063	666,063	566,125	463,750
Series 2021	Principal	2,710,000	3,285,000	3,280,000	3,445,000	3,615,000	3,800,000	3,990,000	4,185,000	4,270,000
\$73,670,000	Interest	2,093,048	1,957,548	1,793,298	1,629,298	1,457,048	1,276,298	1,086,298	886,798	803,098
Total Principal - General Obligation Bonds		9,775,000	10,650,000	10,280,000	8,955,000	9,270,000	9,680,000	10,100,000	10,460,000	10,765,000
Total Interest - General Obligation Bonds		4,654,810	4,222,535	3,741,635	3,362,485	3,039,010	2,646,210	2,235,660	1,845,173	1,565,347
Total - General Obligation Bonds		14,429,810	14,872,535	14,021,635	12,317,485	12,309,010	12,326,210	12,335,660	12,305,173	12,330,347
Lease revenue bonds:										
<i>Municipal Building Authority Fund</i>										
2010 Lease Revenue Bonds	Principal	-	6,462,000	-	-	-	-	-	-	-
\$ 6,462,000	Interest	79,483	79,483	-	-	-	-	-	-	-
2022 Lease Revenue Bonds	Principal	3,465,000	3,635,000	3,820,000	4,010,000	4,210,000	4,420,000	4,640,000	4,875,000	5,115,000
\$100,355,000	Interest	3,753,200	3,579,950	3,398,200	3,207,200	3,006,700	2,796,200	2,575,200	2,343,200	2,099,450
Total Principal - Lease Revenue Bonds		3,465,000	10,097,000	3,820,000	4,010,000	4,210,000	4,420,000	4,640,000	4,875,000	5,115,000
Total Interest - Lease Revenue Bonds		3,832,683	3,659,433	3,398,200	3,207,200	3,006,700	2,796,200	2,575,200	2,343,200	2,099,450
Total - Lease Revenue Bonds		7,297,683	13,756,433	7,218,200	7,217,200	7,216,700	7,216,200	7,215,200	7,218,200	7,214,450
Total - Bonds payable		21,727,493	28,628,968	21,239,835	19,534,685	19,525,710	19,542,410	19,550,860	19,523,373	19,544,797
Note payable:										
<i>Capital Projects Fund</i>										
2011 Energy Efficiency Chiller	Principal	13,202	-	-	-	-	-	-	-	-
\$264,697	Interest	161	-	-	-	-	-	-	-	-
Total note payable		13,363	-	-	-	-	-	-	-	-
Total long-term debt obligations:										
Total Principal - All Funds - All Long-Term Debt		13,253,202	20,747,000	14,100,000	12,965,000	13,480,000	14,100,000	14,740,000	15,335,000	15,880,000
Total Interest - All Funds - All Long-Term Debt		8,487,654	7,881,968	7,139,835	6,569,685	6,045,710	5,442,410	4,810,860	4,188,373	3,664,797
Total - All Funds - All Long-Term Debt		\$21,740,856	\$28,628,968	\$21,239,835	\$19,534,685	\$19,525,710	\$19,542,410	\$19,550,860	\$19,523,373	\$19,544,797

Source: District data

PROVO CITY SCHOOL DISTRICT
Schedule of Long-Term Debt Service
As of June 30, 2024

2034	2035	2036	2037	2038	2039	2040	2041	2042	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,885,000
-	-	-	-	-	-	-	-	-	565,500
3,315,000	3,415,000	-	-	-	-	-	-	-	32,350,000
201,900	102,450	-	-	-	-	-	-	-	6,334,425
3,375,000	3,475,000	3,600,000	-	-	-	-	-	-	36,300,000
357,313	247,625	126,000	-	-	-	-	-	-	8,465,504
4,355,000	4,445,000	4,520,000	4,600,000	4,690,000	4,780,000	4,875,000	4,975,000	-	69,820,000
717,698	630,598	552,810	473,710	381,710	292,600	197,000	99,500	-	16,328,347
11,045,000	11,335,000	8,120,000	4,600,000	4,690,000	4,780,000	4,875,000	4,975,000	-	144,355,000
1,276,910	980,673	678,810	473,710	381,710	292,600	197,000	99,500	-	31,693,776
12,321,910	12,315,673	8,798,810	5,073,710	5,071,710	5,072,600	5,072,000	5,074,500	-	176,048,778
-	-	-	-	-	-	-	-	-	6,462,000
-	-	-	-	-	-	-	-	-	158,966
5,375,000	5,590,000	5,810,000	6,045,000	6,225,000	6,410,000	6,605,000	6,800,000	7,005,000	94,055,000
1,843,700	1,628,700	1,405,100	1,172,700	991,350	804,600	612,300	414,150	210,150	35,842,050
5,375,000	5,590,000	5,810,000	6,045,000	6,225,000	6,410,000	6,605,000	6,800,000	7,005,000	100,517,000
1,843,700	1,628,700	1,405,100	1,172,700	991,350	804,600	612,300	414,150	210,150	36,001,015
7,218,700	7,218,700	7,215,100	7,217,700	7,216,350	7,214,600	7,217,300	7,214,150	7,215,150	136,518,015
19,540,610	19,534,373	16,013,910	12,291,410	12,288,060	12,287,200	12,289,300	12,288,650	7,215,150	312,566,793
-	-	-	-	-	-	-	-	-	13,202
-	-	-	-	-	-	-	-	-	161
-	-	-	-	-	-	-	-	-	13,363
16,420,000	16,925,000	13,930,000	10,645,000	10,915,000	11,190,000	11,480,000	11,775,000	7,005,000	244,885,202
3,120,610	2,609,373	2,083,910	1,646,410	1,373,060	1,097,200	809,300	513,650	210,150	67,694,953
\$ 19,540,610	\$ 19,534,373	\$ 16,013,910	\$ 12,291,410	\$ 12,288,060	\$ 12,287,200	\$ 12,289,300	\$ 12,288,650	\$ 7,215,150	\$ 312,580,155

PROVO CITY SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Outstanding General Obligation General Bonds (no discount or premium)	Bond Premium/ Discount	Net General Bonded Debt as Percentage of Taxable Value	Net General Obligation Bonded Debt Per Capita	Net General Obligation Bonded Debt Per Student	Outstanding Capital Lease, Notes Payable, and Lease Revenue Obligations	Total Debt	Total Debt as Percentage of Taxable Value	Total Debt Per Capita	Total Debt Per Student
2024	\$ 144,355,000	\$ 23,607,271	1.59%	\$ 1,425	\$ 12,183	\$ 100,530,202	\$ 268,492,473	2.58%	\$ 2,308	\$ 19,742
2023	153,195,000	25,341,253	1.69%	1,515	12,078	103,902,324	282,438,577	2.71%	2,428	19,353
2022	161,165,000	27,075,235	1.87%	1,608	14,387	106,880,925	295,121,160	2.95%	2,537	22,702
2021	169,475,000	14,696,608	2.34%	1,582	14,150	6,550,081	190,721,689	2.42%	1,640	14,671
2020	102,225,000	6,995,397	1.44%	933	6,481	6,573,468	115,793,865	1.55%	1,004	6,976
2019	108,400,000	7,440,053	1.81%	987	7,068	6,596,110	122,436,163	1.95%	1,062	7,605
2018	114,315,000	7,884,709	2.28%	1,045	7,094	6,627,051	128,826,760	2.44%	1,117	7,586
2017	119,985,000	8,329,365	2.66%	1,105	7,677	6,656,808	134,971,173	2.82%	1,170	8,131
2016	125,700,000	8,774,021	3.24%	1,166	9,522	6,707,093	141,181,114	3.40%	1,224	9,997
2015	84,337,005	2,382,005	2.09%	752	6,140	5,333,227	92,052,237	2.22%	798	6,518

Source: District data

PROVO CITY SCHOOL DISTRICT
Overlapping and Underlying General Obligation Debt
Fiscal Year Ended June 30, 2024

<u>Taxing Entity</u>	<u>2023 Taxable Value</u>	<u>Board's Portion of Taxable Value</u>	<u>Board's Percentage</u>	<u>Entity's General Obligation Debt</u>	<u>Board's Portion of G.O. Debt.</u>
Overlapping:					
State of Utah	\$ 504,084,000,000	\$ 10,410,508,381	2.01%	\$ 1,694,190,000	\$ 33,975,204
CUWCD (1)	81,065,506,779	\$ 10,410,508,381	12.47%	548,316,000	68,375,056
Utah County	81,065,506,779	\$ 10,410,508,381	12.47%	-	-
Total Overlapping					<u>102,350,260</u>
Underlying:					
Provo City (2)	10,108,876,189	10,410,508,381	100.00%	73,130,000	<u>73,130,000</u>
Total Underlying					<u>73,130,000</u>
Total Overlapping and Underlying General Obligation Debt					<u>\$ 175,480,260</u>
Total overlapping general obligation debt (excluding the State) (3)					68,375,056
Total direct general obligation bonded indebtedness					<u>268,492,473</u>
Total direct and overlapping general obligation debt (excluding the State) (3)					<u>\$ 336,867,529</u>
Total underlying general obligation debt					73,130,000
Total direct general obligation bonded indebtedness					<u>268,492,473</u>
Total direct and underlying general obligation debt					<u>\$ 341,622,473</u>
Total overlapping and underlying general obligation debt (excluding the State) (3)					141,505,056
Total direct general obligation bonded indebtedness					<u>268,492,473</u>
Total direct, overlapping, and underlying general obligation debt (excluding the State) (3)					<u>\$ 409,997,529</u>

Taxable Value: Taxable values used in this table for non-district entities were derived from www.taxrates.utah.gov

(1) Central Utah Water Conservancy District (CUWCD) outstanding general obligation bonds are limited ad valorem tax bonds. By law CUWCD may levy a tax rate of up to .000400 to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.

(2) All or portions of these governmental entities outstanding general obligation debt are supported by user fee revenues from water or sewer. The District's portion of overlapping general obligation debt does not include user fee revenue supported general obligation debt.

(3) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

Source: Utah.gov, provo.org, cuwcd.com, taxrates.utah.gov, district data

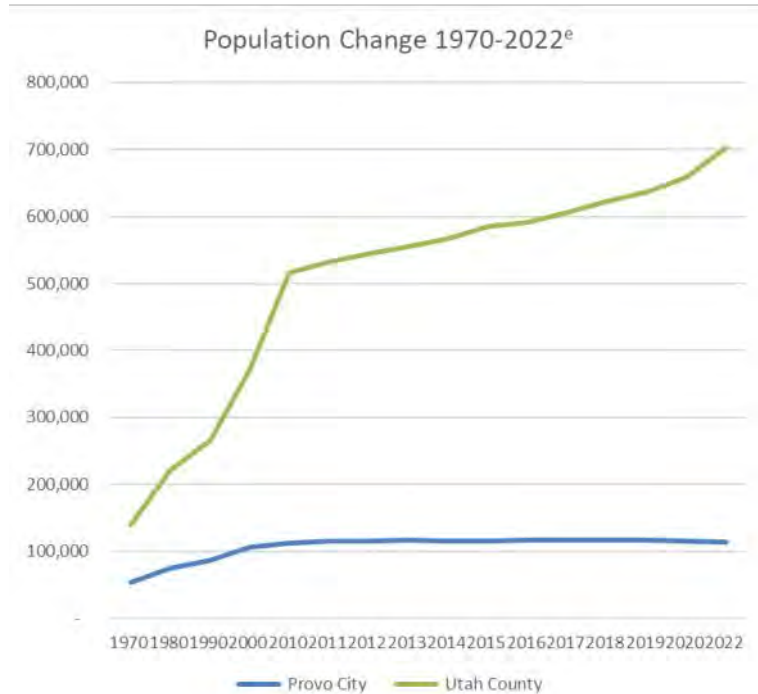
PROVO CITY SCHOOL DISTRICT
Computation of Legal Debt Margin
June 30,2015 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Estimated Fair Market Value	\$ 16,016,707,726	\$ 15,242,906,265	\$ 11,864,928,556	\$ 11,103,352,058	\$ 10,376,702,550	\$9,423,134,014	\$ 8,785,451,744	\$ 7,904,221,043
"Fair Market Value" X 4% (Debt Limit)	640,668,309	609,716,251	474,597,142	444,134,082	415,068,102	376,925,361	351,418,070	316,168,842
Less: General Obligation Debt	144,355,000	153,195,000	161,165,000	169,475,000	102,225,000	108,400,000	114,315,000	119,985,000
Legal Debt Margin*	<u>\$ 496,313,309</u>	<u>\$ 456,521,251</u>	<u>\$ 274,659,082</u>	<u>\$ 312,843,102</u>	<u>\$ 268,525,361</u>	<u>\$ 237,103,070</u>	<u>\$ 196,183,842</u>	<u>\$ 175,245,243</u>
Ratio Legal Debt Margin to Legal Debt Limit	77.47%	74.87%	61.84%	75.37%	71.24%	67.47%	62.05%	57.89%

*The General Obligation Bonded Debt of the District is limited by Utah law to 4% of the fair market value of the total taxable property in the District. The legal debt limit and additional debt incurring estimated fair market value and the calculated valuation value from uniform fees, and are calculated as shown above.

Source: taxrates.utah.gov and district data

Provo/Utah County Population

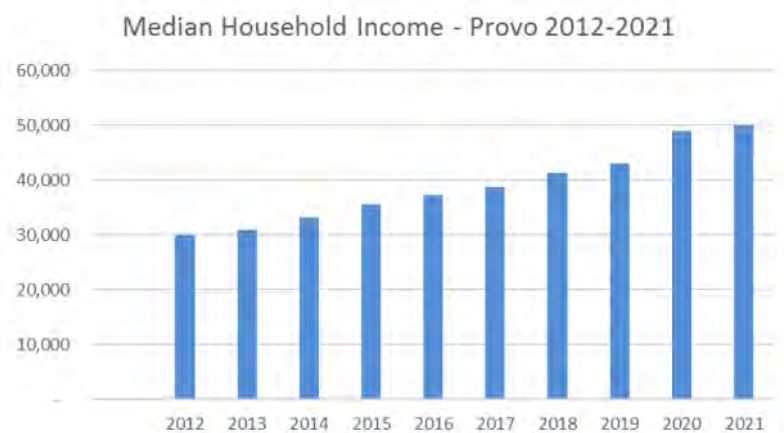


	Provo City	Utah County
1970	53,131	139,300
1980	74,111	220,000
1990	86,835	265,766
2000	105,439	371,894
2010	112,488	516,564
2011	114,684	532,753
2012	115,461	544,892
2013	116,386	554,401
2014	114,868	567,208
2015	115,264	585,694
2016	116,822	590,475
2017	117,335	606,425
2018	116,713	622,213
2019	116,618	636,235
2020	115,162	659,399
2022	113,523	702,434

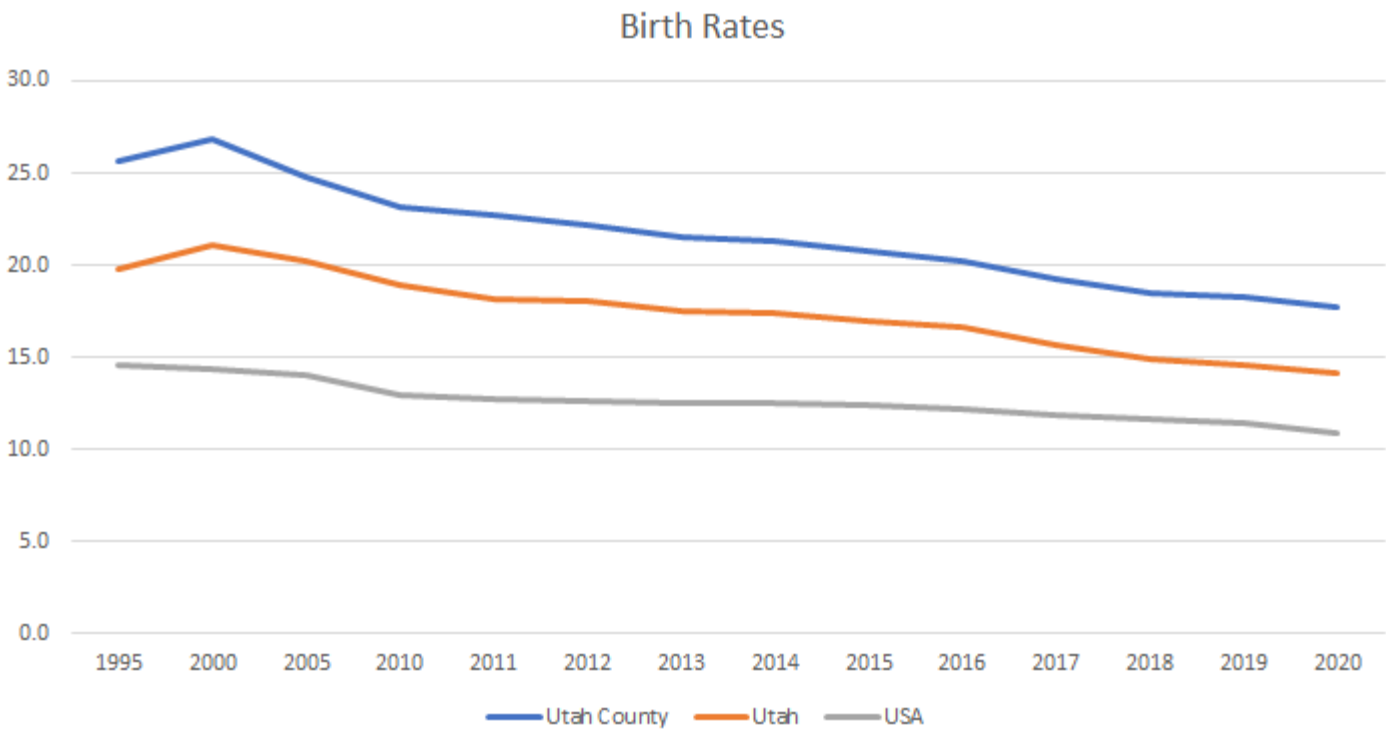
Source: www.census.gov
2022 - estimated (e) data

Median Household Income - Provo

2012	\$	29,983
2013	\$	30,926
2014	\$	33,180
2015	\$	35,610
2016	\$	37,289
2017	\$	38,789
2018	\$	41,272
2019	\$	42,923
2020	\$	48,888
2021	\$	50,072



Source: US Census Bureau

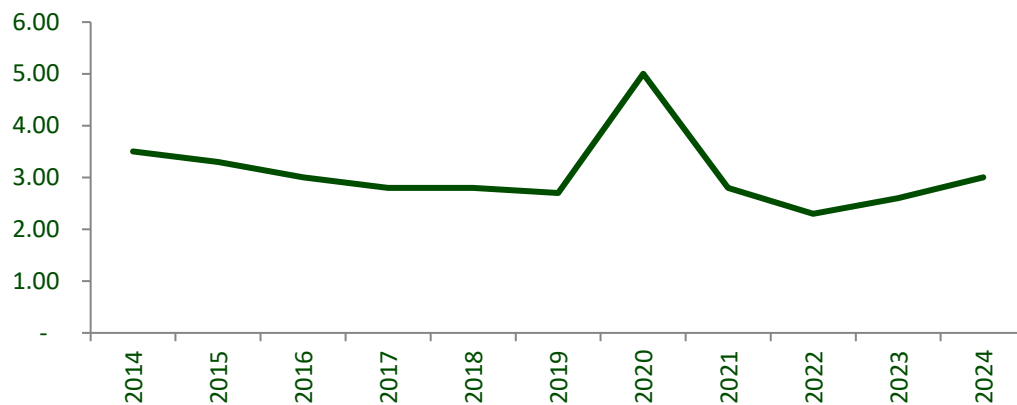


<u>Year</u>	<u>Utah County</u>	<u>Utah</u>	<u>US</u>
1995	25.6	19.8	14.6
2000	26.8	21.1	14.4
2005	24.8	20.2	14.0
2010	23.2	18.9	12.9
2011	22.7	18.2	12.7
2012	22.2	18.0	12.6
2013	21.5	17.5	12.5
2014	21.3	17.4	12.5
2015	20.8	17.0	12.4
2016	20.2	16.6	12.2
2017	19.2	15.7	11.8
2018	18.5	14.9	11.6
2019	18.3	14.6	11.4
2020	17.7	14.1	10.9

Source: Utah’s Public Health Data Resource (IBIS)

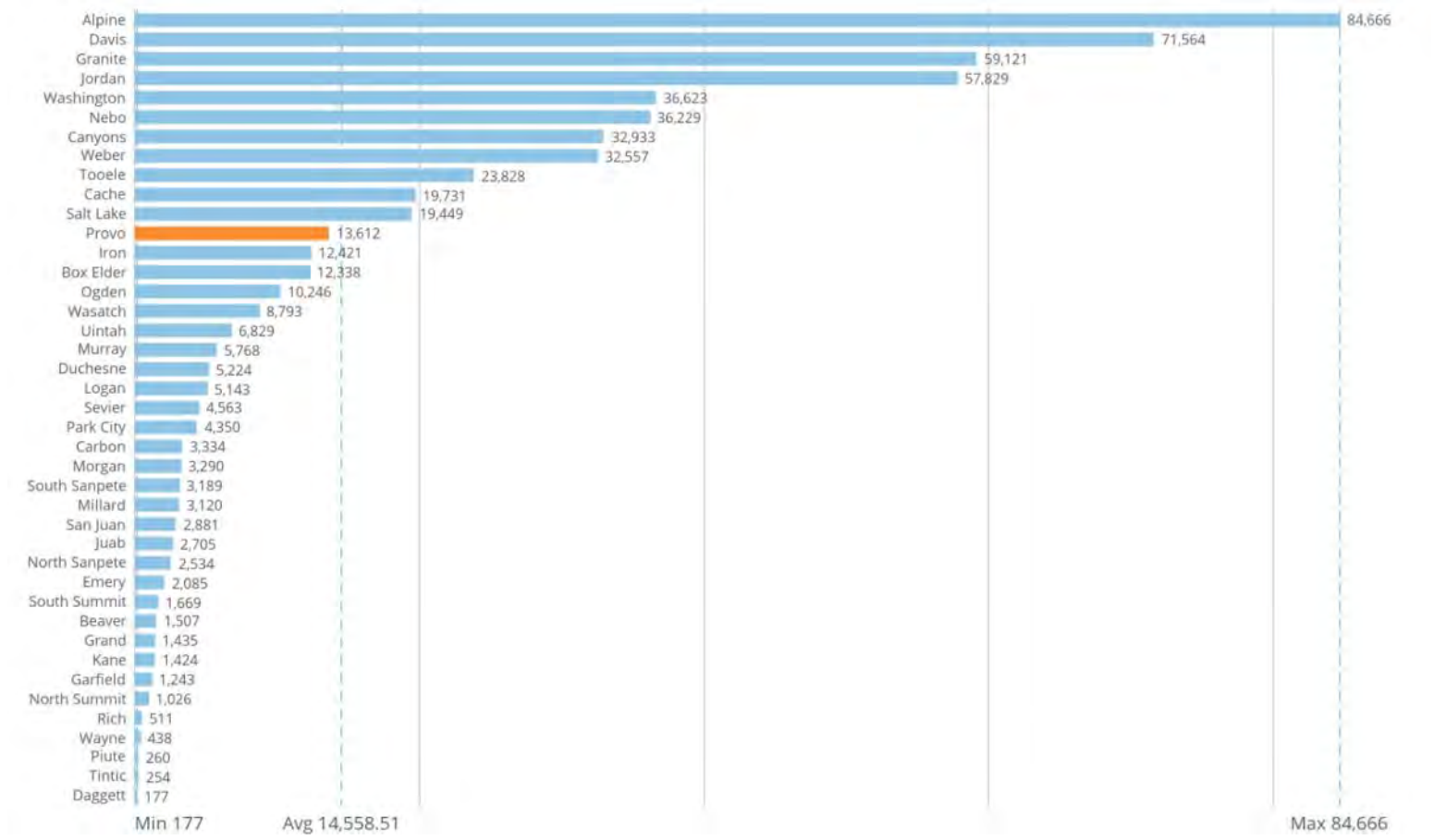
Employer	Rank	December 31, 2023	December 31, 2014	Industry
		Approximate Number of Employees	Approximate Number of Employees	
Brigham Young University	1	5,000 - 6,999	1,000 - 4,999	Higher Education
Utah Valley Regional Medical Center	2	3,000 - 3,999	1,000 - 4,999	Health Care
Vivint	3	3,000 - 3,999		Home Security
Provo City School District	4	2,000 - 2,999	1,000 - 1,999	Local Government
Utah County	5	1,000 - 1,999	1,000 - 1,999	Local Government
Provo City	6	1,000 - 1,999	500 - 999	Local Government
Central Utah Medical Clinic	7	1,000 - 1,999	500 - 999	Healthcare
Qualtrics	8	1,000 - 1,999		Management
Chrysalis Utah, Inc.	9	1,000 - 1,999		Healthcare
Nu Skin International	10	500 - 999	1,000 - 4,999	Personal Care

Source: Utah Department of Workforce Services

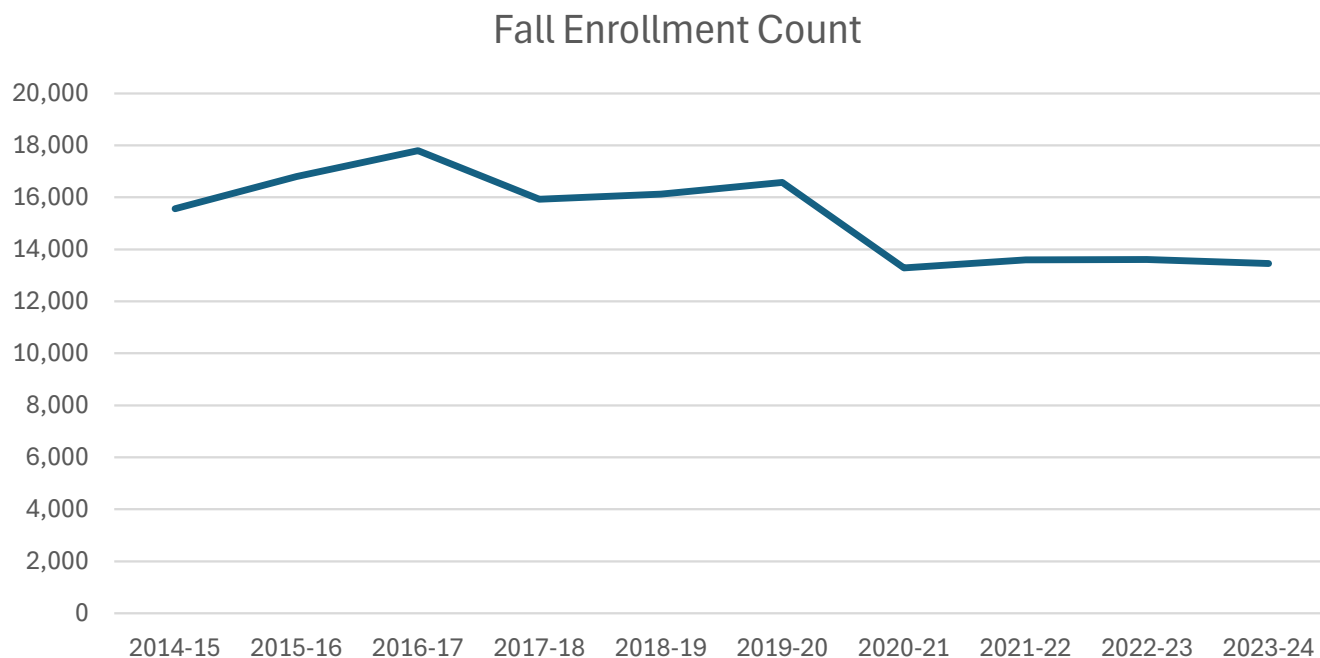


Utah State Unemployment Rates

PROVO CITY SCHOOL DISTRICT
Enrollment by School District
Fiscal Year 2022-2023



Source: <https://schools.utah.gov>



Note: Through the 2019-2020 school year, the District operated an online school that served a significant number of students in secondary schools using a private vendor which brought in many students from outside district boundaries. The District decided in 2020-21 to focus primarily on providing alternative options for education to students living within District boundaries, allowing a more robust tracking mechanism through graduation and an ability to provide additional services to local students.

Source: District data

PROVO CITY SCHOOL DISTRICT
Enrollment History by School
Fiscal Year 2015-2024

School	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24
Amelia Earhart Elementary	547	532	523	504	518	485	422	395	419	388
Canyon Crest Elementary	545	538	547	524	503	476	379	448	474	492
Edgemont Elementary	641	523	626	645	665	631	536	642	631	643
Provo Peaks Elementary	728	592	571	546	504	496	473	498	517	508
Franklin Elementary	463	472	450	407	383	349	332	314	336	354
Lakeview Elementary	776	787	754	813	823	791	667	711	689	692
Provost Elementary	452	464	472	445	465	464	416	472	470	482
Rock Canyon Elementary	642	612	623	591	583	589	515	540	530	487
Spring Creek Elementary	517	486	476	418	411	401	382	412	423	415
Sunset View Elementary	524	473	561	568	546	583	526	551	546	572
Timpanogos Elementary	710	766	763	649	629	629	565	586	622	605
Wasatch Elementary	977	944	892	883	799	744	623	644	609	583
Westridge Elementary	848	785	806	769	730	718	601	614	620	612
Centennial Middle	989	1,056	1,103	1,119	1,191	1,238	1,200	1,133	1,099	1,119
Shoreline Middle	822	847	869	835	882	988	928	922	937	883
Provo High	1,930	1,924	1,901	1,853	1,889	1,915	1,931	1,970	1,971	1,976
Timpview High	2,006	2,058	2,114	2,173	2,162	2,270	2,353	2,390	2,339	2,269
Independence High	241	259	285	190	200	190	184	253	267	278
Special Schools	1,207	2,682	3,457	1,990	2,244	2,610	253	97	112	97
Total enrollment	15,565	16,800	17,793	15,922	16,127	16,567	13,286	13,592	13,611	13,455

Source: District data

PROVO CITY SCHOOL DISTRICT
Full-Time Equivalent (FTE) Employees by Function
Last Nine Fiscal Years

Function	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24
Instruction	1,023	1,021	1,022	1,001	1,036	1,088	1,097	1,050	1,070
Support Services									
Student	68	84	101	103	104	109	117	126	129
Instructional staff	29	42	90	77	91	97	105	120	128
District administration	24	26	17	21	16	21	17	18	7
School administration	71	76	81	84	89	89	89	89	89
Central	47	51	43	50	36	40	41	41	42
Operation and maintenance of facilities	109	114	114	119	120	134	99	105	115
Student transportation	51	39	48	40	48	52	61	47	47
Child nutrition	82	87	76	84	74	84	82	74	82
Community services	62	47	4	4	2	1	-	-	-
Total FTE's	1,566	1,587	1,596	1,583	1,616	1,715	1,708	1,670	1,709

Source: www.schools.utah.gov

PROVO CITY SCHOOL DISTRICT
Expenditures by Function Per Pupil
Last Ten Fiscal Years

Function	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction	\$ 7,288	\$ 6,605	\$ 6,535	\$ 6,210	\$ 5,109	\$ 5,517	\$ 5,071	\$ 4,602	\$ 4,711	\$ 4,698
Supporting Services										
Student	908	829	760	711	510	433	517	385	256	247
Instructional Staff	1,121	1,170	895	903	653	514	479	210	83	77
District administration	134	127	203	190	172	217	177	219	158	134
School administration	751	691	633	617	469	433	450	366	358	340
Business	527	538	452	462	362	466	324	364	401	350
Operation and maintenance of facilities	1,910	1,111	1,014	1,218	1,323	886	767	516	452	377
Student transportation	185	164	191	31	153	232	158	131	139	120
Other	-	-	-	-	-	-	-	-	-	-
School food services	538	471	437	441	357	360	358	310	317	322
Community services	169	132	125	145	110	117	111	165	226	215
Facilities and construction	-	-	-	-	-	-	-	-	-	-
Total school district (Not including debt or construction)	<u>\$ 13,531</u>	<u>\$ 11,838</u>	<u>\$ 11,245</u>	<u>\$ 10,928</u>	<u>\$ 9,218</u>	<u>\$ 9,175</u>	<u>\$ 8,412</u>	<u>\$ 7,268</u>	<u>\$ 7,101</u>	<u>\$ 6,880</u>
Student Enrollment	13,455	13,611	13,317	13,317	16,603	16,165	15,991	17,840	16,983	16,600

Source: District data

<u>Location/Site</u>	<u>Year Built/Renovated Substantially</u>	<u>Square Footage</u>
Elementary Schools:		
Amelia Earhart	1999	69,733
Canyon Crest	1982	68,240
Edgemont	2017	70,000
Provo Peaks	2011	80,000
Franklin	1994	75,801
Lakeview	2007	77,480
Provost	2018	63,560
Rock Canyon	2016	71,367
Spring Creek	2002	70,720
Sunset View	2016	71,367
Timpanogos	2008	69,247
Wasatch	1949	45,326
Westridge	1979	73,928
Secondary Schools:		
Centennial Middle School	1996	144,795
Dixon Middle School	1931	124,276
Provo High School	2018	325,842
Timpview High School	1974	409,803
Independence High School	1992	48,121
Other:		
Oakridge	1979	43,992
District Office	1965	28,875
Grandview Learning Center	1949	69,546
Technology Auxiliary Services	2016	10,477
Transportation	2018	12,964

Source: District data

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PROPOSED FORM OF OPINION OF BOND COUNSEL

[TO BE DATED CLOSING DATE]

The Bonds are issued under and are secured by the Indenture, pursuant to which the Issuer has, subject to the Ground Lease and certain other Permitted Encumbrances (as such term is defined in the Lease), mortgaged, pledged and assigned to the Trustee for the benefit of the owners of the Bonds and the owners of any bonds hereafter issued on a parity therewith under the Indenture all of the Issuer's right, title and interest in and to the Project, the Lease and the Ground Lease, including the right under the Lease to receive Base Rentals (as such term is defined in the Lease), as security for the payment of the principal of and interest on, the Bonds and any other such parity bonds as may be issued under the Indenture in the future. The Bonds are limited obligations of the Issuer and are payable solely from the Base Rentals received under the Lease and from such amounts as may be realized by the Trustee upon the exercise of any of its rights and remedies pursuant to the Indenture.

Neither the Bonds nor the Lease constitute the debt or indebtedness of the Board of Education, the District, the State of Utah or any political subdivision of the State of Utah within the meaning of any constitutional provision or limitation nor give rise to or are a general obligation or liability of nor a charge against the general credit or taxing powers of the State of Utah or any political subdivision of the State of Utah. The Issuer has no taxing power. In the event of default of any payment of principal of or interest on, the Bonds or any violation of any provision of the Lease or the Indenture resulting in the foreclosure of the liens, security interests and rights granted by the Indenture, the Trustee shall be entitled, among other things, to pursue certain remedies against the Project as provided in the Indenture but no deficiency judgment upon foreclosure may be entered in any event against the Issuer, the Board of Education, the District or the State of Utah or any of its political subdivisions, except as otherwise expressly provided in the Lease with respect to the Board of Education's actual use and occupancy of the Project, and no breach of any covenant or agreement in the Lease or the Indenture shall impose any general obligation or liability upon, nor a charge against, the Board of Education, the District or the general credit or taxing power of the State of Utah or any of its political subdivisions.

Under the Lease, the Project has been leased by the Issuer to the Board of Education, and the Board of Education has agreed to pay, directly to the Trustee, the Base Rentals, but only if and to the extent that the Board of Education shall specifically appropriate funds annually sufficient to pay the Base Rentals coming due during the succeeding fiscal year of the Board of Education plus such additional amounts (the "*Additional Rentals*") necessary to operate and maintain the Project during such period. The Base Rentals and the Additional Rentals are hereinafter referred to collectively as the "*Rentals*". The Lease specifically provides, however, that nothing therein shall be construed to require the Board of Education to appropriate any money to pay any Rentals thereunder. In addition, the obligation of the Board of Education to pay Rentals under the Lease will terminate, without payment of any amounts, if an Event of Nonappropriation or an Event of Default (as each such term is defined in the Lease) shall occur.

Based upon an examination of the aforementioned documents and of such other documents and matters of law as we have deemed relevant and necessary as a basis for the opinions set forth herein, it is further our opinion that:

1. The Issuer is duly organized, validly existing and in good standing as a nonprofit corporation under the laws of the State of Utah and has the authority under the Act to issue the Bonds and to authorize, execute, deliver and perform its obligations under the Bond Documents.

2. The Indenture has been duly authorized, executed and delivered by the Issuer and, assuming the due authorization thereof by the Trustee, the Indenture constitutes the legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, except to the extent that the enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

3. The Lease has been duly authorized, executed and delivered and constitutes the legal, valid and binding obligation of the Issuer and the Board of Education enforceable in accordance with its terms, except to the extent that the enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

4. The Ground Lease has been duly authorized, executed and delivered and constitutes the legal, valid and binding obligation of the Issuer and the Board of Education enforceable in accordance with its terms, except to the extent that the enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

5. The Deed of Trust has been duly authorized, executed and delivered and constitutes the legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, except to the extent that the enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

6. The Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms (except to the extent that the enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought) and the terms of the Indenture and are entitled to the benefits of the Indenture and the Act; and (except to the extent paid out of moneys attributable to Bond proceeds or income from the temporary investment thereof and any payments derived from the exercise by the Trustee of its rights and remedies against the Trust Estate as provided in the Indenture) the Bonds are and will continue to be payable solely from Base Rentals paid by the Board of Education under the Lease, which Base Rentals have been duly assigned to the Trustee pursuant to the Indenture and pledged to the payment of principal of and interest on, the Bonds, and such amounts as may be realized by the Trustee upon the exercise of any of its rights and remedies pursuant to the Indenture. The Base Rentals, which by the terms of the Lease are to be paid by the Board of Education to the Trustee, are sufficient for the payment of the principal of, and interest on, the Bonds as the same become due so long as the Board of Education exercises its option annually under the Lease to extend the term of the Lease as provided therein.

7. The obligations of the Board of Education under the Lease are subject to the exercise in the future by the State of Utah and its governmental bodies of the police power inherent in the sovereignty of the State of Utah and to the exercise by the United States of America of the powers delegated to it by the federal Constitution.

8. Subject to the condition that the Issuer and the Board of Education comply with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the “Code”). Failure to comply with certain of such Board covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

9. Under the existing laws of the State of Utah, as presently enacted and construed, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. No opinion is expressed with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion as to the title to, the description of, or the perfection, priority or existence of any liens, charges, security interests or encumbrances on the Project.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Issuer and the Board of Education with respect to certain material facts solely within the knowledge of the Issuer or the Board of Education. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Enforceability of the Bonds and the Bond Documents may be limited (a) by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies should be sought and (b) by the exercise in the future by the State of Utah and its governmental bodies of the police power inherent in the sovereignty of the State of Utah and by the exercise by the United States of America of the power delegated to it by the federal constitution, to the extent that the obligations of the Issuer and the Board of Education under the Bonds, the Indenture, the Lease and the Ground Lease are subject to the exercise of such powers.

Very truly yours,

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APPENDIX D

PROPOSED FORM OF

CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER PARAGRAPH (B)(5) OF RULE 15C2-12

[TO BE DATED CLOSING DATE]

THIS CONTINUING DISCLOSURE UNDERTAKING (the “*Agreement*”) is executed and delivered by the Board of Education of Provo City School District, Utah (the “*Board*”) in connection with the issuance by the Municipal Building Authority of Alpine School District, Utah (the “*Issuer*”) of its \$_____ Lease Revenue Bonds, Series 2025 the “*Bonds*”). The Bonds are being issued pursuant to an Indenture of Trust, Dated as of October 1, 2025, between the Issuer and Zion Bancorporation, National Association (the “*Indenture*”).

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 district bond guaranty program, Title 53G, Chapter 4, Part 8 of the 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*.

“*Beneficial Owner*” means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“*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 NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds maturing in each of the following years are as follows:

MARCH 15 OF THE YEAR	CUSIP NUMBER	MARCH 15 OF THE YEAR	CUSIP NUMBER
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	
2033		2043	
2034		2044	
2035		2045	
2036		2046	
2037			

The Final Official Statement relating to the Bonds is dated _____, 2025 (the “*Final Official Statement*”). The Issuer will include the CUSIP Number 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 Indenture.

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 Indenture, 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 Indenture 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 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 Indenture. 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 Material 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 Material 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 Material 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 Indenture 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 the day and year first above written.

BOARD OF EDUCATION OF PROVO CITY SCHOOL
DISTRICT, UTAH

By _____
President

Address: 280 W 940 N
Provo, Utah 84604

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 OF PROVO CITY SCHOOL DISTRICT, UTAH

- Outstanding General Obligation Bonded Indebtedness

FINANCIAL INFORMATION REGARDING PROVO CITY SCHOOL DISTRICT, UTAH

- Financial Summaries of the District
- Certain Property Tax Matters
 - Historical Tax Rates of the District
 - Taxable, Fair Market and Market Value of Property Within the District
 - Historical Summaries of Taxable Values of Property Within the District
 - Tax Collection Record
 - Some of the Largest Taxpayers

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 on or before February 5 (220 days after the last day of the Issuer’s fiscal year) of each 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 security 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^{*}
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
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. The incurrence of a Financial Obligation^{**} of the Issuer, if material, 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 security holders, if material
16. A 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

^{*} 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.

^{**} “*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*, Financial Obligation does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

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APPENDIX E

BOOK-ENTRY SYSTEM

DTC, the world's largest securities 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 an S&P rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2025 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 2025 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 2025 Bonds, except if use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 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 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 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 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2025 Bond documents. For example, Beneficial Owners of 2025 Bonds may wish to ascertain that the nominee holding the 2025 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 registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all the 2025 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 2025 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 Authority 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 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2025 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 Authority 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 Authority, 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 Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2025 Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, if a successor depository is not obtained, 2025 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, 2025 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 Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

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