

OFFICIAL NOTICE OF BOND SALE

Board of Education of Nebo School District, Utah

\$9,585,000* General Obligation School Building Bonds, Series 2026 (Utah School District Bond Guaranty Program)

Bids will be received electronically (as described under “Procedures Regarding Electronic Bidding” below) by the Business Administrator of the Board of Education (the “Board”) of the Nebo School District, Utah (the “District”), at the office of LRB Public Finance Advisors., Salt Lake City, Utah, the Financial Advisor to the Board (the “Financial Advisor”) on the *PARITY*® bidding system (“*PARITY*®”) at 9:30:00 a.m., Mountain Daylight Time (“M.D.T.”), on Wednesday, August 12, 2026, for the purchase all or none (“AON”) of \$9,585,000* aggregate principal amount of the Board’s General Obligation School Building Bonds, Series 2026 (Utah School District Bond Guaranty Program) (the “Series 2026 Bonds”).

The bids will be reviewed and considered by the Designated Officer (as defined in the resolution previously adopted by the Board on June 10, 2026 (the “Bond Resolution”)) of the Board on Wednesday, August 12, 2026.

Description of Series 2026 Bonds

The Series 2026 Bonds will be dated the date of delivery thereof, will be fully registered bonds, in book-entry form, in denominations of \$5,000 or integral multiples thereof, and will mature on July 1 of the years and in the principal amounts as follows:

Maturity (July 1)	Amount
2027	9,585,000

Total	\$9,585,000
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The Series 2026 Bonds will be issued in registered form and, when issued, will be registered in the name of The Depository Trust Company, New York, New York, or its nominee. The Depository Trust Company will act as securities depository for the Series 2026 Bonds. Purchases of beneficial interests in the Series 2026 Bonds will be made in book-entry form in the denomination of \$5,000 or any integral multiple thereof.

Adjustment of Principal Amount of the Series 2026 Bonds

The Designated Officer, on behalf of the Board, may adjust the amount of the Series 2026 Bonds maturing on the maturity date by the amount necessary to produce proceeds not in excess of state law requirements and to properly size the maturity of the Series 2026 Bonds so that the annual debt service on the Series 2026 Bonds better matches the anticipated revenues and existing debt service obligations of the Board; provided, however the adjustment described in this paragraph will not reduce or increase the amount of the Series 2026 Bonds maturing by more than twenty percent (20%) and, with respect to Bonds maturing in the principal amount of \$1,000,000 or more, will not

* Preliminary; subject to change. See “Adjustment of Principal Amount of the Series 2026 Bonds” herein.

reduce such principal amount to an amount less than \$1,000,000. The dollar amount of the price bid by the successful bidder may be changed as described below, but none of the interest rates specified by the successful bidder will change.

A successful bidder may not withdraw its bid as a result of any changes made within these limits, and the Board will consider the bid as having been made for the adjusted amount of the Series 2026 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 Series 2026 Bonds to the public and the price to be paid to the Board, by (b) the principal amount of the Series 2026 Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown above.

If the Board elects to make such an adjustment, the amount of such adjustment will be allocated to increase or decrease the principal amount of the Series 2026 Bonds maturing on the maturity date for the Series 2026 Bonds as described above, all as determined by the Designated Officer, on behalf of the Board, with the advice of the Financial Advisor. The Board expects to advise the successful bidder as soon as possible, but expects no later than 2:00 p.m., M.D.T., on the date of sale, of the amount, if any, by which the aggregate principal amount of the Series 2026 Bonds will be adjusted and the corresponding changes to the principal amount of the Series 2026 Bonds maturing on the above maturity date for the Series 2026 Bonds. Any such adjustment will be in an amount of \$5,000 or an integral multiple thereof. The Board will consider the bid as having been made for the adjusted amount of the Series 2026 Bonds.

To facilitate any adjustment in the principal amounts, the successful bidder is required to indicate by electronic means to the Financial Advisor at nate@lrbfinance.com within one-half hour of the time of bid opening, the amount of any original issue discount or premium on each maturity of the Series 2026 Bonds and the amount received from the sale of the Series 2026 Bonds to the public that will be retained by the successful bidder as its compensation.

Possible Rejection of All Bids

As described below under “Sale Reservations,” the Board reserves the right to reject any and all bids and to resell the Series 2026 Bonds. In such case the Board may elect to negotiate a subsequent sale of the Series 2026 Bonds.

Ratings

The Board will, at its own expense, pay fees of Moody’s Investors Service and Fitch Ratings for rating the Series 2026 Bonds. *Any additional ratings shall be at the option and expense of the bidder.*

Purchase Price

The purchase price bid for the Series 2026 Bonds shall not be less than 100% of the principal amount of the Series 2026 Bonds.

Interest Rates

The Series 2026 Bonds will bear interest at any number of different rates, any of which may be repeated, which rates shall be expressed in multiples of 1/8th or 1/100th of 1% per annum. In addition:

- no rate bid may exceed 5.00% per annum;
- the highest interest rate bid for the maturity of the Series 2026 Bonds may not exceed the lowest interest rate bid for the maturity of the Series 2026 Bonds by more than three percent (3.00%) per annum;
- all 2026 Bonds of the same maturity must bear a single rate of interest;
- a zero rate cannot be named for all or any part of the time from the date of any 2026 Bond to its stated maturity, and a minimum rate bid of 1.0% is required for the maturity;

- premium must be paid in the funds specified for the payment of the Series 2026 Bonds as part of the purchase price;
- interest shall be computed from the dated date of a 2026 Bond to its stated maturity date at the single interest rate specified in the bid for the Series 2026 Bonds;
- the purchase price must be paid in immediately available funds and no bid will be accepted that contemplates the cancellation of any interest or the waiver of interest or other concession by the bidder as a substitute for federal funds;
- there shall be no supplemental interest coupons; and
- interest shall be computed on the basis of a 360-day year of 12, 30-day months.

Interest for the Series 2026 Bonds will be payable semiannually on January 1 and July 1 beginning January 1, 2027, at the rate or rates to be fixed at the time the Series 2026 Bonds are sold.

Payment of Principal and Interest

Principal and interest are payable by Zions Bancorporation, National Association, Corporate Trust Services, as Paying Agent and Registrar, to the registered owners of the Series 2026 Bonds. So long as The Depository Trust Company, New York, New York (“DTC”), is the registered owner, DTC will, in turn, remit such principal and interest to its participants, for subsequent disbursements to the beneficial owners of the Series 2026 Bonds as described in the Board’s Preliminary Official Statement with respect to the Series 2026 Bonds. Interest on the Series 2026 Bonds will be payable by check or draft mailed to the registered owners thereof (initially DTC) as shown on the registration books kept for the Board by the Registrar.

Optional Redemption

The Series 2026 Bonds are not subject to optional redemption.

Security

The Series 2026 Bonds will be general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the District, fully sufficient to pay the Series 2026 Bonds as to both principal and interest.

Payment of the principal of and interest on the Series 2026 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State of Utah under the provisions of the Utah School Bond Guaranty Act, Chapter 4, Part 8 of Title 53G, Utah Code Annotated 1953, as amended.

Procedures Regarding Electronic Bidding

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

Bids will be received by means of the *PARITY*® electronic bid submission system. A prospective bidder must communicate its bid electronically through *PARITY*® on or before 9:30:00 a.m. M.D.T., on Wednesday, August 12, 2026. No bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in *PARITY*® conflict with this Official Notice of Bond Sale, the terms of this Official Notice of Bond Sale shall control. For further information about *PARITY*®, potential bidders may contact the Financial Advisor or i-Deal LLC at 1359 Broadway, New York, New York 10018; 212.849.5021. The time as maintained by *PARITY*® shall constitute the official time.

Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access *PARITY*® for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the Financial Advisor, the Board nor i-Deal LLC shall have any duty or

obligation to provide or assure such access to any qualified prospective bidder, and neither the Financial Advisor, the Board nor i-Deal LLC shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*[®]. The Board is using *PARITY*[®] as a communication mechanism, and not as the Board's agent, to conduct the electronic bidding for the Series 2026 Bonds.

Notification

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

The award of the Series 2026 Bonds to the successful bidder will be considered by the Designated Officer of the Board on Wednesday, August 12, 2026, pursuant to the Bond Resolution.

Form of Bid

Each bidder for the Series 2026 Bonds is required to transmit electronically via *PARITY*[®] an unconditional bid specifying the lowest rate or rates of interest and confirm the purchase price (as described under "Purchase Price" above) at which the bidder will purchase the Series 2026 Bonds. Each bid must be for all the Series 2026 Bonds herein offered for sale.

For information purposes only, bidders are requested to state in their bids the effective interest rate for the Series 2026 Bonds represented on a TIC basis, as described under "Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of *PARITY*[®].

If requested by the Financial Advisor, the apparent successful bidder(s) will provide written confirmation of its bid (by electronic means) to the Financial Advisor prior to 2:00 p.m., M.D.T., on Wednesday, August 12, 2026.

Right of Cancellation

The successful bidder(s) shall have the right, at its option, to cancel its obligation to purchase the Series 2026 Bonds if the Board shall fail to execute the Series 2026 Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder(s) shall be entitled to the return of the Deposit.

Award

Award or rejection of bids will be made on Wednesday, August 12, 2026 by the Designated Officer of the Board. The Series 2026 Bonds will be awarded to the responsible bidder offering to pay not less than the principal amount of the Series 2026 Bonds and specifying a rate or rates of interest that result in the lowest effective interest cost to the Board, computed from the date of the Series 2026 Bonds to maturity and taking into consideration the premium or discount, if any, in the purchase price of the Series 2026 Bonds. The effective interest rate to the Board shall be the interest rate per annum determined on a per annum true interest cost ("TIC") based on the discounting of the scheduled semiannual debt service payments of the Board on the Series 2026 Bonds (based on such rate or rates of interest so bid) to the dated date of the Series 2026 Bonds, compounded semiannually, and to the bid price. Interest cost shall be computed on a 360-day year of twelve, 30-day months.

Good Faith Deposit

A good faith deposit (the “Deposit”) in the amount of \$191,700 is required only from the successful bidder(s). The Deposit shall be payable to the order of the Board in the form of a wire transfer in federal funds as instructed by the Financial Advisor no later than 12:00 noon, M.D.T., on Wednesday, August 12, 2026.

The Board shall, as security for the faithful performance by the successful bidder(s) of its obligation to take up and pay for the Series 2026 Bonds when tendered, and hold the proceeds of the Deposit of the successful bidder(s), or invest the same (at the Board’s risk) in obligations which mature at or before the delivery of the Series 2026 Bonds as described under the caption “Manner and Time of Delivery” below, until disposed of as follows: (a) at such delivery of the Series 2026 Bonds and upon compliance with the successful bidder’s obligation to take up and pay for the Series 2026 Bonds, the full amount of the Deposit held by the Board, without adjustment for interest, shall be applied toward the purchase price of the Series 2026 Bonds at that time and the full amount of any interest earnings thereon shall be retained by the Board; and (b) if the successful bidder fails to take up and pay for the Series 2026 Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the Board as liquidated damages.

Sale Reservations

The Board reserves the right: (i) to waive any irregularity or informality in any bid or in the bidding process; (ii) to reject any and all bids for the Series 2026 Bonds; and (iii) to resell the Series 2026 Bonds as provided by law.

Manner and Time of Delivery

The successful bidder(s) will be given at least five business days advance notice of the proposed date of the delivery of the Series 2026 Bonds when that date has been determined. It is now estimated that the Series 2026 Bonds will be delivered in book-entry form on or about Wednesday, August 12, 2026. Delivery of the Series 2026 Bonds will be made in Salt Lake City, Utah. The successful bidder(s) must also agree to pay for the Series 2026 Bonds in federal funds which will be immediately available to the Board on the day of delivery.

CUSIP Numbers

It is anticipated that CUSIP numbers will be printed on the Series 2026 Bonds, at the expense of the Board, but neither the failure to print such numbers on any 2026 Bond nor any error with respect thereof shall constitute cause for a failure or refusal by the successful bidder(s) thereof to accept delivery of and pay for the Series 2026 Bonds in accordance with terms of this Official Notice of Bond Sale.

Tax-Exempt Status

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, the interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Board complies with all requirements of the Internal Revenue Code that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds.

In the opinion of Bond Counsel, interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes.

Establishment of Issue Price

The successful bidder shall assist the Board in establishing the issue price of the Series 2026 Bonds and shall execute and deliver to the Board on the date of issuance of the Series 2026 Bonds an “issue price” or similar certificate

setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2026 Bonds, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Board and Bond Counsel. All actions to be taken by the Board under this Official Notice of Bond Sale to establish the issue price of the Series 2026 Bonds may be taken on behalf of the Board by the Financial Advisor identified herein and any notice or report to be provided to the Board may be provided to the Financial Advisor.

The Board intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2026 Bonds) will apply to the initial sale of the Series 2026 Bonds (the “competitive sale requirements”) because:

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

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

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

(iv) the Board anticipates awarding the sale of the Series 2026 Bonds to the bidder who submits a firm offer to purchase the Series 2026 Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Bond Sale.

Any bid submitted pursuant to this Official Notice of Bond Sale shall be considered a firm offer for the purchase of the Series 2026 Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the Board shall so advise the successful bidder. The Board may determine to treat (i) the first price at which 10% of the maturity of the Series 2026 Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of the maturity of the Series 2026 Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity, if applicable). The successful bidder shall advise the Board if the maturity of the Series 2026 Bonds satisfies the 10% test as of the date and time of the award of the Series 2026 Bonds. The Board shall promptly advise the winning bidder, at or before the time of award of the Series 2026 Bonds, if the maturity (and if different interest rates apply within the maturity, which separate CUSIP number within that maturity) of the Series 2026 Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will **not** be subject to cancellation in the event that the Board determines to apply the hold-the-offering-price rule to any maturity of the Series 2026 Bonds. ***Bidders should prepare their bids on the assumption that some or all of the Series 2026 Bonds will be subject to the hold-the-offering price rule in order to establish the issue price of the Series 2026 Bonds.***

The Board acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter (as defined below) to comply with the requirements for establishing issue price of the Series 2026 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2026 Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2026 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2026 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2026 Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2026 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2026 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2026 Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Board further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2026 Bonds,

including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2026 Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2026 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2026 Bonds.

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Series 2026 Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2026 Bonds, that the underwriters will neither offer nor sell unsold 2026 Bonds to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Series 2026 Bonds to the public at a price that is no higher than the initial offering price to the public.

The successful bidder will advise the Board promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of the maturity of the Series 2026 Bonds to the public at a price that is no higher than the initial offering price to the public.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to the maturity of the Series 2026 Bonds, the successful bidder agrees to promptly report to the Board the price at which the unsold Series 2026 Bonds have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Series 2026 Bonds of the maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2026 Bonds of the maturity, provided that, the successful bidder’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Board or Bond Counsel.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2026 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable;

(A) to report the prices at which it sells to the public the unsold 2026 Bonds of the maturity allocated to it, whether or not the date of issuance has occurred, until either all 2026 Bonds have been sold or it is notified by the successful bidder that the 10% Test has been satisfied as to the Series 2026 Bonds; provided that, the reporting obligation after the date of issuance may be at reasonable periodic intervals or otherwise upon request of the successful bidder,

(B) to promptly notify the successful bidder of any sales of 2026 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2026 Bonds to the public (each such term being used as defined below),

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

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2026 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the

initial sale of the Series 2026 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to report the price at which it sells to the public the unsold 2026 Bonds allocated to it, whether or not the date of issuance has occurred, until either all 2026 Bonds have been sold or it is notified by the successful bidder or such underwriter that the 10% Test has been satisfied as to the Series 2026 Bonds; provided that the reporting obligation after the date of issuance may be at reasonable periodic intervals or otherwise upon request of the successful bidder or such underwriter.

Sales of any 2026 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2026 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Notice of Bond Sale. Further, for purposes of this Official Notice of Bond Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Board (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2026 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2026 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2026 Bonds to the public),
- (iii) a purchaser of any of the Series 2026 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Series 2026 Bonds are awarded by the Board to the successful bidder.

Representations, Covenants, and Agreements of the Successful Bidder(s)

The successful bidder represents and warrants that it is not currently engaged in a boycott of the State of Israel or an economic boycott of a boycotted company, as such terms are defined in the immediately succeeding two sentences. As currently defined in Section 63G-27-102(5) of the Utah Code, “economic boycott” means an action targeting a “boycotted company” with the intention of penalizing or inflicting economic harm to such company. Furthermore, as currently defined in Section 63G-27-102(3) of the Utah Code “boycotted company” means a company that (1) engages in the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, mining, or agriculture, (2) engages in, facilitates, or supports the manufacture, distribution, sale, or use of firearms, (3) does not meet or commit to meet environmental standards, including standards for eliminating, reducing, offsetting, or disclosing greenhouse gas-emissions, beyond applicable state and federal law requirements or (4) does not facilitate or commit to facilitate access to abortion or sex characteristic surgical procedures. Each successful bidder covenants and agrees not to engage in a boycott of the State of Israel or an economic boycott of a boycotted company for the duration of any contractual arrangement with the Board from the bid to the closing date of the Series 2026 Bonds.

Legal Opinion and Closing Documents

The approving opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, covering the legality of the Series 2026 Bonds will be furnished to the successful bidder(s) without charge. There will also be furnished the usual closing certificates dated as of the date of delivery of and payment for the Series 2026 Bonds, including a letter from

the attorney for the District that there is no litigation pending or, to the knowledge of the signer thereof, threatened, affecting the validity of the Series 2026 Bonds.

Disclosure Certificate

The Board will deliver to the successful bidder(s) a certificate of officer(s) of the Board, dated the date of the delivery of the Series 2026 Bonds, stating that as of the date thereof, to the best of the knowledge and belief of said officer(s): (a) the descriptions and statements contained in the Preliminary Official Statement circulated with respect to the Series 2026 Bonds were at the time of the acceptance of the bid true and correct in all material respects and did not at the time of the acceptance of the bid contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (b) the descriptions and statements contained in the final Official Statement are at the time of delivery of the Series 2026 Bonds true and correct in all material respects and do not at the time of the delivery of the Series 2026 Bonds contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, should the final Official Statement be supplemented or amended subsequent to the date thereof, the foregoing confirmation as to the final Official Statement shall relate to the final Official Statement as so supplemented or amended.

Official Statement

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

The Board shall deliver to the successful bidder(s) no later than the seventh business day after the award of the Series 2026 Bonds as described under the caption "Award" above, a final Official Statement in electronic format, to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission and the rules of the Municipal Securities Rulemaking Board.

Continuing Disclosure Undertaking

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

The successful bidder's obligation to purchase the Series 2026 Bonds shall be conditioned upon the Board delivering the undertaking on or before the date of delivery of the Series 2026 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 LRB Public Finance Advisors, 41 No. Rio Grande, Suite 101, Salt Lake City, Utah 84101; (801) 596-0700; the Financial Advisor to the Board.

DATED this July 31, 2026.

Board of Education of Nebo School District, Utah

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of The Board of Education of Nebo School District (herein, the “Original Purchaser”), as the Original Purchaser of the \$9,585,000 General Obligation School Building Bonds, Series 2026 (the “Series 2026 Bonds”), being issued on the date of this certificate by the Board of Education (the “Board”) of the Nebo School District, Utah, certifies and represents as follows:

1. Public Offering. The Original Purchaser offered all of the Series 2026 Bonds to the Public (as defined below) in a bona fide initial offering.

2. Reasonably Expected Initial Offering Price. As of the sale date of the Series 2026 Bonds ([____], 2026) (the “Sale Date”), the reasonably expected initial offering prices of the Series 2026 Bonds to the Public by the Original Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the price for the Maturity of the Series 2026 Bonds used by the Original Purchaser in formulating its bid to purchase the Series 2026 Bonds.

[2. *[To be used if there are not at least 3 bids received]* [As of the date of this certificate, the first price at which at least 10% of [the indicated maturities] of the Series 2026 Bonds was sold to the Public are the prices listed in Schedule A.] or

[As of the date of this certificate, the Original Purchaser has not sold at least 10% of [each maturity] [certain maturities] of the Series 2026 Bonds at any price (the “Undersold Maturities”). For each Undersold Maturity listed on Schedule A the Original Purchaser will provide the price or prices at which the first 10% of each such Undersold Maturity was sold to the Public promptly following the date that the first 10% of each such Undersold Maturity is sold to the Public.]]

[Hold-the-Offering Prices. As set forth in the Official Notice of Bond Sale [and bid award], the Original Purchaser agreed in writing that (i) it would neither offer nor sell any of the Series 2026 Bonds to any person at a price that is higher than the [Initial Offering Price] during the holding period (as defined below) (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, the Original Purchaser has not offered or sold the Series 2026 Bonds at a price that is higher than the respective [Initial Offering Price] of the Series 2026 Bonds during the holding period.]

3. Defined Terms.

[(#) *Holding Period* means the period starting on the Sale Date and ending on the earlier of (a) the close of the fifth business day after such sale date [____], 2026 or (b) the date on which the Original Purchaser sold at least 10% of Series 2026 Bonds subject to the hold-the-offering-price rule on the Sale Date to the public at prices that are no higher than the [Initial Offering Price] for such hold-the-offering-price maturity.]

(a) *Maturity* means Series 2026 Bonds with the same credit and payment terms. Series 2026 Bonds with different maturity dates, or Series 2026 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

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

(c) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Board (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2026 Bonds to

the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2026 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2026 Bonds to the Public).

On the Sale Date the Original Purchaser purchased the Series 2026 Bonds from the Board by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Bond Sale” and having its bid accepted by the Board. The Board has not modified the terms of the purchase since the Sale Date.

The undersigned understands that the foregoing information will be relied upon by the Board with respect to certain of the representations set forth in the tax certificate and with respect to compliance with the federal income tax rules affecting the Series 2026 Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2026 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Board from time to time relating to the Series 2026 Bonds.

IN WITNESS WHEREOF, the undersigned has hereunto fixed his or her official signature this _____ day of [_____] 2026].

[PURCHASER], as Original Purchaser

By: _____

Title: _____

To Be Attached:

SCHEDULE A—EXPECTED OFFERING PRICES

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

Preliminary Official Statement Dated August 3, 2026

NEW ISSUE - Issued in Book-Entry Form Only

Ratings: Moody's "Aaa," underlying "Aa1"

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

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes. Bond Counsel notes that interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "LEGAL MATTERS – Tax Exemption" herein for a more complete discussion.

\$9,585,000*

**BOARD OF EDUCATION OF
NEBO SCHOOL DISTRICT, UTAH
GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2026
(UTAH SCHOOL DISTRICT BOND GUARANTY PROGRAM)**

Dated: Date of Delivery (Anticipated August 26, 2026)

Due: July 1, as shown on the inside cover

The \$9,585,000* General Obligation School Building Bonds, Series 2026 (Utah School District Bond Guaranty Program) (the "Series 2026 Bonds") are issuable by the Board of Education of Nebo School District, Utah (the "Board"), as fully-registered bonds and when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2026 Bonds. So long as DTC or its nominee is the registered owner of the Series 2026 Bonds, payments of the principal of and interest on such Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "THE SERIES 2026 BONDS – Book-Entry Only System" herein.

The principal of the Series 2026 Bonds when due is payable upon presentation and surrender thereof at the principal corporate trust office of Zions Bancorporation, National Association, Salt Lake City, Utah, as Paying Agent (the "Paying Agent"). Semi-annual interest on the Series 2026 Bonds due January 1 and July 1 commencing January 1, 2027, is payable to the owners thereof as shown on the registration books maintained by the Paying Agent as of the day that is fifteen (15) days preceding such interest payment date, by check or draft of the Paying Agent. The Series 2026 Bonds will be issued as fully-registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof.

The Series 2026 Bonds are not subject to redemption prior to maturity. See "THE SERIES 2026 BONDS – Redemption Provisions" herein.

The Series 2026 Bonds are general obligations of the Board payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the Nebo School District, Utah, fully sufficient to pay the Series 2026 Bonds as to both principal and interest.

Payment of the principal of and interest on the Series 2026 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State of Utah. See "STATE OF UTAH GUARANTY" herein.

**See Inside Cover
For Maturity Schedule**

Competitive bidding for the Series 2026 Bonds will be held on August __, 2026 at 9:30 A.M., as set forth in the Official Notice of Bond Sale. The award will be made pursuant to a resolution of the Board adopted on June 10, 2026.

LRB Public Finance Advisors, Inc. is acting as Financial Advisor.

The Series 2026 Bonds are offered when, as and if issued and received by the successful bidder, subject to the approval of legality by Gilmore & Bell, P.C., Salt Lake City, Utah, Bond Counsel, and certain other conditions. It is expected that the Series 2026 Bonds will be available for delivery, in book-entry form only, through the facilities of DTC on or about August 26, 2026. This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. This Official Statement is dated _____, 2026, and the information contained herein speaks only as of that date.

*Preliminary, subject to change.

\$9,585,000*
BOARD OF EDUCATION OF
NEBO SCHOOL DISTRICT, UTAH
GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2026
(UTAH SCHOOL DISTRICT BOND GUARANTY PROGRAM)

MATURITY (JULY 1)	CUSIP ¹ (639557)	PRINCIPAL AMOUNT*	INTEREST RATE	YIELD
2027		9,585,000		

1. The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the parties to this bond transaction and are included solely for the convenience of the holders of the Series 2026 Bonds. None of the District, the Paying Agent or the Underwriter is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to its correctness on the particular Series 2026 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026 Bond as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities.

*Preliminary, subject to change.

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No dealer, broker, salesperson or any other person has been authorized by the Board of Education of Nebo School District, Utah (the “*Board*”) or the successful bidder to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the successful bidder. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of, the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the Board or in any other information contained herein since the date hereof.

In connection with this offering, the successful bidder may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 2026 Bonds. Such transactions may include overallocments in connection with the purchase of Series 2026 Bonds, the purchase of Series 2026 Bonds to stabilize their market price, the purchase of Series 2026 Bonds to cover the successful bidder’s short positions and the imposition of penalty bids. Such transactions, if commenced, may be discontinued at any time.

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

The CUSIP (the Committee on Uniform Securities Identification Procedures) identification numbers are provided on the cover page of this Official Statement and are being provided solely for the convenience of bondholders only, and the Board does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2026 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2026 Bonds.

The information available at web sites referenced in this Official Statement has not been reviewed for accuracy and completeness. Such information has not been provided in connection with the offering of the Series 2026 Bonds and is not a part of this Official Statement.

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\$9,585,000*
BOARD OF EDUCATION OF
NEBO SCHOOL DISTRICT, UTAH
GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2026
(UTAH SCHOOL DISTRICT BOND GUARANTY PROGRAM)

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

BOARD OF EDUCATION

Shannon Acor	President
John Taylor	Vice President
Rick Ainge	Member
Kristen Betts	Member
Shauna Warnick	Member
Scott Wilson	Member
Brian Rowley	Member

DISTRICT ADMINISTRATION

Rick Nielsen	Superintendent
Michael Harrison	Business Administrator
Jesse Hales	Assistant Business Administrator
Reed B. Park	Attorney to the Board

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PAYING AGENT AND REGISTRAR

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Corporate Trust
7860 S. Bingham Junction Blvd.
Midvale, Utah 84047
(801) 844-7517

*Preliminary, subject to change.

OFFICIAL STATEMENT RELATING TO
\$9,585,000*
BOARD OF EDUCATION OF
NEBO SCHOOL DISTRICT, UTAH
GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2026
(UTAH SCHOOL DISTRICT BOND GUARANTY PROGRAM)

INTRODUCTION

This introduction contains only a brief description of the Series 2026 Bonds, as hereinafter defined, the security and source of payment for the Series 2026 Bonds and certain information concerning (a) the Board of Education (the “Board”) of Nebo School District (the “District”), located in Utah County (the “County”), Utah, a public corporation and legal subdivision of the State of Utah (the “State”), (b) the Board’s \$9,585,000* General Obligation School Building Bonds, Series 2026 (Utah School District Bond Guaranty Program) (the “Series 2026 Bonds”), and (c) a Resolution adopted on June 10, 2026 (the “Resolution”), which provides for the issuance of the Series 2026 Bonds. The information contained herein is expressly qualified by reference to the entire Official Statement. Investors are urged to make a full review of the entire Official Statement as well as of the documents summarized or described herein.

The following APPENDICES are attached hereto: “APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025;” “APPENDIX B – BOOK-ENTRY ONLY SYSTEM;” “APPENDIX C – CONTINUING DISCLOSURE UNDERTAKING;” and “APPENDIX D – PROPOSED FORM OF OPINION OF BOND COUNSEL.”

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

The Series 2026 Bonds

This Official Statement, including the cover page, introduction and appendices, provides information in connection with the issuance and sale of the Series 2026 Bonds, initially issued in book-entry form only.

Security and Source of Payment

The Series 2026 Bonds are general obligations of the Board payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the District, fully sufficient to pay the Series 2026 Bonds as to both principal and interest. See “SECURITY FOR THE SERIES 2026 BONDS” and “FINANCIAL INFORMATION – Tax Levy and Collection.”

Payment of the principal of and interest on the Series 2026 Bonds when due is guaranteed by the full faith and credit and unlimited taxing power of the State of Utah (the “State”) under the provisions of Chapter 24 of Title 53G (the “Guaranty Act”), Utah Code Annotated 1953, as amended (the “Utah Code”). See “STATE OF UTAH GUARANTY” below.

*Preliminary, subject to change.

Purpose for Issuance of the Series 2026 Bonds

The proceeds of the Series 2026 Bonds will be used for the purpose of paying all or a portion of the costs to construct or purchase buildings, or purchase school sites, or furnish schools or improve existing school property under the charge of the Board.

The Series 2026 Bonds are also being issued for the purpose of paying certain costs of issuance. See “THE SERIES 2026 BONDS— Sources and Uses of Funds” and “THE SERIES 2026 BONDS— Authority for and Purpose of the Series 2026 Bonds” herein.

Authority for the Issuance of the Series 2026 Bonds

The Series 2026 Bonds are being issued pursuant to the Local Government Bonding Act, Chapter 14 of Title 11, of the Utah Code the (“Local Government Bonding Act”), applicable provisions of Title 53G of the Utah Code and the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code (collectively referred to herein as the “Act”), the Resolution and other provisions of law. The Series 2026 Bonds were authorized at a special election held for that purpose on November 6, 2018. See “THE SERIES 2026 BONDS –Authority for and Purpose of the Series 2026 Bonds.”

Redemption

The Series 2026 Bonds are not subject to redemption prior to maturity. See “THE SERIES 2026 BONDS – No Redemption Provisions.”

Registration, Denominations and Payment

The Series 2026 Bonds are issuable only as fully-registered bonds without coupons and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository of the Series 2026 Bonds. Purchases of Series 2026 Bonds will be made in book-entry form only, in the principal amount of \$5,000, or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC Participants (defined below). Beneficial Owners (defined below) of the Series 2026 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2026 Bonds.

The principal of the Series 2026 Bonds when due is payable upon presentation and surrender thereof at the principal corporate trust office of Zions Bancorporation, National Association, as Paying Agent (the “Paying Agent”). Semi-annual interest on the Series 2026 Bonds due January 1 and July 1 of each year commencing January 1, 2027, is payable to the owners thereof as shown on the registration books maintained by the Paying Agent as of the Record Date, as defined in “Transfer and Exchange” below. See “THE SERIES 2026 BONDS –Book-Entry Only System.”

Transfer or Exchange

Zions Bancorporation, National Association, as Bond Registrar (the “Bond Registrar”) will not be required to transfer or exchange any Series 2026 Bond (i) after the Record Date with respect to any interest payment date to and including such interest payment date or (ii) after the Record Date with respect to any redemption of such Series 2026 Bond. *Record Date* means (i) with respect to each interest payment date, the day that is 15 days preceding such interest payment date, and (ii) with respect to any redemption of any Series 2026 Bond, such Record Date as is specified by the Bond Registrar in the notice of redemption, provided that such Record Date will not be less than 15 calendar days before the mailing of such notice of redemption. See “THE SERIES 2026 BONDS – Registration and Transfer.”

Tax-Exempt Status

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes. Bond Counsel notes that interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See “TAX MATTERS” herein.

Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the Series 2026 Bonds.

Conditions and Place of Delivery

The Series 2026 Bonds are offered when, as and if issued and received by the successful bidder, subject to the approval of legality and other matters by Gilmore & Bell, P.C., Bond Counsel, and certain other conditions. It is expected that the Series 2026 Bonds will be available for delivery in book-entry form only through the facilities of DTC on or about August 26, 2026.

Continuing Disclosure Undertaking

The Board will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the beneficial owners of the Series 2026 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. No person, other than the Board and the State, as described below, has undertaken or is otherwise expected to provide continuing disclosure with respect to the Series 2026 Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of Undertaking attached hereto as APPENDIX C.

There have been no instances in the previous five years in which the Board has failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the Board to comply with the Undertaking will not constitute a default under the Resolution and Beneficial Owners of the Series 2026 Bonds are limited to the remedies described in the Undertaking. See “APPENDIX C—CONTINUING DISCLOSURE UNDERTAKING—Consequences of Failure of the Issuer to Provide Information.” The Board must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Series 2026 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2026 Bonds and their market price.

The State has entered into a Master Continuing Disclosure Agreement (the “Master Agreement”) for the benefit of the beneficial owners of bonds, including the Series 2026 Bonds, guaranteed by the State pursuant to the Guaranty Act. See “STATE OF UTAH GUARANTY” below. In the Master Agreement, the State has undertaken to send certain information annually and to provide notice of certain events to the MSRB pursuant to the Rule, but solely as to its responsibilities under its guaranty. See “STATE OF UTAH GUARANTY –State of Utah-Financial and Operating Information” below. The Board is responsible for continuing disclosure under the Rule for all other matters relating to the Series 2026 Bonds.

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

Basic Documentation

The “basic documentation,” which includes the Resolution and other documentation authorizing the issuance of the Series 2026 Bonds and establishing the rights and responsibilities of the Board and other parties to the transaction, may be obtained from the Business Administrator or the Financial Advisor.

Public Sale

The Series 2026 Bonds will be awarded pursuant to competitive bidding received by means of the PARITY® electronic bid submission system on August 12, 2026, as set forth in the Official Notice of Bonds Sale, dated August 3, 2026.

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

THE SERIES 2026 BONDS

General Description

The Series 2026 Bonds will be dated the date of original issuance and delivery, and will mature on July 1 of the years, as set forth on the inside cover page of this Official Statement. The Series 2026 Bonds shall bear interest from their date at the rates set forth on the inside cover page of this Official Statement. Interest on the Series 2026 Bonds is payable semiannually on each January 1 and July 1, commencing January 1, 2027. Interest on the Series 2026 Bonds is payable to the owners thereof as shown on the registration books maintained by the Paying Agent as of the Record Date by check or draft of the Paying Agent.

The Series 2026 Bonds will be issued as fully-registered bonds, initially in book-entry form only, in denominations of \$5,000, or any integral multiple thereof, not exceeding the amount of each maturity. So long as DTC or its nominee is the registered owner of the Series 2026 Bonds, payments of the principal of and interest on such Series 2026 Bonds will be made directly to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants. See “THE SERIES 2026 BONDS –Book-Entry Only System.”

Sources and Uses of Funds

The proceeds from the sale of the Series 2026 Bonds are estimated to be as follows:

Sources:	Par Amount of Series 2026 Bonds	
	Original Issue Premium	
	Total	
Uses:	Deposit to Series 2026 Project Account	
	Costs of Issuance (1)	
	Total	

1. Includes underwriter's spread, legal fees, financial advisory fees, rating agency fees, registrar and paying agent fees, and other miscellaneous costs of issuance.

No Redemption Provisions

The Series 2026 Bonds are not subject to redemption prior to maturity.

Registration and Transfer

In the event the book-entry only system is discontinued, any Series 2026 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner's duly authorized attorney, upon surrender of such Series 2026 Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any Series 2026 Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new Series 2026 Bond or Series 2026 Bonds of the same series, designation, maturity and interest rate of other authorized denominations duly executed by the Board, for a like aggregate principal amount. Series 2026 Bonds may be exchanged at the principal corporate office of the Bond Registrar for a like aggregate principal amount of Series 2026 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the Series 2026 Bonds, the Bond Registrar shall require the payment by the Bondowner requesting such exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer of the Series 2026 Bonds.

The Bond Registrar shall not be required to transfer or exchange any Series 2026 Bond after the Record Date with respect to any interest payment date to and including such interest payment date, or after the Record Date with respect to any redemption of such Series 2026 Bond.

The Board, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2026 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of such Series 2026 Bond for the purpose of payment of principal of and interest on such Series 2026 Bond and for all other purposes whatsoever. Zions Bancorporation, National Association is the initial Bond Registrar and the initial Paying Agent.

Authority for and Purpose of the Series 2026 Bonds

The Series 2026 Bonds are being issued pursuant to the Act, the Resolution and other provisions of law.

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

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

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

The Series 2026 Bonds will be the final issuance under the November 6, 2018 election.

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Debt Service on the Series 2026 Bonds

Date	Principal*	Interest	Period Total	Fiscal Total
01/01/2027				
07/01/2027	9,585,000			
Total				

Book-Entry Only System

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered Series 2026 Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2026 Bond certificate will be issued in the aggregate principal amount of each maturity of such issue, and will be deposited with DTC or a "fast agent" of DTC. See "APPENDIX B –BOOK-ENTRY ONLY SYSTEM" for a more detailed discussion of the book-entry system and DTC.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2026 BONDS, REFERENCES HEREIN TO THE REGISTERED OWNERS OF THE SERIES 2026 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS.

The Board, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2026 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of the Series 2026 Bonds for the purpose of payment of the principal of and interest on the Series 2026 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of Series 2026 Bonds, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The Board, the Bond Registrar and the Paying Agent shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2026 Bonds under or through DTC or any participant, or any other person which is not shown on the registration books of the Board (kept by the Bond Registrar) as being a registered owner of Series 2026 Bonds, with respect to: the accuracy of any records maintained by DTC or any participant regarding ownership interests in the Series 2026 Bonds; the payment by DTC or any participant of any amount in respect of the principal of or interest on the Series 2026 Bonds; the delivery to any participant or any Beneficial Owner of any notice which is permitted or required to be given to registered owners under the Resolution; or any consent given or other action taken by DTC as a registered owner.

As long as the book-entry system is used for the Series 2026 Bonds, the Bond Registrar and Paying Agent will give any notices required to be given to registered owners of Series 2026 Bonds only to DTC. Any failure of DTC to advise any participant, or of any direct participant to notify any indirect participant, or of any participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of any action premised on such notice.

NEITHER THE BOARD, THE BOND REGISTRAR NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANTS OF DTC, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS.

At the option of the Board or upon receipt by the Board of written notice from DTC that DTC is unable or unwilling to discharge its responsibilities, and no substitute depository willing to undertake the functions of DTC hereunder can be found that is willing and able to undertake such functions upon reasonable and customary terms, the Series 2026 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Bondowners transferring or exchanging Series 2026 Bonds shall designate, in accordance with the provisions of the Resolution.

In the event the book-entry system is discontinued, interest on the Series 2026 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

*Preliminary, subject to change.

books of the Board kept for that purpose by the Bond Registrar. The principal of all Series 2026 Bonds will be payable at the principal corporate trust office of the Paying Agent.

SECURITY FOR THE SERIES 2026 BONDS

The Series 2026 Bonds will be issued pursuant to the laws of the State, including the Act. The Series 2026 Bonds are general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the District, fully sufficient to pay the Series 2026 Bonds as to both principal and interest. See “FINANCIAL INFORMATION –Tax Levy and Collection” and “UTAH SCHOOL FINANCE” herein.

Payment of the principal of and interest on the Series 2026 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State of Utah under the provisions of the Guaranty Act. See “STATE OF UTAH GUARANTY” below.

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STATE OF UTAH GUARANTY

Guaranty Provisions

Payment of the principal of and interest on the Series 2026 Bonds when due is guaranteed by the full faith and credit and unlimited taxing power of the State under the provisions of the Guaranty Act. The Guaranty Act establishes the Utah School Bond Default Avoidance Program (the “Program”). The State’s guaranty is contained in the Guaranty Act. Section 53G-24-802(2)(a) of the Guaranty Act provides as follows:

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

In addition, the Guaranty Act provides that the State pledges to and agrees with the holders of the Series 2026 Bonds that the State will not alter, impair, or limit the rights vested by the Program with respect to the Series 2026 Bonds until the Series 2026 Bonds, together with applicable interest, are fully paid and discharged. However, this pledge does not preclude an alteration, impairment, or limitation if adequate provision is made by law for the protection of the holders of the Series 2026 Bonds.

The Guaranty Act further provides that (i) the guaranty of the State does not extend to the payment of any redemption premium due on any of the Series 2026 Bonds and (ii) Series 2026 Bonds which are guaranteed by the State for which payment is provided by the deposit of direct obligations of the United States government under the provisions of the Utah Refunding Bond Act, Chapter 27 of Title 11 of the Utah Code, will no longer be secured by the State’s guaranty subsequent to such provision for payment. This is likely to occur only if the Series 2026 Bonds are refunded. In such an event, the Series 2026 Bonds would then be secured solely by the obligations pledged for their payment and not by the State’s guaranty.

Guaranty Procedures

Under the Guaranty Act, the Business Administrator of the Board is required to transfer moneys sufficient for scheduled debt service payments on the Series 2026 Bonds to the Paying Agent at least fifteen days before any principal or interest payment date for the Series 2026 Bonds. If the Business Administrator is unable to transfer the scheduled debt service payment to the Paying Agent at least fifteen days before the payment date, the Business Administrator must immediately notify the Paying Agent and the State Treasurer by telephone and in writing sent by facsimile transmission and by first-class United States mail. In addition, if the Paying Agent has not received the scheduled debt service payment at least ten days prior to the scheduled debt service payment date for the Series 2026 Bonds, then the Paying Agent must also notify the State Treasurer by telephone and in writing sent by facsimile transmission and by first-class United States mail. The Guaranty Act further provides that if sufficient moneys to pay the scheduled debt service payment have not been transferred to the Paying Agent, then the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the Paying Agent to make the scheduled debt service payment. Payment by the State of a debt service payment on the Series 2026 Bonds discharges the obligation of the Board to the bondholders for that payment, to the extent of the State’s payment, and transfers the Board’s obligation for that payment to the State.

In the event the State is called upon to make payment of principal of or interest on the Series 2026 Bonds on behalf of the Board, the State will use cash on hand and available for that purpose to make the payment. Under the Guaranty Act, the State will then reimburse itself from State aid which otherwise would go to the Board for the operation of schools until the State is made whole, with interest and, possibly, penalties. The State does not expect to have to advance moneys for any length of time should it be necessary to do so. If, however, at the time the State is

required to make a debt service payment under its guaranty on behalf of the Board, sufficient moneys are not on hand and available for that purpose, then the Guaranty Act provides that the State may seek a short-term loan from the Permanent School Fund sufficient to make the required payment (the Permanent School Fund is not required to make such a loan) or issue short-term State debt as provided in the Guaranty Act. The provisions of the Guaranty Act relating to short-term debt provide that such debt will carry the full faith and credit of the State of Utah and can be issued in a short period of time so that the State could, if necessary, obtain liquidity financing on short notice. Under the Utah Constitution, debt incurred for this purpose does not count toward the constitutional debt limit of the State.

Purpose of the Guaranty

The Guaranty Act is for the protection of the bondholders. Ultimate liability for the payment of the Series 2026 Bonds remains with the Board. Accordingly, the Guaranty Act contains provisions, including interception of State aid to the Board, possible action to compel levy of a tax sufficient to reimburse the State for any payments made to bondholders pursuant to its guaranty and various oversight provisions to assure that the Board, and not the State, will ultimately be responsible for debt service on the Series 2026 Bonds.

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

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

State of Utah - Financial and Operating Information

The Annual Comprehensive Financial Report of the State for the fiscal year ended June 30, 2025 (the "ACFR") and its most recent official statements and continuing disclosure information for its general obligation debt and lease revenue debts, and the Master Agreement, are currently on file with the MSRB on its Electronic Municipal Market Access system. The ACFR and such official statements and continuing disclosure information, and the Master Agreement are hereby included by reference in this Official Statement, provided, however, that the Board has not renewed or approved or taken any responsibility for any such information.

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

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THE DISTRICT

General Information

The District was created by a resolution of the Utah County Commissioners on May 11, 1915. The District is one of three independent school districts in Utah County and is a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Utah. The District serves a population of over 165,000 citizens spread over an area of 1,300 square miles comprising the land area in Utah County south of the Provo City boundary.

The District currently operates a total of 47 schools made up of five high schools, an alternative high school, five junior high schools, five middle schools, 30 elementary schools, and an advanced learning center. The District also operates two special purpose programs.

Enrollment History

October 1	In-Seat Enrollment	OpenEd Enrollment	Total Enrollment	Percent Change From Prior Year
2025	34,829	6,856	41,685	-2.94%
2024	35,024	7,922	42,946	-1.66%
2023	34,811	8,861	43,672	20.60%
2022	34,469	1,744	36,213	2.13%
2021	34,174	1,283	35,457	0.35%

Of Utah's 41 school districts, the District is currently the fifth largest in terms of student population with enrollment of 41,685 as of October 1, 2025, the most recent official count. Of this total, 34,829 were enrolled in the District's schools and 6,856 were enrolled in OpenEd (OE), a home-based education program the District has partnered with since 2020. The District has seen consistent growth in its overall in-seat enrollment counts over the past two decades but experienced a decline in the most recent school year of 195 students and expects an additional decline of 62 students for the upcoming school year which, if realized, will bring the total in-seat count to 34,767. The District expects its enrollment in OE to be around 7,000 students for the 2026-2027 school year but for conservative budgeting purposes has structured its proposed budget for the upcoming school year on 5,000 students in the OE program. In total, the proposed budget assumes 39,767 students for the 2026-2027 school year. Though the District expects to continue its partnership with OE for the foreseeable future, the continuance is uncertain and, if discontinued, the District will see a significant drop in total enrollment.

As mentioned above, the District has partnered with OpenEd (OE), a home-based education program, since 2020. Under the partnership, the District is in a support role to OE and receives state funding for the students enrolled in the program. From these funds the District pays a contracted amount per student to OE and also pays to provide support services to students enrolled in the program. Although the District has partnered with OE for several years and plans to continue the program for the foreseeable future, for budgeting purposes the District considers the continuance of the program on a year-to-year basis and accounts for the funds received each year as one-time in nature. Historically, the majority of these one-time funds have been budgeted as transfers from the General Fund to the Capital Projects Fund to be used for various capital needs. For the upcoming school year, however, the funds are earmarked to cover the costs of a reading intervention teacher at each of the District's elementary and middle schools through the 2030-2031 school year.

Form of Government

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

Board of Education

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

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

Superintendent of Schools

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

Business Administrator

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

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

Office	Precinct Number	Person	Years In Service	Expiration Of Current Term
President	5	Shannon Acor	14	December 31, 2026
Vice President	6	John Taylor	6	December 31, 2028
Member	4	Rick Ainge	16	December 31, 2026
Member	2	Kristen Betts ¹	12	December 31, 2026
Member	3	Shauna Warnick	6	December 31, 2028
Member	7	Scott Wilson ²	2	December 31, 2028
Member	1	Brian Rowley	2	December 31, 2028
Superintendent		Rick Nielsen	16	June 30, 2028
Business Administrator		Michael Harrison ³	6	June 30, 2028

1. Ms. Betts previously served on the Board for six years and rejoined the Board three years ago.

2. Mr. Wilson previously worked for the District for 35 years.

3. Prior to his appointment as Business Administrator, Mr. Harrison served as the District's Assistant Business Administrator for 18 years.

Capital Planning

On November 6, 2018, the electors of the District approved the issuance of \$298,000,000 of general obligation bonds to provide for capital needs and to accommodate growth in student population. The primary purpose of the bonds was to construct three new middle schools and replace three of the District's oldest high schools. These high schools were nearing the end of their useful lives and located in Spanish Fork, Payson, and Springville. The three middle schools have been completed and are now in operation. The rebuild of Spanish Fork High School was completed in August 2024, the rebuild of Payson High School was completed in August 2025, and the rebuild of Springville High School is substantially completed and will be open for students in August 2026. Proceeds of the Series 2026 Bonds, along with available District capital funds, will be used to finalize construction on the Springville High School rebuild project.

The District's long-term plans for facility needs are continually evaluated and adjusted as needed based on enrollment growth, useful life analysis of existing buildings, and other factors. The District currently plans to rebuild Spanish Fork Junior High School on its existing site with construction slated to begin in late fall 2026. Funding for the project is anticipated to be through the issuance of lease revenue bonds in connection with Local Building Authority of Nebo School District. The District also has very preliminary plans to rebuild Payson Junior High School and if so, construction will likely not start before late fall 2028. Funding for that project will also likely be through the issuance of lease revenue bonds in connection with the Local Building Authority of Nebo School District.

Fund Structure (Accounting Basis)

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

The accounts of the District are organized on the basis of funds classified by type, each of which is deemed to be a separate accounting entity. The financial position and operations of each fund are accounted for in separate self-balancing accounts which represent the fund's assets, liabilities, fund equity, revenues and expenditures or expenses. See "APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2025-Note 1. Summary of Significant Accounting Policies."

Investment of Funds

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

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

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

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

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

See "APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR

ENDED JUNE 30, 2025 –Notes To Financial Statements-Note 2. Deposits and Investments” below.

Risk Management

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

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

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

Medical insurance coverage for District employees is provided through a fully-insured program provided by SelectHealth. See “APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2025– Note 6.”

Employee Workforce and Retirement System

The Board currently employs approximately 3,225 employees calculated on a regular “full-time equivalent” basis. The Board participates in two retirement systems operated by the Utah State Retirement Board. See “APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2025-Note 5.”

Post Employment Benefits

See pages 48-51 of the District’s Annual Comprehensive Financial Report for the year ended June 30, 2025, for information related to its historical post-employment benefits.

Population

Year	Nebo School District (1)	Percent Change	Utah County (2)	Percent Change	State of Utah (2)	Percent Change
2024	164,844	3.91%	747,234	3.90%	3,503,613	2.51%
2023	158,645	2.85%	719,174	0.95%	3,417,734	1.09%
2022	154,244	1.96%	712,434	2.42%	3,380,800	1.11%
2021	151,278	4.38%	695,625	3.69%	3,343,552	2.16%
2020	144,934	5.68%	670,844	5.44%	3,273,000	2.09%

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

2. Source: U.S. Bureau of the Census.

Major Employers In The County

Company	Industry	Average Annual Employment
Brigham Young University	Higher Education	15,000-19,999
Alpine School District	Public Education	7,000-9,999
Utah Valley Hospital	Hospitals	7,000-9,999

Company	Industry	Average Annual Employment
Utah Valley University	Higher Education	5,000-6,999
Nebo School District	Public Education	4,000-4,999
Wal-Mart Associates	Warehouse Clubs and Supercenters	3,000-3,999
State Of Utah	State Government	2,000-2,999
Vivint	Building Equipment Contractors	2,000-2,999
Adobe Systems Incorporated	Software Publishers	1,000-1,999
Provo City School District	Public Education	1,000-1,999
Central Utah Medical Clinic	Health Care	1,000-1,999
Doterra International	Essential Oils Distribution	1,000-1,999
Chrysalis Utah	Health Care	1,000-1,999
United Benefits Consulting	Amusement and Recreation	1,000-1,999
Provo City Corporation	Local Government	1,000-1,999
Utah County Government	Local Government	1,000-1,999
Costco Wholesale	Warehouse Clubs and Supercenters	1,000-1,999
Smiths Food And Drug	Grocery Stores	1,000-1,999
RBD Acquisition Sub	Janitorial Services	1,000-1,999
Texas Instruments Incorporated	Semiconductor and Related Device Manufacturing	1,000-1,999
Nestle Prepared Foods Company	Food Manufacturing	1,000-1,999
Bamboo Hr	Custom Computer Services	1,000-1,999
Lehi City	Local Government	1,000-1,999
Qualtrics	Computer Programming Services	500-999
City Of Orem	Local Government	500-999
Young Living Holdings	Warehouse and Storage	500-999
Championx Resources	Nonmetallic Mineral Product Manufacturing	500-999
Entrata	Computer Infrastructure and Data Services	500-999
Tyson Fresh Meats	Animal Slaughtering	500-999
Target	Warehouse Clubs and Supercenters	500-999
Weave Communications, Inc.	Computer Programming Services	500-999
Alpine Building	Construction	500-999
The Home Depot	Home Centers	500-999
ARO	Supermarkets	500-999
US Postal Service	Postal Service	500-999
Wasatch Behavioral Health	Social Assistance	500-999
Timpanogos Regional Medical Service	Health Care	500-999
Sundance Mountain Resort	Hotels	500-999
Thanksgiving Point Institute	Zoos and Botanical Gardens	500-999
Spanish Fork City	Local Government	500-999
Ancestry.com Operations	Computing Infrastructure, Data Processing	500-999
Springville City	Local Government	500-999
Mo' Bettahs	Restaurants	500-999
Liveview Technologies	Electronics and Appliance Retailers	500-999
Rocky Mountain ATV	Amusement and Recreation	500-999
Domo	Software Publishers	500-999
American Fork City	Fitness and Recreational Centers	500-999
Costa Vida Holdings	Restaurants	500-999
Xactware Solutions	Information Services	500-999
Wangsgards Market	Supermarkets	500-999

Source: Utah Department of Workforce Services, Workforce Information. Updated October 2025.

Unemployment

Year	Utah County (1)	State of Utah (1)	U.S. Average (2)
2024	3.33%	3.22%	4.32%
2023	2.88%	2.77%	3.64%
2022	2.10%	2.30%	3.61%
2021	2.32%	2.70%	5.46%
2020	3.61%	4.47%	8.10%

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

Economic Indicators of Utah County

Property Value of Pre-Authorized Construction in the County

Year	New			Additions, Alterations and Repairs		Total Construction	
	Number of Dwelling Units	Residential Value (\$000)	Non-Residential Value (\$000)	Residential Value (\$000)	Non-Residential Value (\$000)	Value (\$000)	Percent Change From Prior Period
2025	6,733	\$2,129,502	\$ 1,634,706	\$ 132,257	\$ 168,055	\$4,064,521	37.62%
2024	6,646	1,970,316	720,835	110,702	151,640	2,953,494	5.21%
2023	6,045	1,724,315	774,012	116,103	192,758	2,807,188	-18.21%
2022	8,555	2,239,401	877,997	123,002	191,967	3,432,367	-15.39%
2021	12,430	2,890,113	833,195	107,047	226,505	4,056,859	28.53%

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

Sales and Building in the County

	2024	2023	2022	2021	2020
Gross Taxable Sales (\$000s)	18,479,090	17,737,195	17,489,000	15,631,000	12,811,000
Permit Authorized Construction (\$000)	2,953,494	2,807,188	3,432,367	4,056,859	3,156,271
New Residential Building Permits	6,646	6,045	8,555	12,430	8,419
Residential Build Permits Value (\$000)	1,970,316	1,724,315	2,239,401	2,890,113	2,046,313

Source: Utah Department of Workforce Services. Updated October 2025.

Income and Wages in the County

	2024	2023	2022	2021	2020
Total Personal Income (\$ Millions)	N/A	41,438	38,180	35,716	30,251
Per Capita Income	N/A	57,619	54,335	50,661	46,465
Average Household Income from IRS Returns	100,671	96,877	91,263	82,893	81,804
Average Monthly Nonfarm Wage	5,003	4,811	4,722	4,479	4,262

Source: Utah Department of Workforce Services. Updated October 2025.

Labor Market Data of Utah County

	2024	2023	2022	2021	2023
Labor Force	364,286	353,125	345,161	332,018	353,125
Employed	352,413	344,042	337,880	324,289	344,042
Unemployed	11,873	9,083	7,281	7,729	9,083
Rate	3.26%	2.57%	2.11%	2.33%	2.57%
Nonfarm Jobs	310,046	305,583	300,933	287,388	305,583
% Change Prior Year	1.46%	1.55%	4.71%	7.23%	1.55%
Mining	301	274	271	256	274
Construction	30,256	29,820	29,595	26,893	29,820
Manufacturing	23,734	23,462	22,936	21,047	23,462
Trade/Trans/Utilities	46,820	47,099	47,582	49,082	47,099
Information	12,724	13,278	15,436	14,724	13,278
Financial Activities	12,455	13,286	12,983	12,864	13,286
Professional/Business Services	45,691	45,388	45,996	43,054	45,388
Education/Health/Social Services	65,940	62,923	59,839	57,245	62,923
Leisure/Hospitality	28,609	28,024	25,945	23,134	28,024
Other Services	7,498	7,195	6,979	6,268	7,195
Government	36,014	34,835	33,369	32,819	34,835

Source: Utah Department of Workforce Information. Updated October 2025.

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DEBT STRUCTURE

Outstanding General Obligation Debt Issues

(as of August 26, 2026)

Series (1)	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding
2026	School Building	\$9,585,000*	July 1, 2027	\$ 9,585,000*
2025	School Building	10,000,000	July 1, 2027	2,105,000
2024	School Building	13,980,000	July 1, 2032	9,545,000
2023	School Building	70,085,000	July 1, 2033	38,495,000
2022	School Building and Refunding	100,500,000	July 1, 2037	72,250,000
2021	School Building and Refunding	38,030,000	July 1, 2036	12,490,000
2020	School Building	20,000,000	July 1, 2035	12,635,000
2019	School Building and Refunding	59,415,000	July 1, 2034	32,250,000
2017B	School Building	10,000,000	July 1, 2032	2,910,000
2015	School Building and Refunding	19,260,000	July 1, 2030	840,000
2014C	School Building	20,000,000	July 1, 2029	2,970,000
2014B	School Building	15,000,000	July 1, 2028	5,075,000
Total Outstanding Direct Debt				<u>\$ 201,150,000</u>

1. For purposes of this Official Statement the Series 2026 Bonds will be considered issued.

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*Preliminary, subject to change.

Debt Service Schedule of Outstanding General Obligation Bonds⁽¹⁾

	Series 2026*		Series 2025		Series 2024		Series 2023		Series 2022		Series 2021		Series 2020	
Fiscal Year Ending 6/30	Principal* (Due 7/1)	Principal (Due 7/1)	Principal (Due 7/1)	Principal (Due 7/1)	Principal (Due 7/1)	Principal (Due 7/1)	Principal (Due 7/1)	Principal (Due 7/1)	Principal (Due 7/1)	Principal (Due 7/1)	Principal (Due 7/1)	Principal (Due 7/1)	Principal (Due 7/1)	Principal (Due 7/1)
2027	9,585,000		\$ 2,105,000	\$ 105,250	\$ 1,520,000	\$ 477,250	\$11,075,000	\$ 1,924,750	\$12,455,000	\$ 3,325,394	\$ 1,015,000	\$ 457,450	\$ 1,235,000	\$ 298,631
2028					845,000	401,250	21,025,000	1,371,000	4,350,000	2,702,644	1,065,000	406,700	1,285,000	249,231
2029					500,000	359,000	1,360,000	319,750	4,350,000	2,485,144	1,120,000	353,450	1,335,000	197,831
2030					500,000	334,000	1,360,000	251,750	4,350,000	2,267,644	1,175,000	297,450	1,390,000	144,431
2031					1,680,000	309,000	1,225,000	183,750	4,350,000	2,050,144	1,235,000	238,700	1,445,000	88,831
2032					4,500,000	225,000	1,225,000	122,500	4,350,000	1,832,644	1,295,000	176,950	1,460,000	74,381
2033							1,225,000	61,250	7,270,000	1,615,144	1,345,000	125,150	1,475,000	57,956
2034									7,270,000	1,251,644	1,385,000	84,800	1,495,000	39,519
2035									7,645,000	888,144	1,415,000	57,100	1,515,000	20,831
2036									7,645,000	505,894	1,440,000	28,800		
2037									8,215,000	266,988				
Total			\$ 2,105,000	\$ 105,250	\$ 9,545,000	\$ 2,105,500	\$38,495,000	\$ 4,234,750	\$72,250,000	\$19,191,425	\$ 12,490,000	\$ 2,226,550	\$ 12,635,000	\$ 1,171,644

	Series 2019		Series 2017B		Series 2015A		Series 2014C		Series 2014B		TOTALS		
Fiscal Year Ending 6/30	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Total Principal	Total Interest	Total Debt Service
2027	\$ 3,420,000	\$ 1,039,444	\$ 485,000	\$ 86,694	\$ 210,000	\$ 27,300	\$ 1,020,000	\$ 96,525	\$ 2,300,000	\$ 177,625	\$ 46,425,000	\$ 8,016,313	\$ 54,441,313
2028	3,500,000	868,444	485,000	62,444	210,000	18,900	1,000,000	63,375	2,775,000	97,125	36,540,000	6,241,113	42,781,113
2029	3,580,000	693,444	485,000	52,138	210,000	12,600	950,000	30,875			13,890,000	4,504,231	18,394,231
2030	3,690,000	514,444	485,000	41,225	210,000	6,300					13,160,000	3,857,244	17,017,244
2031	4,515,000	366,844	485,000	29,100							14,935,000	3,266,369	18,201,369
2032	4,515,000	276,544	485,000	14,550							17,830,000	2,722,569	20,552,569
2033	4,515,000	186,244									15,830,000	2,045,744	17,875,744
2034	4,515,000	95,944									14,665,000	1,471,906	16,136,906
2035											10,575,000	966,075	11,541,075
2036											9,085,000	534,694	9,619,694
2037											8,215,000	266,988	8,481,988
Total	\$32,250,000	\$ 4,041,350	\$ 2,910,000	\$ 286,150	\$ 840,000	\$ 65,100	\$ 2,970,000	\$ 190,775	\$ 5,075,000	\$ 274,750	\$201,150,000	\$33,893,244	\$235,043,244

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

*Preliminary, subject to change.

Local Building Authority of Nebo School District

The Board created the Local Building Authority of Nebo School District, Utah (the “Authority”) as a nonprofit corporation in accordance with the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code (the “Nonprofit Corporation Act”) and as provided in the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code.

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 projects that are or have been constructed by the Authority. The principal place of business of the Authority is at the Board offices.

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

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

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

The Authority has outstanding the following lease revenue bonds (as of August 26, 2026):

Series	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding
2023	Construct portion of Payson High School	\$ 97,075,000	July 1, 2038	\$ 82,890,000
2020	Construct Spring Canyon Middle School	35,340,000	July 1, 2035	24,155,000
Total Outstanding Lease Revenue Bonds				<u>\$ 107,045,000</u>

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Debt Service Schedule of Outstanding Local Building Authority Lease Revenue Bonds

	Series 2023		Series 2020		Totals		
Fiscal Year Ending 6/30	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Principal (Due 7/1)	Interest (Due 1/1 & 7/1)	Total Principal	Total Interest	Total Debt Service
2027	\$ 5,205,000	\$ 4,144,500	\$ 2,235,000	\$ 917,838	\$ 7,440,000	\$ 5,062,338	\$ 12,502,338
2028	5,470,000	3,884,250	2,350,000	806,088	7,820,000	4,690,338	12,510,338
2029	5,740,000	3,610,750	2,465,000	688,588	8,205,000	4,299,338	12,504,338
2030	6,030,000	3,323,750	2,590,000	565,338	8,620,000	3,889,088	12,509,088
2031	6,330,000	3,022,250	2,720,000	435,838	9,050,000	3,458,088	12,508,088
2032	6,645,000	2,705,750	2,855,000	299,838	9,500,000	3,005,588	12,505,588
2033	6,980,000	2,373,500	2,910,000	242,738	9,890,000	2,616,238	12,506,238
2034	7,325,000	2,024,500	2,970,000	180,900	10,295,000	2,205,400	12,500,400
2035	7,695,000	1,658,250	3,060,000	91,800	10,755,000	1,750,050	12,505,050
2036	8,080,000	1,273,500			8,080,000	1,273,500	9,353,500
2037	8,485,000	869,500			8,485,000	869,500	9,354,500
2038	8,905,000	445,250			8,905,000	445,250	9,350,250
Total	\$82,890,000	\$29,335,750	\$ 24,155,000	\$ 4,228,966	\$107,045,000	\$33,564,716	\$140,609,716

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General Obligation Overlapping Indebtedness (as of August 26, 2026)

Entity	2025 Taxable Value (1)(2)	District's Portion of Taxable Value	District's Percent of Taxable Value	Entity's G.O. Debt	District's Overlapping Debt
Springville	\$ 4,750,039,968	\$4,750,039,968	100.00%	\$ 9,170,000	\$ 9,170,000
Central Utah Water Conservancy District (3)	355,909,408,143	22,540,878,113	6.33%	76,250,000	4,829,156
Total Overlapping General Obligation Debt					<u>13,999,156</u>
Total Direct General Obligation Bonded Indebtedness					<u>201,150,000</u>
Total Direct and Overlapping General Obligation Debt					<u><u>\$ 215,149,156</u></u>

1. Source: Utah State Tax Commission.

2. Taxable Values exclude the value associated with the fees in lieu of ad valorem taxes for motor vehicles and other tangible personal property.

3. Central Utah Water Conservancy District ("CUWCD") outstanding general obligation bonds are limited ad valorem tax. Under current law, CUWCD may levy a tax rate of up to .0004 to pay for operation and maintenance expenses and any outstanding general obligation indebtedness.

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

Legal Debt Limit of the Board

The general obligation indebtedness of the Board is limited by Utah law to 4% of the fair market value of taxable property in the District. The legal debt limit and additional debt incurring capacity of the Board (after issuance of the Series 2026 Bonds), are based on estimated fair market values for 2025, and are calculated as follows:

2025 Fair Market Value for Nebo School District (1):	\$ 34,917,044,876
2025 Fair Market Value x 4% (Debt Limit):	1,396,681,795
<i>Less General Obligation Debt Outstanding:</i>	<u>(201,150,000)</u>
Additional Debt Incurring Capacity:	<u><u>\$ 1,195,531,795</u></u>

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

Source: Utah State Tax Commission.

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Debt Ratios*

	To 2025 Taxable Value (1)	To 2025 Adjusted Fair Market Value (2)	Per Capita Debt (3)
Direct General Obligation Debt	0.89%	0.58%	\$ 1,220
Direct and Overlapping General Obligation Debt	0.95%	0.62%	\$ 1,305

1. Based on the December 31, 2025 taxable value (excluding fee-in-lieu) for the District of \$22,540,878,113.
2. Based on a December 31, 2025 estimated fair market value (including fee-in-lieu) for the District of \$34,917,044,876.
3. Based on the U.S. Census Bureau's 2024 estimate of 164,844.

FINANCIAL INFORMATION

Property Tax Matters

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

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

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

Uniform Fees. An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on the value of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and property subject to a fixed age-based fee. Motor vehicles weighing 12,000 pounds or less are subject to an age-based fee that is due each time the vehicle is registered. The revenues collected from the various uniform fees are distributed by the county to the taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed.

*Preliminary, subject to change.

Tax Levy and Collection

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

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

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

The process described above changes if a county or other taxing entity proposes a tax rate in excess of the certified tax rate (as described under "FINANCIAL INFORMATION –Public Hearing on Certain Tax Increases" below). If such an increase is proposed, the taxing entity must adopt a proposed tax rate before June 22. In addition, the county auditor must include certain information in the notices to be mailed by July 22, as described in the preceding paragraph, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in "FINANCIAL INFORMATION –Public Hearing on Certain Tax Increases"

below. In most cases, notice of the public hearing must also be advertised by publication. After the public hearing is held, the taxing entity may adopt a resolution levying a tax in excess of the certified tax rate. A resolution levying a tax in excess of the certified tax rate must be forwarded to the county auditor by August 17. The final tax notice is then mailed by November 1.

Public Hearing on Certain Tax Increases

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

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

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Taxable and Estimated Fair Market Value

Including Fee-in-Lieu Valuation (1)

Year	Taxable Value	Percentage Change	Estimated Fair Market Value (2)	Percentage Change
2025	\$ 23,064,301,707	12.52%	\$ 34,917,044,876	12.74%
2024	20,497,611,961	6.35%	30,969,983,375	5.37%
2023	19,272,925,875	7.31%	29,390,766,568	7.03%
2022	17,959,403,378	36.37%	27,459,618,044	37.84%
2021	13,169,364,922	11.91%	19,922,028,863	12.56%

Excluding Fee-in-Lieu Valuation

Year	Taxable Value	Percentage Change	Estimated Fair Market Value (2)	Percentage Change
2025	\$ 22,540,878,113	12.75%	\$ 34,393,621,282	12.90%
2024	19,991,362,567	6.48%	30,463,733,981	5.44%
2023	18,775,399,758	7.40%	28,893,240,451	7.08%
2022	17,481,622,495	37.61%	26,981,837,160	38.68%
2021	12,703,634,501	11.90%	19,456,298,442	12.57%

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

Source: Property Tax Division, Utah State Tax Commission

Significant Taxpayers in the District

Taxpayer	Type of Business	December 31, 2025 Valuation	Percentage of Total Taxable Valuation
PacifiCorp	Utility	\$ 244,698,981	1.09%
Union Pacific Railroad	Railroad	143,823,897	0.64%
Questar Gas	Utility	81,742,668	0.36%
Staker & Parson Companies	Manufacturing	69,373,674	0.31%
Sunroc Corporation	Construction	67,813,776	0.30%
Wal-Mart Real Estate Business Trust	Warehouse Clubs and Supercenters	65,834,449	0.29%
Mountain View Hospital	Health Care	61,059,900	0.27%
WDC Industrial Utah Owner LP	Construction	58,015,800	0.26%
Canyon Creek SPE LLC	Residential	57,599,000	0.26%
IHC Health Services Inc.	Medical	51,761,662	0.23%
Total		\$ 901,723,807	4.00%

Source: Utah County Treasurer

Summary of Taxable Value

	2025 Taxable Value	Percent of 2025	2024 Taxable Value	2023 Taxable Value	2022 Taxable Value	2021 Taxable Value
Real Property:						
Primary Residential	\$ 14,456,204,909	62.68%	\$ 12,774,699,305	\$ 12,344,774,434	\$ 11,593,501,865	\$ 8,247,088,880
Other Residential	254,669,800	1.10%	244,033,857	209,326,600	217,083,300	95,749,100
Commercial and Industrial	3,960,423,562	17.17%	3,592,082,878	3,074,707,623	2,529,396,647	1,988,434,563
Agricultural	118,968,984	0.52%	124,237,670	122,403,150	104,957,600	75,505,250
FAA	37,231,729	0.16%	38,363,873	35,697,428	32,712,715	32,725,978
Unimproved Non FAA	1,944,750,282	8.43%	1,680,115,217	1,582,199,921	1,641,888,804	1,054,274,145
Total Real Property	\$ 20,772,249,266	90.06%	\$ 18,453,532,800	\$ 17,369,109,156	\$ 16,119,540,931	\$ 11,493,777,916
Personal Property:						
Primary Mobile Homes	\$ 30,481,187	0.13%	\$ 24,865,757	\$ 21,475,302	\$ 17,871,615	\$ 6,167,048
Secondary Mobile Homes	-	0.00%	-	-	-	-
Other Business Personal	983,608,099	4.26%	839,859,276	750,660,347	697,386,673	568,651,325
Semiconductor Manufacturing Equipment	607	0.00%	613	953	1,393	2,069
Total Personal Property	\$ 1,014,089,893	4.40%	\$ 864,725,646	\$ 772,136,602	\$ 715,259,681	\$ 574,820,442
Motor Vehicle Estimate	\$ 523,423,594	2.27%	\$ 506,249,394	\$ 497,526,117	\$ 477,780,883	\$ 465,730,421
Centrally Assessed Values	\$ 754,538,954	3.27%	\$ 673,104,121	\$ 634,154,000	\$ 646,821,883	\$ 635,036,143
Total (excluding Age-based & Fee-in-lieu)	\$ 22,540,878,113		\$ 19,991,362,567	\$ 18,775,399,758	\$ 17,481,622,495	\$ 12,703,634,501
Total (including Age-based & Fee-in-lieu)	\$ 23,064,301,707	100.00%	\$ 20,497,611,961	\$ 19,272,925,875	\$ 17,959,403,378	\$ 13,169,364,922

Source: Utah State Tax Commission, Property Tax Division

Tax Collection Record of the District

Tax Year Ended December 31	Total Taxes Levied (1)	Treasurer's Relief (2)	Net Taxes Collected	Other Collections (3)	Tax Increment (4)	Total Collections	Percent of Net Taxes Collected to Total Taxes Levied	Percent of Total Collections to Total Taxes Levied
2025	\$161,663,342	\$12,600,615	\$149,062,727	\$10,738,302	\$ 1,475,167	\$161,276,196	92.21%	99.76%
2024	147,421,405	10,614,257	136,807,148	10,866,824	2,105,045	149,779,017	92.80%	101.60%
2023	138,125,046	9,407,439	128,717,607	8,492,761	894,716	138,105,084	93.19%	99.99%
2022	132,129,792	9,681,684	122,448,108	8,355,387	573,956	131,377,451	92.67%	99.43%
2021	109,517,751	8,996,752	100,520,999	6,776,375	313,952	107,611,326	91.79%	98.26%

Source: Utah County Treasurer

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

Schedule of Property Tax Rates

	Maximum Tax Rate (1)	2026	2025	2024	2023	2022
Basic Program (2)	Formula	0.001351	0.001379	0.001408	0.001406	0.001652
Voted Leeway (3)	0.002000	0.001300	0.001300	0.001300	0.001300	0.001300
Tax Comm. Judge (4)	None	-	-	-	-	-
Debt Service	None	0.002487	0.002400	0.002400	0.002400	0.002248
Capital Outlay (5)	0.003000	0.000905	0.000931	0.001091	0.001085	0.001104
Board Local Levy (6)	0.002500	0.001147	0.001217	0.001258	0.001234	0.001279
Total		<u>0.007190</u>	<u>0.007227</u>	<u>0.007457</u>	<u>0.007425</u>	<u>0.007583</u>

Source: Utah State Office of Education

1. Maximum tax rate where applicable under current Utah State Law.
2. The total cost of operation and maintenance of the Minimum School Program in the State is divided between the State and school districts. Each school district imposes a minimum basic (ad valorem) tax rate and contributes the tax proceeds toward the cost of the Basic Program. The Basic Program levy is each school district's portion of the maintenance and operation cost of the Minimum School Program. The State contributes the balance of the total costs from the Uniform School Fund.
3. A Voted Local Levy is a State-supported program in which a levy approved by the school district electorate is authorized to cover a portion of the costs of operation and maintenance of the state-supported Minimum School Program. State and local funds received by a school district under the Voted Local Levy program are unrestricted and may be budgeted and expended for maintenance and operation as authorized by the local school board. The Voted Local Levy allows districts to levy a tax rate up to 0.002000 to generate property tax and State aid revenue to supplement the district's *General Fund*. State aid is calculated for each district based on a statutorily set dollar amount per 0.000100 of tax rate per Weighted Pupil Unit (WPU). In 1993 and 2000, District residents approved a Voted Leeway Program tax rate of not to exceed a 0.000400 and 0.000200, respectively. In 2004 and 2009, District residents approved an increase of an additional 0.000600 and 0.000100 tax rate, respectively.
4. A school district may levy a Debt Service Levy to cover principal and interest on general obligation bonds authorized by a vote of the district electorate.
5. A school district may levy a Capital Outlay Levy to fund the school district's capital projects.
6. A school district may levy a State-supported Board Local Levy to maintain a school program above the cost of the Minimum School Program. State aid is calculated for each school district based on a statutorily set dollar amount per 0.000100 of tax rate per WPU.

Management’s Discussion and Analysis

The administration of the District prepared a narrative discussion, overview, and analysis of the financial activities of the District for the Fiscal Year Ended June 30, 2025. For the complete discussion see “APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025- Management’s Discussion and Analysis” (after the Independent Auditor’s Report) below.

Five-Year Financial Summary

The summary contained herein was extracted from the District’s audited financial statements for the fiscal years ended June 30, 2021 through June 30, 2025. The summaries are unaudited. See “APPENDIX A –ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025.”

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

	2025	2024	2023	2022	2021
REVENUES					
Local Sources					
Property Taxes	\$ 78,995,819	\$ 73,964,868	\$ 74,537,700	\$ 58,678,568	\$ 51,759,422
Earnings on Investments	9,434,701	8,172,750	4,862,275	96,783	479,981
Tuition and Fees	226,856	401,297	775,167	170,484	612,611
Other Local	4,675,577	3,783,472	2,603,187	3,012,755	2,300,877
State Sources	335,898,158	316,888,132	225,558,763	211,727,745	202,679,463
Federal Sources	12,668,432	17,817,023	23,047,587	24,827,292	17,862,582
Total Revenues	<u>\$441,899,543</u>	<u>\$ 421,027,542</u>	<u>\$ 331,384,679</u>	<u>\$ 298,513,627</u>	<u>\$275,694,936</u>
EXPENDITURES:					
Current:					
Instruction Services	\$253,698,202	\$ 243,092,354	\$ 191,986,044	\$ 182,821,847	\$170,675,846
Supporting Services					
Students	33,522,959	30,139,477	24,222,460	21,164,583	18,513,899
Instructional Staff	28,179,811	24,041,996	22,031,436	18,923,169	14,389,631
General Administration	3,159,773	2,983,058	2,654,937	2,226,578	3,244,642
School Administration	24,164,612	22,393,711	20,287,246	19,653,012	17,248,933
Business	10,550,024	9,926,812	9,067,847	8,075,687	8,086,974
Operation and Maint. of Plant	31,422,129	29,820,040	28,287,865	26,282,758	24,130,850
Student Transportation	14,428,197	13,838,024	14,991,556	11,334,406	9,783,785
Central	134,647	126,351	-	-	-
Capital Outlay	978,670	9,334,490	1,147,483	-	-
Total Expenditures	<u>\$400,239,024</u>	<u>\$ 385,696,313</u>	<u>\$ 314,676,874</u>	<u>\$ 290,482,040</u>	<u>\$266,074,560</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 41,660,519	\$ 35,331,229	\$ 16,707,805	\$ 8,031,587	\$ 9,620,376
Other Financing Sources (Uses)					
Operating Transfers In/out	(23,920,395)	(21,612,232)	(4,919,968)	(4,101)	1,614,908
Sale of Assets	249,731	82,127	25,503	45,935	61,849
Total Other Financing Sources (Uses)	<u>\$(23,670,664)</u>	<u>\$(21,530,105)</u>	<u>\$ (4,894,465)</u>	<u>\$ 41,834</u>	<u>\$ 1,676,757</u>
Net Change in Fund Balance	17,989,855	13,801,124	11,813,340	8,073,421	11,297,133
Fund Balance - July 1	115,594,910	101,793,786	89,980,446	81,907,025	70,609,892
Fund Balance - June 30	<u>\$133,584,765</u>	<u>\$ 115,594,910</u>	<u>\$ 101,793,786</u>	<u>\$ 89,980,446</u>	<u>\$ 81,907,025</u>

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

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

	2025	2024	2023	2022	2021
ASSETS AND OTHER DEBITS					
Cash and Temporary Cash Investments	\$168,761,699	\$ 150,354,379	\$113,448,484	\$100,942,806	\$ 93,214,108
Receivables:					
Property Taxes	79,051,239	71,158,230	67,134,994	67,600,640	51,972,095
Other Local	220,064	151,040	250,027	218,947	213,454
State	3,699,227	3,445,713	1,885,562	1,789,790	1,475,953
Federal	5,800,153	9,164,951	17,328,867	14,775,703	11,855,843
Inventories	1,204,457	1,020,845	1,181,681	851,034	1,149,707
Prepaid Expenditures	627,331	-	176,420	192,370	-
Total Assets and Other Debits	\$259,364,170	\$ 235,295,158	\$201,406,035	\$186,371,290	\$159,881,160
LIBILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities					
Accounts Payable	\$ 942,089	\$ 578,238	\$ 1,579,271	\$ 486,961	\$ 879,670
Accrued Salaries	34,396,728	31,426,597	11,902,183	10,885,289	10,127,941
Deferred Revenue:					
Other Local	1,645,537	2,485,420	1,369,374	2,663,482	2,363,907
State	10,817,508	14,782,093	17,514,603	15,070,938	13,174,345
Federal	-	-	-	166,070	23,649
Total Liabilities	\$ 47,801,862	\$ 49,272,348	\$ 32,365,431	\$ 29,272,740	\$ 26,569,512
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	\$ 2,024,632	\$ 2,286,623	\$ 1,887,572	\$ 1,377,438	\$ 685,172
Property levied for future year	75,952,911	68,141,277	65,359,246	65,740,666	50,719,451
Total Deferred Inflows of Resources	\$ 77,977,543	\$ 70,427,900	\$ 67,246,818	\$ 67,118,104	\$ 51,404,623
Fund Balances:					
Nonspendable:					
Inventories	\$ 1,204,457	\$ 1,020,845	\$ 1,181,681	\$ 851,034	\$ 1,149,707
Prepaid expenditures	627,331	-	176,420	192,370	-
Committed to:					
Economic Stabilization	19,000,000	18,500,000	17,500,000	15,000,000	14,000,000
Assigned to:					
Employee benefit obligations	5,000,000	5,000,000	5,000,000	5,000,000	10,000,000
Schools	69,735,805	54,012,496	45,183,497	42,142,330	33,102,150
Unassigned	38,017,172	37,061,569	32,752,188	26,794,712	23,655,168
Total Fund Equity and Other Credits	\$133,584,765	\$ 115,594,910	\$101,793,786	\$ 89,980,446	\$ 81,907,025
Total Liabilities, Fund Equity and Other Credits	\$259,364,170	\$ 235,295,158	\$201,406,035	\$186,371,290	\$159,881,160

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

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

	2025	2024	2023	2022	2021
Assets:					
Cash and investments	\$ 321,175,634	\$ 360,673,978	\$ 335,535,588	\$ 176,677,141	\$ 155,717,174
Receivables:					
Property taxes	154,157,024	142,100,294	133,610,352	126,225,928	106,526,410
Other local	2,550,666	2,777,040	250,027	230,419	314,758
State	4,507,464	3,846,118	1,885,562	2,089,862	1,706,312
Federal	6,619,605	9,859,477	17,412,049	15,360,527	12,052,349
Inventories	2,138,347	2,182,352	2,574,331	1,796,420	1,880,620
Net pension asset	-	-	-	28,059,444	-
Prepaid expenses	627,331	-	176,420	192,370	-
Capital assets:					
Land, construction in progress and water stock	478,458,649	354,326,625	214,316,246	116,271,848	158,253,992
Other capital assets, net of accumulated depreciation	413,258,508	423,121,337	436,791,701	451,999,477	381,164,749
Total assets	\$ 1,383,493,228	\$ 1,298,887,221	\$ 1,142,552,276	\$ 918,903,436	\$ 817,616,364
Deferred Outflows of Resources:					
Deferred charge on refundings	335,502	728,157	1,120,812	1,398,240	2,358,950
Deferred outflows relating to pensions	69,721,627	62,130,027	57,571,256	47,693,016	28,990,476
Total Deferred Outflows of Resources	\$ 70,057,129	\$ 62,858,184	\$ 58,692,068	\$ 49,091,256	\$ 31,349,426
Liabilities:					
Accounts payable	\$ 32,418,887	\$ 22,652,517	\$ 16,249,634	\$ 8,268,665	\$ 8,066,001
Accrued salaries payable	34,396,728	31,426,597	11,902,183	10,885,289	10,127,941
Deferred revenue:					
Other local	1,645,537	2,485,420	1,369,374	2,663,482	2,434,587
State	10,835,639	14,970,432	17,855,739	15,503,350	13,174,345
Federal	-	-	-	166,070	23,649
Net pension liability	101,257,966	88,115,097	88,434,564	-	51,465,591
Noncurrent liabilities:					
Due within one year	57,619,993	51,352,548	39,674,530	32,596,465	36,366,214
Due in more than one year	389,770,631	425,652,539	403,958,739	245,624,573	256,368,809
Total liabilities	\$ 627,945,381	\$ 636,655,150	\$ 579,444,763	\$ 315,707,894	\$ 378,027,137
Deferred Inflows of Resources:					
Unavailable property tax revenue	\$ -	\$ -	\$ -	\$ -	\$ (890,636)
Property taxes levied for future year	148,161,311	136,176,777	129,228,976	122,680,642	103,047,944
Deferred inflows relating to pensions	168,999	214,286	257,372	111,595,555	52,806,649
Total Deferred Inflows of Resources	\$ 148,330,310	\$ 136,391,063	\$ 129,486,348	\$ 234,276,197	\$ 154,963,957
Net Assets:					
Invested in capital assets, net of related debt	\$ 512,416,252	\$ 367,064,033	\$ 272,518,949	\$ 355,284,042	\$ 319,959,913
Restricted for:					
Debt service	2,536,723	2,474,824	2,810,565	1,948,913	2,627,369
Capital projects	2,554,649	894,475	43,840,937	693,077	34,381,604
Child nutrition	11,503,075	12,509,845	11,862,983	11,764,810	4,472,439
Other purposes	4,777,845	4,421,140	4,371,643	3,699,831	3,246,448
Unrestricted	143,486,122	201,334,875	156,908,156	44,619,928	(48,713,077)
Total net assets	\$ 677,274,666	\$ 588,699,192	\$ 492,313,233	\$ 418,010,601	\$ 315,974,696

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

UTAH SCHOOL FINANCE

Sources of Funds

Funding for schools in the State is provided from local school district sources consisting of property taxes imposed by the local school district (“Local District Funding”), State sources that are funded primarily by State imposed personal income taxes and corporate franchise taxes (“State Funding”) and federal sources (“Federal Funding”). For the fiscal year ended June 30, 2025, approximately 21.1% of the District’s funding was provided by Local District Funding, approximately 76.0% from State Funding and approximately 2.9% from Federal Funding. See also APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025.

Local District Funding

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

State Funding

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

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

Federal Funding

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

LEGAL MATTERS

Absence of Litigation

Reed B. Park, Attorney for the Board, has advised that, to his knowledge, there is no pending or threatened litigation which would legally estop, enjoin, or prohibit the issuance, sale and delivery of the Series 2026 Bonds.

Approval of Legal Proceedings

The authorization and issuance of the Series 2026 Bonds are subject to the approval of Gilmore & Bell, P.C., Bond Counsel to the Board. Certain legal matters will be passed upon for the Board by Reed B. Park, Attorney to the Board. The approving opinion of Bond Counsel will be delivered with the Series 2026 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in APPENDIX D of this Official Statement will be made available upon request by the Business Administrator.

Bond Counsel has reviewed the description of legal matters in those portions of the OFFICIAL STATEMENT under the headings: "THE SERIES 2026 BONDS – Authority for and Purpose of the Series 2026 Bonds," "SECURITY FOR THE SERIES 2026 BONDS," "LEGAL MATTERS – Tax Exemption," "LEGAL MATTERS – Opinion of Bond Counsel," and "LEGAL MATTERS – Other Tax Consequences." Bond Counsel also prepared and has reviewed APPENDIX D to the OFFICIAL STATEMENT, which sets forth the anticipated form of Bond Counsel's opinion on the Series 2026 Bonds.

Except as specifically described in the preceding paragraph, Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Series 2026 Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement.

The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Tax Exemption

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the Series 2026 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2026 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2026 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2026 Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, under the law existing as of the issue date of the Series 2026 Bonds:

Federal Tax Exemption. The interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Series 2026 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bond counsel's opinions are provided as of the date of the original issue of the Series 2026 Bonds, subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2026 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2026 Bonds, but has reviewed the discussion under the heading "Tax Exemption."

State of Utah Tax Exemption. The interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes.

Other Tax Consequences

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2026 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2026 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2026 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2026 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2026 Bond over its issue price. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 Bonds of that maturity have *been* sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2026 Bond during any accrual period generally equals (1) the issue price of that Series 2026 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2026 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2026 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Series 2026 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Sale, Exchange or Retirement of Series 2026 Bonds. Upon the sale, exchange or retirement (including redemption) of a Series 2026 Bond, an owner of the Series 2026 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2026 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2026 Bond. To the extent a Series 2026 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2026 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2026 Bonds, and to the proceeds paid on the sale of the Series 2026 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2026 Bonds should be aware that ownership of the Series 2026 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2026 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2026 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2026 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that for the interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

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MISCELLANEOUS

Independent Accountants

The annual comprehensive financial report of the Board at and for the year ended June 30, 2025, contained in APPENDIX A to this Official Statement have been examined by Gilbert & Stewart, PC, Certified Public Accountants, as set forth in the report dated November 30, 2025, which report is also included in APPENDIX A to this Official Statement.

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

No History of Default

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

Cybersecurity

The risk of cyberattacks against commercial enterprises, including those operated for a governmental purpose, has become more prevalent in recent years. At least one of the rating agencies factors the risk of such an attack into its ratings analysis, recognizing that a cyberattack could affect liquidity, public policy and constituent confidence, and ultimately credit quality. A cyberattack could cause the informational systems for the District to be compromised and could limit operational capacity, for short or extended lengths of time and could bring about the release of sensitive and private information. Additionally, other potential negative consequences include data loss or compromise, diversion of resources to prevent future incidences, and reputational damage. To date, the District has not experienced a successful cyberattack. The District believes it has made reasonable efforts, including the hiring of qualified and experienced cybersecurity professionals, to ensure that any such attack is not successful and that the District's information systems are secure and has cyber liability insurance coverage in place. However, there can be no assurance that a cyberattack will not occur in a manner resulting in damage to the District's information systems or other challenges.

Series 2026 Bond Rating

As of date of the Official Statement Moody's Investors Service, Inc. has assigned a rating of "Aaa" to the Series 2026 Bonds. Additionally, as of the date of this Official Statement, Moody's Investors Service, Inc. has assigned an underlying rating of "Aa1" to the Series 2026 Bonds. These ratings reflect only the views of such rating agencies and an explanation of the significance of such rating may only be obtained from such rating agency. The underlying rating reflect the standalone rating the Series 2026 Bonds would have received if the Series 2026 Bonds did not have the benefit of the Guaranty Act.

Financial Advisor

The Board has entered into an agreement with LRB Public Finance Advisors, Inc. (the "Financial Advisor") whereunder the Financial Advisor provides financial recommendations and guidance to the Board with respect to preparation for sale of the Series 2026 Bonds, timing of the sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the Series 2026 Bonds. The Financial Advisor has participated in the preparation of the Official Statement, but has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the Board, with respect to accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Financial Advisor respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement. Financial Advisory fees are contingent upon the sale and delivery of the Series 2026 Bonds.

ADDITIONAL INFORMATION

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

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

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

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

The delivery of the Official Statement has been duly authorized by the Board.

BOARD OF EDUCATION OF
NEBO SCHOOL DISTRICT, UTAH

**APPENDIX A – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE
FISCAL YEAR ENDED JUNE 30, 2025**



GILBERT & STEWART
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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

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

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Nebo School District, Utah, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Nebo School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Nebo School District, Utah, as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof 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 *Governmental 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 Nebo School 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

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 Nebo School 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 and *Governmental Auditing Standards* 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 generally accepted auditing standards, 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.

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- 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 Nebo School 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 Nebo School 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 and budgetary comparison information 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 Nebo School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Audit Standards, we have also issued our report dated November 7, 2025, on our consideration of Nebo School District's internal control over financial reporting and on our tests of its compliance with certain provisions of law, regulations, contract, 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 Nebo School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Audit Standards in considering Nebo School District's internal control over financial reporting and compliance.

Gilbert & Stewart

Gilbert & Stewart CPA PC
Provo, Utah
November 7, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

NEBO SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2025

This Management's Discussion and Analysis (MD&A) section of Nebo School District's (District) annual comprehensive financial report presents management's discussion and analysis of the District's performance during the year ended June 30, 2025. The MD&A is intended to provide an analysis directly related to the information presented in the transmittal letter found in the *introductory section* of this report and the District's basic financial statements, which follow this section.

Financial Highlights

The following are considered by the District to be important factors in measuring the District's financial performance for the year ended June 30, 2025:

- The District's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$677.3 million at the close of the fiscal year.
- During the year, \$572.5 million generated from taxes and other revenues was \$88.6 million more than expenses for governmental activities. This \$88.6 million increase in net assets is less than the \$96.4 million increase in net assets for the year ended June 30, 2024.
- The results of operations in the *General Fund* for the year ended June 30, 2025 were \$28.2 million more than budgeted. This was due to conservative budgeting practices employed by management, unanticipated savings on expenditures, timing difference in when expenditures were planned and when expenditures will occur, intentional increases to the economic stabilization committed fund balances, and intentional increases to the unassigned fund balances.
- Total fund balances for governmental funds decreased by \$48.8 million during the year ended June 30, 2025. For the year ended June 30, 2024, total fund balances for governmental funds decreased by \$1.9 million. Most of the changes for both years were primarily a result of timing differences in the receipt and use of resources designated for capital projects.
- The District has committed \$19.0 million of the *General Fund* balance for economic stabilization. This reserve is set aside for contingencies or possible reductions in state funding and not to be used in negotiation or settlement of contract salaries. The maintenance of a sufficient reserve is a key credit consideration in the District's bond ratings.
- The District has assigned \$5.0 million of *General Fund* balance for employee post-employment benefit obligations. These obligations relate to the District's post-employment benefit plans as addressed more fully in Note 5 to the basic financial statements.

Overview of the Financial Statements

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

NEBO SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2025

Government-Wide Financial Statements

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

The *statement of net position* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net 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 assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements include not only the District itself (known as the primary government), but also a legally separate education foundation and local building authority of which the District is financially accountable. The Nebo Education Foundation and the Local Building Authority of Nebo School District, although legally separate, function for all practical purposes as departments of the District and therefore are included as an integral part of the primary government.

The government-wide financial statements can be found on pages 22 and 23 of this report.

Fund Financial Statements

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

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

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

NEBO SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2025

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

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

The basic governmental fund statements can be found on pages 24 to 29 of this report.

Notes to Basic Financial Statements

The notes to basic financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 30 to 54 of this report.

Supplementary and Other Information

The schedules of funding progress on pages 57 to 61 are supplemental information required by the Government Accounting Standards Board. The schedules are designed to show the extent to which the District's post-employment and pension plans have been successful over time in setting aside assets sufficient to cover their actuarial accrued liabilities.

The combining and individual fund statements and schedules referred to earlier are on pages 63 to 74 of this report. Additional financial and non-financial data are presented in the *statistical section* of the report which starts on page 75.

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NEBO SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2025

Government-Wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Below is information which summarizes the District's net position and the changes from 2024 to 2025. All amounts are in millions of dollars:

	Governmental Activities		Total Change 2024-2025
	2025	2024	
Current and other assets	\$ 491.8	\$ 521.4	\$ (29.6)
Capital assets	891.7	777.4	114.3
Total assets	1,383.5	1,298.8	84.7
Total deferred outflows of resources	70.0	62.9	7.1
Current and other liabilities	79.3	71.5	7.8
Noncurrent liabilities	548.6	565.1	(16.5)
Total liabilities	627.9	636.6	(8.7)
Total deferred inflows of resources	148.3	136.4	11.9
Net position:			
Net investment in capital assets	512.4	367.1	145.3
Restricted	21.4	20.3	1.1
Unrestricted	143.5	201.3	(57.8)
Total net position	\$ 677.3	\$ 588.7	\$ 88.6

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

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

The District's unrestricted net position, if positive, represents resources that may be used to meet the District's ongoing obligations to students, employees, and creditors. An unrestricted net position, if negative, indicates the District's overall economic net position, but it does not necessarily reflect positively or negatively on the District's ability to meet its obligations as they come due and the District reports positive fund balances for all of its separate governmental funds.

NEBO SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2025

Changes in Net Position

Below is information which summarizes the District's net position changes from 2024 to 2025. All amounts are in millions of dollars:

	Governmental Activities		Total Change
	2025	2024	2024-2025
Revenues:			
Program revenues:			
Charges for services	\$ 10.9	\$ 10.5	\$ 0.4
Operating grants and contributions	138.8	149.9	(11.1)
General revenues:			
Property taxes	158.0	148.4	9.6
Federal and state aid not restricted to specific purpose	234.1	209.3	24.8
Earnings on investments	18.8	22.7	(3.9)
Miscellaneous	11.9	15.0	(3.1)
Total revenues	572.5	555.8	16.7
Expenses:			
Instructional services	298.2	289.6	8.6
Supporting services:			
Students	34.0	29.7	4.3
Instructional staff	28.6	23.7	4.9
District administration	3.4	3.1	0.3
School administration	25.2	22.8	2.4
Business	10.9	10.0	0.9
Operation and maintenance of facilities	33.8	31.9	1.9
Transportation	16.0	15.1	0.9
Central	1.4	1.9	(0.5)
Noninstructional	4.4	2.9	1.5
Food services	15.2	14.9	0.3
Interest on long-term liabilities	12.8	13.8	(1.0)
Total expenses	483.9	459.4	24.5
Change in net assets	88.6	96.4	(7.8)
Net position - beginning	588.7	492.3	96.4
Net position - ending	\$ 677.3	\$ 588.7	\$ 88.6

Net position of the District's governmental activities increased by \$88.6 million, or 15.0%, to \$677.3 million. Selected highlights concerning the change in the District's net position for the year ended June 30, 2025, are as follows:

- The District's total program and general revenues increased by \$16.7 million, or 3.0%, to \$572.5 million during the current year. Of the total, state and federal aid make up 65.1% while property taxes make up 27.6%. In the prior fiscal year, the percentages of total revenues were 64.6% for state and federal aid and 26.7% for property taxes. Taken together, state and federal grants that are classified as program

NEBO SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2025

revenue and those not restricted to specific purposes increased by \$13.7 million while revenues related to property taxes increased by \$9.6 million.

- The total cost of all programs and services increased by \$24.5 million, or 5.3%, to \$483.9 million during the current year. Instructional services account for 61.6% of the total while support services make up 32.6%. In the prior fiscal year, the percentage of costs attributable to instructional services was 63.0% while support services made up 30.1%.

Financial Analysis of the District's Funds

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

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

As the District completed the year, its governmental funds reported a combined fund balance of \$260.4 million. Of the total, \$2.8 million is nonspendable, \$18.3 million is restricted, \$113.4 million is committed, \$87.9 million is assigned, and \$38.0 million is unassigned.

General Fund Budgetary Highlights

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

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. The difference between original budget and the final amended budget was an increase of \$31.8 million, or 7.7%, in total *General Fund* expenditures. Instructional services expenditures budget was increased by \$20.7 million and supporting services expenditures budget was increased by \$10.4 million. The budget increases were primarily a result of additional grant funds awarded during the year and carryovers in various programs from the previous year not being included in the original budget. This carryover information was not available when the original

NEBO SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2025

budget was prepared. Other differences between original budget and final amended budget are due to ongoing adjustments at the program and fund levels as new information is received throughout the fiscal year by the District.

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

Capital Assets

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

Below is a summary of the capital assets at June 30, 2025, and 2024. All amounts are net of accumulated depreciation and in millions of dollars:

	Governmental Activities		Total Change 2024-2025
	2025	2024	
Land and water stock	\$ 79.1	\$ 78.7	\$ 0.4
Construction in progress	399.4	275.6	123.8
Buildings and improvements	387.6	398.7	(11.1)
Furniture and equipment	23.5	22.5	1.0
Leased assets	2.1	1.9	0.2
Total capital assets, net of accumulated depreciation	<u>\$ 891.7</u>	<u>\$ 777.4</u>	<u>\$ 114.3</u>

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

Debt Administration

The general obligation bonded debt of the District is limited by Utah State Law to 4.0% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2025, was \$1,238.8 million while the net general obligation debt at that date was \$265.2 million, resulting in a legal debt margin of \$973.6 million.

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NEBO SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2025

Below is summary information concerning the District's outstanding debt at June 30, 2025, and 2024. All amounts are net of unamortized deferred issuance premiums and deferred refunding costs and are in millions of dollars:

	Governmental Activities		Total Change 2024-2025
	2025	2024	
General obligation bonds, net	\$ 265.2	\$ 289.5	\$ (24.3)
Lease revenue bonds	114.1	120.9	(6.8)
Total outstanding debt	<u>\$ 379.3</u>	<u>\$ 410.4</u>	<u>\$ (31.1)</u>

On November 6, 2018, District patrons voted to authorize the District to issue \$298.0 million in bonds for new school construction, school improvements, and land acquisitions. The District issued \$14.0 million of general obligation bonds during the year ended June 30, 2025. Further information on the District's long-term debt can be found in Note 7 to the basic financial statements.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

NEBO SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets:	
Cash and investments	\$ 321,175,634
Receivables:	
Property taxes	154,157,024
Other local	2,550,666
State	4,507,464
Federal	6,619,605
Inventories	2,138,347
Prepaid expenses	627,331
Capital assets:	
Land, construction in progress, and water stock	478,458,649
Other capital assets, net of accumulated depreciation	413,258,508
Total assets	<u>1,383,493,228</u>
Deferred outflows of resources:	
Deferred charge on refundings	335,502
Deferred outflows relating to pensions	69,721,627
Total deferred outflows of resources	<u>70,057,129</u>
Liabilities:	
Accounts payable	32,418,887
Accrued salaries	34,396,728
Unearned revenue:	
Other local	1,645,537
State	10,835,639
Net pension liability	101,257,966
Noncurrent liabilities:	
Due within one year	57,619,993
Due in more than one year	389,770,631
Total liabilities	<u>627,945,381</u>
Deferred inflows of resources:	
Property taxes levied for future year	148,161,311
Deferred inflows relating to pensions	168,999
Total deferred inflows of resources	<u>148,330,310</u>
Net Position:	
Net investment in capital assets	512,416,252
Restricted for:	
Debt service	2,536,723
Capital projects	2,554,649
Child Nutrition	11,503,075
Other purposes	4,777,845
Unrestricted	143,486,122
Total net position	<u><u>\$ 677,274,666</u></u>

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

NEBO SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities or functions:				
Instructional services	\$ 298,234,846	\$ 6,750,123	\$ 76,714,374	\$ (214,770,349)
Supporting services:				
Students	33,985,950	-	26,367,838	(7,618,112)
Instructional staff	28,639,096	-	12,891,873	(15,747,223)
District administration	3,441,959	-	3,290,218	(151,741)
School administration	25,230,455	-	502,810	(24,727,645)
Business	10,922,871	-	172,332	(10,750,539)
Operation and maintenance of facilities	33,771,716	-	350,423	(33,421,293)
Transportation	16,035,990	-	8,954,970	(7,081,020)
Central	1,449,446	-	-	(1,449,446)
Noninstructional	4,189,885	-	-	(4,189,885)
Child Nutrition	15,221,097	4,162,930	9,575,696	(1,482,471)
Interest on long-term liabilities	12,831,832	-	-	(12,831,832)
Total school district	<u>\$ 483,955,143</u>	<u>\$ 10,913,053</u>	<u>\$ 138,820,534</u>	(334,221,556)
General revenues:				
Property taxes levied for:				
Basic state supported program for regular K-12 instruction				30,153,545
Voted leeway for regular K-12 instruction				27,840,631
Board leeway for regular K-12 instruction				22,508,080
Community recreation				2,719,816
Debt service of general obligation bonds				51,398,089
Capital outlay				23,364,714
Federal and state aid not restricted to specific purposes				234,068,576
Earnings on investments				18,825,950
Miscellaneous				11,917,629
Total general revenues				<u>422,797,030</u>
Change in net position				88,575,474
Net position - beginning				<u>588,699,192</u>
Net position - ending				<u><u>\$ 677,274,666</u></u>

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

NEBO SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds			Other	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
Assets:					
Cash and investments	\$ 168,761,699	\$ 548,491	\$ 124,861,440	\$ 27,004,004	\$ 321,175,634
Receivables:					
Property taxes	79,051,239	50,858,738	19,774,654	4,472,393	154,157,024
Other local	220,064	-	2,330,602	-	2,550,666
State	3,699,227	-	-	808,237	4,507,464
Federal	5,800,153	-	-	819,452	6,619,605
Inventories	1,204,457	-	319,706	614,184	2,138,347
Prepaid expenditures	627,331	-	-	-	627,331
Total assets	<u>\$ 259,364,170</u>	<u>\$ 51,407,229</u>	<u>\$ 147,286,402</u>	<u>\$ 33,718,270</u>	<u>\$ 491,776,071</u>
Liabilities:					
Accounts payable	\$ 942,089	\$ -	\$ 31,390,111	\$ 86,687	\$ 32,418,887
Accrued salaries	34,396,728	-	-	-	34,396,728
Unearned revenue:	-				
Other local	1,645,537	-	-	-	1,645,537
State	10,817,508	-	-	18,131	10,835,639
Total liabilities	<u>47,801,862</u>	<u>-</u>	<u>31,390,111</u>	<u>104,818</u>	<u>79,296,791</u>
Deferred inflows of resources:					
Unavailable property tax revenue	2,024,632	1,302,712	505,344	55,908	3,888,596
Property taxes levied for future year	75,952,911	48,870,506	18,957,684	4,380,210	148,161,311
Total deferred inflows of resources	<u>\$ 77,977,543</u>	<u>\$ 50,173,218</u>	<u>\$ 19,463,028</u>	<u>\$ 4,436,118</u>	<u>\$ 152,049,907</u>

(continued on following page)

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

NEBO SCHOOL DISTRICT
Balance Sheet (continued)
Governmental Funds
June 30, 2025

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Fund Balances:					
Nonspendable:					
Inventories	\$ 1,204,457	\$ -	\$ 319,706	\$ 614,184	\$ 2,138,347
Prepaid expenditures	627,331	-	-	-	627,331
Restricted for:					
Debt service	-	1,234,011	-	-	1,234,011
Capital projects	-	-	1,729,599	-	1,729,599
Child nutrition services	-	-	-	10,888,891	10,888,891
Other purposes	-	-	-	4,504,818	4,504,818
Committed to:					
Economic stabilization	19,000,000	-	-	-	19,000,000
Contractual obligations	-	-	94,383,958	-	94,383,958
Assigned to:					
Employee benefit obligations	5,000,000	-	-	-	5,000,000
Schools	69,735,805	-	-	12,926,849	82,662,654
Students	-	-	-	242,592	242,592
Unassigned	38,017,172	-	-	-	38,017,172
Total fund balances	<u>133,584,765</u>	<u>1,234,011</u>	<u>96,433,263</u>	<u>29,177,334</u>	<u>260,429,373</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 259,364,170</u>	<u>\$ 51,407,229</u>	<u>\$ 147,286,402</u>	<u>\$ 33,718,270</u>	<u>\$ 491,776,071</u>

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

NEBO SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

Total fund balances for governmental funds	\$ 260,429,373
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Total net position reported for governmental activities in the statement of net position is different because of the following reconciling items:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of the following:

Land	\$ 79,010,238	
Construction in progress	399,388,420	
Water stock	59,991	
Buildings and improvements, net of \$334,940,023 accumulated depreciation	387,614,649	
Furniture and equipment, net of \$42,692,554 accumulated depreciation	23,550,990	
Leased assets, net of \$1,020,062 accumulated depreciation	<u>2,092,869</u>	891,717,157

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.	3,888,596
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Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at year-end are as follows:

Bonds payable	(337,935,000)	
Unamortized premiums	(41,701,407)	
Unamortized deferred amounts on refunding	335,502	
Net pension liability	(101,257,966)	
Deferred outflows relating to pensions	69,721,627	
Deferred inflows relating to pensions	(168,999)	
Lease obligations	(2,083,774)	
Accrued leave benefits	(12,700,023)	
Early retirement incentive payments payable	(28,949,891)	
Early retirement health insurance payable	<u>(24,020,529)</u>	(478,760,460)

Total net position of governmental activities	<u>\$ 677,274,666</u>
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The notes to the basic financial statements are an integral part of this statement.

NEBO SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	Major Funds			Other	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
Revenues:					
Property taxes	\$ 78,995,819	\$ 50,436,278	\$ 22,927,493	\$ 6,224,165	\$ 158,583,755
Earnings on investments	9,434,701	1,092,865	7,048,238	1,250,146	18,825,950
Tuition and fees	226,856	-	-	250,217	477,073
Food sales	-	-	-	4,162,930	4,162,930
Other local sources	4,675,577	-	157,942	14,000,973	18,834,492
State sources	335,898,158	-	10,034,725	6,571,133	352,504,016
Federal sources	12,668,432	-	-	7,716,662	20,385,094
Total revenues	441,899,543	51,529,143	40,168,398	40,176,226	573,773,310
Expenditures:					
Instructional services	253,698,202	-	-	21,389,100	275,087,302
Supporting services:					
Students	33,522,959	-	-	-	33,522,959
Instructional staff	28,179,811	-	-	-	28,179,811
District administration	3,159,773	-	-	-	3,159,773
School administration	24,164,612	-	-	-	24,164,612
Business	10,550,024	-	-	-	10,550,024
Operation and maint of facilities	31,422,129	-	-	-	31,422,129
Transportation	14,428,197	-	-	-	14,428,197
Central	134,647	-	-	-	134,647
Noninstructional services	-	-	-	4,189,885	4,189,885
Food services	-	-	-	15,143,262	15,143,262
Capital outlay	978,670	4,552,083	133,686,242	-	139,216,995
Debt service:					
Bond principal	-	35,605,000	6,755,000	-	42,360,000
Bond interest and fees	-	11,152,938	5,756,604	-	16,909,542
Bond issuance costs	-	-	147,345	-	147,345
Total expenditures	400,239,024	51,310,021	146,345,191	40,722,247	638,616,483
Excess (deficiency) of revenues over (under) expenditures	41,660,519	219,122	(106,176,793)	(546,021)	(64,843,173)
Other financing sources (uses):					
Transfers	(23,920,395)	-	23,531,630	388,765	-
Bond proceeds	-	-	13,980,000	-	13,980,000
Bond premiums	-	-	1,374,686	-	1,374,686
Sale of assets	249,731	-	428,089	-	677,820
Total other financing sources (uses)	(23,670,664)	-	39,314,405	388,765	16,032,506
Net change in fund balances	17,989,855	219,122	(66,862,388)	(157,256)	(48,810,667)
Fund balances - beginning	115,594,910	1,014,889	163,295,651	29,334,590	309,240,040
Fund balances - ending	\$ 133,584,765	\$ 1,234,011	\$ 96,433,263	\$ 29,177,334	\$ 260,429,373

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

NEBO SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

Net change in fund balances for governmental funds	\$ (48,810,667)
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Amounts reported for governmental activities in the statement of activities are different because of the following reconciling items:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for land, furniture and equipment, and \$100,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlays	\$ 134,586,156	
Gain on disposal of assets	395,755	
Proceeds from sales of assets	(677,820)	
Depreciation expense	<u>(20,034,896)</u>	114,269,195

Some capital assets are financed through leases. In the statement of activities these leases are measured at the present value of payments expected to be made during the lease term. In the governmental funds, however, expenditures for these leases are measured by the amount of financial resources used (essentially, the amounts actually paid). During the year, lease obligations increased by \$264,523. (264,523)

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of the related cash flows. The net effect of these differences in the treatment of bonds and related items is as follows:

Bond proceeds	(13,980,000)	
Bond premium	(1,374,686)	
Bond issuance costs	147,345	
Repayment of bond principal	42,360,000	
Amortization of bond issuance costs	(147,345)	
Amortization of deferred amounts on bond refundings	(392,655)	
Amortization of bond premium	<u>4,470,365</u>	31,083,024

Some of the District's property taxes will be collected after year end but are not available soon enough to pay for the current period's expenditures. Therefore, those amounts are reported as deferred revenue in the funds. The deferred revenue for property taxes decreased this year. (598,880)

In the statement of activities, leave benefits and retirement benefits 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. During the year, leave benefits payable increased by \$3,964,364, net pension benefit increased by \$5,505,982, early retirement incentive payments payable decreased by \$2,684,588, and early retirement health insurance payable increased by \$316,917. (7,102,675)

Change in net position of governmental activities	<u>\$ 88,575,474</u>
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The notes to the basic financial statements are an integral part of this statement.

NEBO SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 73,993,002	\$ 73,236,844	\$ 78,995,819	\$ 5,758,975
Earnings on investments	3,500,000	3,500,000	9,434,701	5,934,701
Tuition and fees	260,000	485,087	226,856	(258,231)
Other local sources	2,960,513	4,454,784	4,675,577	220,793
State sources	349,953,616	367,605,321	335,898,158	(31,707,163)
Federal sources	9,690,303	12,557,827	12,668,432	110,605
Total revenues	440,357,434	461,839,863	441,899,543	(19,940,320)
Expenditures:				
Instructional services	275,320,307	296,006,946	253,698,202	(42,308,744)
Supporting services:				
Students	28,161,867	30,188,775	33,522,959	3,334,184
Instructional staff	26,995,970	31,064,622	28,179,811	(2,884,811)
District administration	3,160,342	3,291,842	3,159,773	(132,069)
School administration	23,097,419	24,692,850	24,164,612	(528,238)
Business	11,679,768	12,166,512	10,550,024	(1,616,488)
Operation and maintenance of facilities	32,032,860	33,198,707	31,422,129	(1,776,578)
Transportation	14,129,661	15,016,972	14,428,197	(588,775)
Central	92,045	136,000	134,647	1,353
Total supporting services	139,349,932	149,756,280	145,562,152	(4,191,422)
Capital outlay:				
Land and improvements	-	700,000	978,670	278,670
Total capital outlay	-	700,000	978,670	278,670
Total expenditures	414,670,239	446,463,226	400,239,024	(46,221,496)
Excess (Deficiency) of revenues over (under) expenditures	25,687,195	15,376,637	41,660,519	26,281,176
Other financing sources (uses):				
Transfers	(24,770,874)	(25,555,653)	(23,920,395)	1,635,258
Sale of assets	-	-	249,731	249,731
Total other financing sources (uses)	(24,770,874)	(25,555,653)	(23,670,664)	1,884,989
Net change in fund balances	916,321	(10,179,016)	17,989,855	28,166,165
Fund balances - beginning	115,594,910	115,594,910	115,594,910	-
Fund balances - ending	\$ 116,511,231	\$ 105,415,894	\$ 133,584,765	\$ 28,166,165

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

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity – The Board of Education (Board), comprised of seven elected individuals, is the primary governing authority of the District. As required by GAAP, these financial statements present the District and its component units, the Nebo Education Foundation and the Local Building Authority of Nebo School District, for which the District is considered to be financially accountable. Although legally separate entities, blended component units are, in substance, part of the District's operations.

- The Nebo Education Foundation (Foundation) is a nonprofit organization incorporated in the State of Utah and organized under Section 501 of the Internal Revenue Code and classified as a Section 501(c)(3) public charity and acts as a conduit for tax-deductible donations to the District. Even though the Foundation is legally separate, it is reported as if it were part of the District as the Foundation exclusively serves the District. The Foundation is presented as a special revenue fund of the District and does not issue separate financial statements.
- The Local Building Authority of Nebo School District (Local Building Authority) is a legally separate organization for which the District is considered financially accountable. The Local Building Authority's Board of Trustees is comprised of the District's Board members. The Local Building Authority provides financing services solely to the District. The District is obligated for the debt of the Local Building Authority and all outstanding debt of the Local Building Authority is expected to be repaid with resources of the District. The District pays for all the operating costs of the Local Building Authority. The Local Building Authority is reported within the governmental funds of the District.

The District is not a component unit of any other primary government.

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

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

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

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

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

The District reports the following major governmental funds:

- General Fund – The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- Debt Service Fund – The *Debt Service Fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building and refunding bonds.
- Capital Projects Fund – The *Capital Projects Fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for students within the District.

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

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

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

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

Budgetary Data – Budgets are presented on the modified accrual basis of accounting for all governmental funds except the *Nebo Education Foundation Fund* as no budget is adopted on a District level for that fund. All annual appropriations lapse at fiscal year end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- During June of each year, the District Superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30.
- The proposed budget is made available for public inspection and review by District patrons before the public hearing which is held prior to June 30 of each year.
- After consideration of the proposed budget and after obtaining patron input during the public hearing the budget is legally adopted by resolution of the Board. If the District proposed property tax rate exceeds the certified tax rate the property tax rates are adopted in August when necessary property tax data is available.
- Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the Superintendent, can approve reductions in appropriations but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah State Law, interim adjustments may be made by administrative transfer of funds from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 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.

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

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

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

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

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

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

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

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

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

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

Compensated Absences – The District follows GASB Statement No. 101, *Compensated Absences*. Under terms of employee agreements, employees earn personal leave and sick leave in amounts varying with tenure and classification. In the event of termination, an employee is compensated for accumulated vacation or personal leave days to a maximum of 10 days or 30 days, depending on classification. Earned sick leave benefits are not capped and employees who have been employed by the District for 10 years or more are, upon termination, compensated for up to 20% of their accumulated sick leave days.

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

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

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

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

Leases – The District follows GASB Statement No. 87, *Leases*. The District is a lessee for a noncancelable lease of equipment. The District recognizes a lease liability and a lease asset at the commencement of the lease term. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The District reduces the lease liability as payments are made and recognizes an outflow of resources for interest on the liability. The District amortizes the lease asset using the straight-line method and amortizes over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgements include how the District determines a) the discount rate it uses to discount the expected lease payments to present value, b) lease term, and c) lease receipts. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, The District uses its estimated incremental borrowing rate as the discount rate for the leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease asset and liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in the circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease asset and liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Subscription-Based Information Technology Arrangements – The District follows GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. The standard establishes requirements for SBITA accounting based on the principles that subscriptions meeting the requirements are financings of the right to use an underlying information technology (IT) asset. For transactions that qualify as a SBITA under GASB Statement No. 96, the District would be required to recognize a SBITA liability and an intangible right-to-use IT asset. The District evaluated all potential SBITAs and determined none met the requirements to be reported for the year ended June 30, 2025.

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

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

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

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The item *property taxes levied for future year* relates to property taxes levied on January 1, 2024 for the 2024-2025 school year. The item *deferred inflows relating to pensions* includes the differences between expected and actual experience and changes of assumptions in the measurement of the net pension liability/asset.

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

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

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

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

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
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- **Nonspendable** – This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories and prepaid expenditures are classified as nonspendable.
- **Restricted** – This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include unspent revenue for specific purposes, remaining fund balances in the *Child Nutrition Fund*, and funds held in the *Nebo Education Foundation Fund*.
- **Committed** – This category includes amounts that can only be used for specific purposes established by formal action of the Board. Fund balance commitments can only be removed or changed by the same type of action (for example, a resolution) of the Board. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board has approved to commit fund balance amounts for economic stabilization. As defined in Utah law, the District may maintain an “undistributed reserve” for economic stabilization up to 5% of the current fiscal year’s total *General Fund* budgeted revenues. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). As defined by Utah law, the commitment is not to be used in the negotiation or settlement of contract salaries for District employees.
- **Assigned** – This category includes *General Fund* balance amounts that the District intends to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by written approval of the District’s management. This category also includes the remaining positive fund balance for other governmental funds. The District has assigned *General Fund* resources that are to be used for employee salary and benefit obligations, school textbooks and supplies allocations, new school start-up needs, and other unrestricted District and school programs. Resources held by schools in the other governmental funds are also assigned.
- **Unassigned** – Residual balances in the *General Fund* are classified as unassigned.

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

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NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

2. DEPOSITS AND INVESTMENTS

Deposits and investments of the District at June 30, 2025, are summarized below:

Carrying amount of deposits	\$ 20,625,234
Carrying amount of investments	300,550,400
Total deposits and investments	<u>\$ 321,175,634</u>
Cash and investments, major governmental funds, balance sheet	\$ 294,171,630
Cash and investments, nonmajor governmental funds, balance sheet	<u>27,004,004</u>
Cash and investments, governmental activities, statement of net assets	<u>\$ 321,175,634</u>

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

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

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

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

Statutes authorize the District to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

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

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

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

- *Level 1:* Valuations based on quoted prices in active markets for identical assets or liabilities that the District has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail any significant degree of judgment. Securities classified as Level 1 inputs include U.S. Government securities and certain other U.S. Agency and sovereign governmental obligations.
- *Level 2:* Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include corporate and municipal bonds, and "brokered" or securitized certificates of deposits.
- *Level 3:* Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At June 30, 2025 the District had the following recurring fair value measurements:

Investments by fair value level	Fair Value	Fair Value Measurement		
		Level 1	Level 2	Level 3
Agency	\$ 6,638,777	\$ 6,638,777	\$ -	\$ -
Certificates of Deposit	23,416,247	-	23,416,247	-
Corporate Bonds	17,376,608	-	17,376,608	-
Currency	1,304	1,304	-	-
Money Market	300,508	300,508	-	-
U.S. Government	5,356,424	5,356,424	-	-
Utah Public Treasurers' Investment Fund	247,460,532	-	247,460,532	-
Total investments measured at fair value	<u>\$ 300,550,400</u>	<u>\$ 12,297,013</u>	<u>\$ 288,253,387</u>	<u>\$ -</u>

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
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Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

For securities that generally have market prices from multiple sources, it can be difficult to select the best individual price, and the best source one day may not be the best source on the following day. The solution is to report a “consensus price” or a weighted average price for each security. The District receives market prices for these securities from a variety of industry standard data providers (e.g., Bloomberg), security master files from large financial institutions, and other third-party sources. Through the help of an investment advisor, the District uses these multiple prices as inputs into a distribution-curve based algorithm to determine the daily market value.

Debt and equity securities classified in Level 2 are valued using the following approaches:

- Corporate and Municipal Bonds and Commercial Paper – quoted prices for similar securities in active markets.
- Utah Public Treasurers’ Investment Fund – application of the June 30, 2025 fair value factor, as calculated by the Utah State Treasurer, to the District’s average daily balance in the Fund.

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

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

As of June 30, 2025 the District’s investments had the following maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Utah Public Treasurers’ Investment Fund	\$ 247,460,532	\$ 247,460,532	\$ -	\$ -	\$ -
Moreton Asset Management	53,089,868	12,119,397	40,970,471	-	-
Total investments	<u>\$ 300,550,400</u>	<u>\$ 259,579,929</u>	<u>\$ 40,970,471</u>	<u>\$ -</u>	<u>\$ -</u>

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

As of June 30, 2025 the District's investments had the following quality ratings:

Investment	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Utah Public Treasurers'					
Investment Fund	\$ 247,460,532	\$ -	\$ -	\$ -	\$ 247,460,532
Moreton Asset					
Management	53,089,868	12,585,209	5,713,066	14,783,306	20,008,287
Total investments	<u>\$ 300,550,400</u>	<u>\$ 12,585,209</u>	<u>\$ 5,713,066</u>	<u>\$ 14,783,306</u>	<u>\$ 267,468,819</u>

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy for reducing this risk of loss is to comply with the rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

At June 30, 2025 Nebo School District did not hold more than 5% of total investments in any single security concentration other than U.S. Government Treasuries and Agencies.

Custodial credit risk is the risk that in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's policy for managing this risk is to comply with the Act and related rules. The District places no other limit on the amount of investments to be held by counterparties. The Act requires public treasurers to have custody of all securities purchased or held or deposit these securities with a bank or trust company to be held in safekeeping by that custodian. All investments other than bank deposits or funds invested in the PTIF are to be held by a third party with securities delivered on a delivery versus purchase basis. As of June 30, 2025, the District safe kept all investments with a custodian counterparty and all investments held by the counterparty's trust department or agent are registered in the District's name.

The District's carrying amount of bank deposits at June 30, 2025 was \$20,625,234 and the bank balance was \$26,110,376. Of the bank balance, \$1,394,080 was covered by federal depository insurance and \$24,716,296 was uninsured. No deposits are collateralized, nor are they required to be by state statute.

3. PROPERTY TAXES

The property tax revenue of the District is collected and distributed by the Utah County Treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The Utah County Assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the Utah County Auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the Utah County Board of Equalization between August 1 and August 15 for a revision of the

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

assessed value. The Utah County Auditor makes approved changes in assessed value by November 1 and on this same date is to deliver the completed assessment rolls to the Utah County Treasurer. Tax notices are mailed with a payment due date of November 30. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%. The interest rate period is from January 1 until the date paid.

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

As of June 30, 2025, property taxes receivable by the District include uncollected taxes assessed as of January 1, 2025 or earlier. Taxes levied on January 1, 2025 for the next year are reported as deferred inflows of resources. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period. If they are not collected after this time, the Utah County Treasurer may force the sale of property to collect the delinquent portion.

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NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 78,635,883	\$ 374,355	\$ -	\$ 79,010,238
Construction in progress	275,630,751	123,757,669	-	399,388,420
Water stock	59,991	-	-	59,991
Total capital assets, not being depreciated	354,326,625	124,132,024	-	478,458,649
Capital assets, being depreciated				
Buildings and improvements	717,726,858	4,827,814	-	722,554,672
Furniture and equipment	62,144,780	4,579,075	(480,311)	66,243,544
Leased assets	2,580,436	1,047,243	(514,748)	3,112,931
Total capital assets, being depreciated	782,452,074	10,454,132	(995,059)	791,911,147
Accumulated depreciation				
Buildings and improvements	(318,990,127)	(15,949,896)	-	(334,940,023)
Furniture and equipment	(39,626,602)	(3,522,066)	456,114	(42,692,554)
Leased assets	(714,008)	(562,934)	256,880	(1,020,062)
Total accumulated depreciation	(359,330,737)	(20,034,896)	712,994	(378,652,639)
Total capital assets, being depreciated, net	423,121,337	(9,580,764)	(282,065)	413,258,508
Governmental activity capital assets, net	<u>\$ 777,447,962</u>	<u>\$ 114,551,260</u>	<u>\$ (282,065)</u>	<u>\$ 891,717,157</u>

For the year ended June 30, 2025 depreciation expense was charged to functions of the District as follows:

Governmental activities:	
Instructional services	\$ 13,111,087
Supporting services:	
District administration	207,154
School administration	644,312
Business	207,154
Operation and maintenance of facilities	2,062,671
Transportation	1,443,568
Central	1,314,799
Child Nutrition	1,044,151
Total depreciation expense, governmental activities	<u>\$ 20,034,896</u>

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NEBO SCHOOL DISTRICT
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June 30, 2025

At June 30, 2025 the District was involved in multi-year construction projects summarized as follows:

Project	Estimated Total Cost	Construction in Progress	Estimated Cost to Complete
Spanish Fork High School Rebuild	\$ 132,890,529	\$ 125,720,722	\$ 7,169,807
Payson High School Rebuild	154,129,495	130,453,883	23,675,612
Springville High School Rebuild	184,439,511	133,035,816	51,403,695
Landmark High School Classroom Addition	9,591,627	8,611,831	979,796
Maple Mountain High School Classroom Addition	5,970,497	562,502	5,407,995
Maple Mountain High School Physical Education Facility Addition	8,053,400	491,331	7,562,069
Salem Hills High School Physical Education Facility Addition	9,437,040	512,335	8,924,705
Total	<u>\$ 504,512,099</u>	<u>\$ 399,388,420</u>	<u>\$ 105,123,679</u>

The District has a fund balance in the *Capital Projects Fund* sufficient to pay a portion of the remaining costs of the projects. Funding for the remainder of the projects will be provided by additional revenues expected in the *Capital Projects Fund* and issuance of general obligation bonds as authorized by a vote of District patrons on November 6, 2018.

5. RETIREMENT AND PENSION PLANS

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

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

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

- **Public Employees Noncontributory Retirement System (Noncontributory Plan)** – The District is required to contribute 21.69% of their Noncontributory Plan members' annual covered salary. The District's contributions to the Noncontributory Plan for the years ending June 30, 2025, 2024, and 2023 were \$23,364,934, \$24,467,913, and \$22,624,069, respectively.

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- Public Employees Contributory Retirement System (Contributory Plan) – Members in the Contributory Plan are required to contribute 6.00% of their annual covered salary (all of part may be paid by the employer for the employee) and the District is required to contribute 17.70% of their members' annual covered salary. The District's contributions to the Contributory Plan for the years ending June 30, 2025, 2024, and 2023 were \$0, \$0, and \$4,562, respectively.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Plan) – This became effective July 1, 2011 for all eligible employees beginning service on or after July 1, 2011 who have no previous service credit with the Noncontributory Plan or the Contributory Plan. The District is required to contribute 19.52% of their Tier 2 Plan members' annual covered salary. The District's contributions to the Tier 2 Plan for the years ending June 30, 2025, 2024, and 2023 were \$15,938,324, \$15,230,273, and \$12,486,078, respectively.

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

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

(1) with actuarial reductions.

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

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NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

The District follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. That Statement requires the District to disclose in its government-wide financial statements its proportionate share of the net pension liability (NPL), net pension asset (NPA), and the deferred outflows and inflows of resources relating to the Plans. The District's portion of the URS NPL and NPA at June 30, 2025 is as follows:

Plan	URS Total NPL / (NPA)	District's Proportionate Share	District NPL / (NPA)
Noncontributory	\$ 2,262,121,013	4.1140945%	\$ 93,065,795
Contributory	-	0.0000000%	-
Tier 2	298,238,932	2.7468483%	8,192,171
Other	579,172,332	0.0000000%	-
Total	<u>\$ 3,139,532,277</u>		<u>\$ 101,257,966</u>

The amounts shown as the URS NPL and NPA and the District's proportionate share were obtained from the URS's publicly available annual comprehensive financial report (URS ACFR) for the year ended December 31, 2024 which included an unmodified audit opinion from their external auditors regarding the financial statements and the schedules of allocations and pension amounts which were based on an actuarial valuation as of January 1, 2024 and rolled forward using generally accepted actuarial procedures.

The actuarial assumptions included inflation at 2.50%, average salary increases of between 3.50% and 9.50%, including inflation, and investment rate of return of 6.85%, net of pension plan investment expense, including inflation. Mortality rates for retired educators were developed from actual experience, based on gender, occupation, and age, as appropriate. 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.

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NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

The long-term expected rate of return on defined benefit pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the future real rates of return by the target asset allocation percentage and by adding expected inflation. The 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 Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35.00%	7.01%	2.45%
Debt securities	20.00%	2.54%	0.51%
Real assets	18.00%	5.45%	0.98%
Private equity	12.00%	10.05%	1.21%
Absolute return	15.00%	4.36%	0.65%
Cash and cash equivalents	0.00%	0.49%	0.00%
	<u>100.00%</u>		5.80%
		Inflation	2.50%
		Expected arithmetic nominal return	<u>8.30%</u>

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.35% that is net of investment expense. 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, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of the net pension liability (or net pension asset) calculated using the discount rate of 6.85%, as well as what the District's proportionate share of the net pension liability (or net pension 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:

	1.00% Decrease (5.85%)	Discount Rate (6.85%)	1.00% Increase (7.85%)
District's proportionate share of net pension liability	\$ 263,114,556	\$ 101,257,966	\$ (33,566,461)

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Based on the URS ACFR and actuarial valuation, the District recognized pension expense of \$48,653,795 and deferred outflows and inflows of resources related to pensions for the year ended June 30, 2025 as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,287,791	\$ 56,437
Changes in assumptions	5,958,516	845
Net difference between projected and actual earnings on investments	14,573,058	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,553,170	111,716
Contributions subsequent to the measurement date	21,349,093	-
	<u>\$ 69,721,628</u>	<u>\$ 168,998</u>

The \$21,349,093 reported as deferred outflows of resources relating to pensions results from District contributions subsequent to the measurement date 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 relating to pensions will be recognized in pension expense as follows:

Year Ending June 30	Deferred Outflows (Inflows) of Resources
2025	\$ 21,465,712
2026	27,768,273
2027	(4,903,516)
2028	(223,478)
2029	1,826,713
Thereafter	2,269,833

Defined Contribution Plans – The District participates in defined contribution plans through URS under Internal Revenue Code Section 401(k) and through Empower, a third-party vendor, under Internal Revenue Code Section 403(b). Both plans are to supplement retirement benefits accrued by participants in the Plans.

Those eligible for the 401(k) defined contribution plan through URS are employees covered by the URS Noncontributory Plan and Contributory Plan. These employees have a contribution of 1.5% of covered salaries made by the District to their individual 401(k) accounts. The District contributions for the years ended June 30, 2025, 2024, and 2023 were \$3,234,691, \$3,430,988, and \$2,778,233, respectively. The 401(k) plan funds are administered and held by URS and are fully vested to the participants at the time of deposit.

The 403(b) defined contribution plan (403(b) Benefit Plan) was implemented by the District on September 1, 2021. Those potentially eligible for the 403(b) Benefit Plan are employees whose most recent hire date with the District was on or after July 1, 2011 or who are not and never will be potentially eligible for the District's Early Retirement Incentive Plans (as more fully described in Note 5 of these basic financial statements). Under the 403(b) Benefit Plan, the District contributes up to \$1,000 annually to qualifying employee individual 403(b) accounts. District contributions vest following a 3-year cliff schedule and as such, employees are 100% vested in District contributions after completion of three years of District service. All current employees

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

are eligible to contribute their own employee contributions regardless of whether or not they are eligible for District contributions and employees vest in their own contributions immediately. District contributions are accounted for as a benefit expenditure in the fiscal year in which they are paid and by the fund in which the employee works. The District contributions for the year ended June 30, 2025, 2024, and 2023 were \$1,635,274, \$1,765,387, and \$1,620,563, respectively.

Upon District retirement, an eligible and approved employee may use funds, including those they contributed to and accumulated in the 403(b) Benefit Plan, to purchase, at their own expense, medical insurance coverage under the District's then-in-effect medical insurance plan at 100% of the District cost of the insurance premium for up to five years or until the employee becomes eligible for Medicare benefits, whichever comes first. If after five years of coverage the retiree is not eligible for Medicare benefits, the retiree may continue to purchase, at their own expense and at a rate set by the Board, medical insurance coverage under the District's then-in-effect medical insurance plan until the retiree becomes eligible for Medicare. In general, to be eligible to purchase medical insurance coverage through the District an employee must have been eligible for District contributions to the 403(b) Benefit Plan, complete at least fifteen consecutive years of service in the District, be employed by the District for each of the five years immediately preceding retirement, retire in good standing from District service, be eligible to and, in fact, retire from the URS within 45 days of retirement from District service, be eligible for medical insurance benefits with the District at the time of District retirement, have been eligible for medical insurance benefits with the District during each of the five years immediately preceding District retirement, and not be eligible for Medicare benefits.

Voluntary Contribution Plans – The District allows its employees to voluntarily contribute to a variety of deferred compensation and other investment plans. The majority of employees utilize the 401(k), 457, Traditional IRA, and Roth IRA plans administered and held by URS. Employee contributions to URS 401(k) plans for the years ending June 30, 2025, 2024, and 2023 were \$2,715,179, \$2,564,228, and \$2,283,242, respectively. Employee contributions to URS 457 plans for the years ending June 30, 2025, 2024, and 2023 were \$292,032, \$289,672, and \$220,758, respectively. Employee contributions to URS Traditional IRA plans for the years ending June 30, 2025, 2024, and 2023 were \$25,475, \$26,485, and \$16,680, respectively. Employee contributions to URS Roth IRA plans for the years ending June 30, 2025, 2024, and 2023, were \$614,540, \$587,684, and \$509,679, respectively.

Early Retirement Incentive Plans – The District introduced two early retirement incentive plan options on June 10, 2015, and a third plan option on December 1, 2020. Early Incentive Plan Option 1 (ERIP Option 1) has been in effect since July 1, 2015, Early Incentive Plan Option 2 (ERIP Option 2) has been in effect since July 1, 2017, and Early Incentive Plan Option 3 (ERIP Option 3) has been in effect since December 1, 2020.

To be eligible under ERIP Option 1, employees must have commenced their initial period of employment with the District prior to July 1, 2006, complete at least fifteen consecutive years of service in the District, be employed by the District for each of the five years immediately preceding retirement, retire in good standing from District service, and be eligible to and, in fact, retire under the URS within 45 days of retirement from District service. In addition, to be eligible for the Medicare bridge component, as more fully described below, an employee must be eligible for medical insurance benefits with the District at the time of retirement and for each of the five years immediately preceding retirement. Furthermore, all persons initially employed prior to July 1, 2006 must have been an employee of the District on January 9, 2013 and must have had at least some years of service credit with URS on December 1, 2014 to be potentially eligible. Any such persons employed by the District on January 9, 2013 who leave employment with the District for any reason except for an authorized and approved leave of absence prior to being eligible for the ERIP Option 1 is deemed to

NEBO SCHOOL DISTRICT
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June 30, 2025

have forfeited all rights to the ERIP Option 1 regardless of whether they are subsequently re-employed by the District.

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

To be eligible under ERIP Option 2, employees must have commenced their initial period of employment with the District prior to July 1, 2006, complete at least fifteen consecutive years of service in the District, be employed by the District for each of the five years immediately preceding retirement, retire in good standing from District service, be eligible to and, in fact, retire under the URS within 45 days of retirement from District service, be eligible for medical insurance benefits with the District at the time of retirement, and have been eligible for medical insurance benefits with the District during each of the five years immediately preceding retirement. In addition, all persons initially employed prior to July 1, 2006 must have been an employee of the District on January 9, 2013 and must have had at least some years of service credit with URS on December 1, 2014 to be potentially eligible. Any such persons employed by the District on January 9, 2013 who leave employment with the District for any reason except for an authorized and approved leave of absence prior to being eligible for the ERIP Option 2 are deemed to have forfeited all rights to the ERIP Option 2 regardless of whether they are subsequently re-employed by the District.

The ERIP Option 2 is comprised of two components: (a) the base compensation; and (b) the Social Security bridge. The base compensation payment is calculated as 3.0% multiplied by the employee's years of service credit in URS, up to a maximum of 30, multiplied by the employee's base annual contract amount with the District. The amount of the Social Security bridge payment is 10% of the employee's base annual contract amount with the District for up to five years or until the employee becomes eligible for full Social Security benefits, whichever comes first. The payments for both the base compensation and Social Security bridge are paid annually over a period of five years. An employee who receives benefits under ERIP Option 2 is not eligible to purchase medical insurance coverage through the District after retirement.

To be eligible under ERIP Option 3, employees must have commenced their initial period of employment with the District prior to July 1, 2011, complete at least fifteen consecutive years of service in the District, be employed by the District for each of the five years immediately preceding retirement, retire in good standing from District service, and be eligible to and, in fact, retire from URS within 45 days of retirement from District service. In addition, to be eligible to purchase medical insurance through the District subsequent to retirement an employee must be eligible for medical insurance benefits with the District at the time of retirement and for each of the five years immediately preceding retirement. Furthermore, all persons initially employed prior to July 1, 2011 must have been an employee of the District on January 9, 2013 and must have had at least some years of service credit with URS on December 1, 2014 to be potentially eligible. Any such persons

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Notes to Basic Financial Statements
June 30, 2025

employed by the District on January 9, 2013 who leave employment with the District for any reason except for an authorized and approved leave of absence prior to being eligible for the ERIP Option 3 is deemed to have forfeited all rights to the ERIP Option 3 regardless of whether they are subsequently re-employed by the District.

The ERIP Option 3 is comprised of two components: (a) the base compensation; and (b) the Social Security bridge. The base compensation payment is calculated as 1.5% multiplied by the employee's years of service credit in URS, up to a maximum of 30, multiplied by the employee's base annual contract amount with the District. The amount of the Social Security bridge payment is 10% of the employee's base annual contract amount with the District for up to five years or until the employee becomes eligible for full Social Security benefits, whichever comes first. The payments for both the base compensation and Social Security bridge are paid annually over a period of five years. An eligible retiree may purchase, at their own expense, medical insurance coverage through the District until the retiree becomes eligible for Medicare at 100% of the District cost for up to five years after retirement and thereafter at a rate set annually by the Board which is currently 125% of the District's cost.

Projections of the ERIP Option 1, ERIP Option 2, and ERIP Option 3 benefits for financial reporting purposes are based on substantive agreements between the District and its eligible employees. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in the actuarial accrued liability, consistent with the long-term perspective of the calculations. The base compensation and Social Security bridge components for both ERIP Option 1, ERIP Option 2, and ERIP Option 3 are accounted for as a pension liability under GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68*, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68. The Medicare bridge component of ERIP Option 1 and the option allowing retirees to purchase medical insurance component of ERIP Option 3 are accounted for as a pension liability under GASB Statements No. 74, *Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans*, and No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The most recent actuarial valuation for the base compensation and Social Security bridge components for ERIP Option 1, ERIP Option 2, and ERIP Option 3 was as of June 30, 2025 and the total other post-employee benefit (OPEB) liability was calculated as \$28,949,891, and is recorded as a long-term liability on the Statement of Net Position. The valuation used a discount rate of 5.20% based on the Bond Buyer General Obligation 20-Bond Municipal Index, the Entry Age Normal actuarial cost method, inflation at 2.30%, and salary merit scale as used in the actuarial valuation of URS OPEB plans.

The following presents the District's total OPEB liability for the base compensation and Social Security bridge components for ERIP Option 1, ERIP Option 2, and ERIP Option 3 calculated using the discount rate of 5.20%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1.00% Decrease (4.20%)	Discount Rate (5.20%)	1.00% Increase (6.20%)
Total OPEB liability	\$ 30,503,851	\$ 28,949,891	\$ 27,440,585

NEBO SCHOOL DISTRICT
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The most recent actuarial valuation for the Medicare bridge component of ERIP Option 1 and the option allowing retirees to purchase medical insurance component of ERIP Option 3 was as of June 30, 2025 and the total OPEB liability was calculated as \$24,020,529 and is recorded as a long-term liability on the Statement of Net Position. The valuation used a discount rate of 4.20% based on the Bond Buyer General Obligation 20-Bond Municipal Index, the Entry Age Normal actuarial cost method, inflation at 2.30%, salary merit scale as used in the actuarial valuation of URS OPEB plans, depending on years of service, and medical trend information derived from the 'Getzen Model' published by the Society of Actuaries.

The following presents the District's total OPEB liability for the Medicare bridge component of ERIP Option 1 and the option allowing retirees to purchase medical insurance component of ERIP Option 3 calculated using the discount rate of 5.20%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1.00% Decrease (4.20%)	Discount Rate (5.20%)	1.00% Increase (6.20%)
Total OPEB liability	\$ 24,931,020	\$ 24,020,529	\$ 23,109,978

The following presents the District's total OPEB liability for the Medicare bridge component of ERIP Option 1 and the option allowing retirees to purchase medical insurance component of ERIP Option 3 calculated using the current healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

	1.00% Decrease	Discount Rate	1.00% Increase
Total OPEB liability	\$ 22,478,026	\$ 24,020,529	\$ 25,690,648

Payments to retirees and related health plans under ERIP Option 1, ERIP Option 2, and ERIP Option 3 for the years ended June 30, 2025, 2024, and 2023, were \$3,453,106, \$3,250,776, and \$2,884,624, respectively. Although the District finances the obligations for ERIP Option 1, and ERIP Option 2, and ERIP Option 3 on a pay-as-you-go basis, it has assigned \$5,000,000 of its *General Fund* balance for this purpose.

6. RISK MANAGEMENT

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

The District also participates in the Utah School Boards Risk Management Mutual Insurance Association which is a risk pool for worker's compensation coverage. Unemployment compensation is handled on a cost

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

of benefits reimbursement basis with the State of Utah. The District has purchased commercial insurance for other risks of loss including employee health and accident insurance, cyber incidents, and identity theft.

7. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Noncurrent Liabilities Due Within One Year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 245,425,000	\$ 13,980,000	\$ (35,605,000)	\$ 223,800,000	\$ 34,340,000
Lease revenue bonds	120,890,000	-	(6,755,000)	114,135,000	7,090,000
Deferred amounts on issuance premium	44,797,086	1,374,686	(4,470,365)	41,701,407	-
Deferred amounts on refunding	(728,157)	-	392,655	(335,502)	-
Total bonds payable, net	410,383,929	15,354,686	(46,437,710)	379,300,905	41,430,000
Lease obligations	1,819,251	1,047,243	(782,720)	2,083,774	572,415
Leave benefits payable	8,735,659	11,826,457	(7,862,093)	12,700,023	11,430,021
Early retirement incentive payments payable	31,634,479	524,372	(3,208,960)	28,949,891	3,725,208
Early retirement health insurance payable	23,703,612	697,277	(380,360)	24,020,529	462,349
 Total governmental activities long-term liabilities	<u>\$ 476,276,930</u>	<u>\$ 29,450,035</u>	<u>\$ (58,671,843)</u>	<u>\$ 447,055,122</u>	<u>\$ 57,619,993</u>

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

General Obligation Bonds – General obligation bonds are direct obligations and pledge the full faith and credit of taxpayers of the District under the provisions of the Local Government Bonding Act (*Utah Code* 11-14) and as such are rated AAA. In addition, as of the date of this report, the District has an underlying rating of AAA from Fitch Ratings and an underlying rating of Aa1 and an enhanced rating of Aaa from Moody's Investors Service.

In the event of District default on general obligation bond payments, the Local Government Bonding Act and the School District Bond Guaranty (*Utah Code* 53G-4) entitle bondholders to receive payment of amounts due on the bonds from the State of Utah. The ultimate liability for payment of the bonds remains with the District. To reimburse the State for any payments made to bondholders pursuant to the State's guaranty, the State could withhold state funding, draw on District resources that are legally available (such as unrestricted fund balances), compel the District to levy taxes, and/or impose financial penalties on the District.

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

The District issues general obligation bonds to finance the purchase, acquisition, and/or construction of major capital assets. Outstanding general obligation bonds at June 30, 2025 are as follows:

Series	Dated	Original Amount	Rates	Maturity Date	Balance
Series 2024	August 28, 2024	\$ 13,980,000	2.00% to 5.00%	July 1, 2028	\$ 11,015,000
Series 2023	August 23, 2023	70,085,000	2.00% to 5.00%	July 1, 2033	49,290,000
Series 2022	August 24, 2022	100,500,000	2.00% to 5.00%	July 1, 2037	83,000,000
Series 2021	August 25, 2021	38,030,000	2.00% to 5.00%	July 1, 2036	13,490,000
Series 2020	August 26, 2020	20,000,000	1.00% to 4.00%	July 1, 2035	13,820,000
Series 2019	August 28, 2019	59,415,000	2.00% to 5.00%	July 1, 2034	35,050,000
Series 2017C	December 5, 2017	37,455,000	2.00% to 5.00%	July 1, 2026	2,995,000
Series 2017B	August 22, 2017	10,000,000	2.13% to 5.00%	July 1, 2032	3,395,000
Series 2015	August 18, 2015	19,260,000	3.00% to 5.00%	July 1, 2030	1,050,000
Series 2014C	October 22, 2014	20,000,000	2.00% to 5.00%	July 1, 2029	3,620,000
Series 2014B	March 25, 2014	15,000,000	2.00% to 5.00%	July 1, 2028	7,075,000
Total outstanding general obligation bonds payable					<u><u>\$ 223,800,000</u></u>

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

Year Ending June 30	Principal	Interest	Total
2026	\$ 34,340,000	\$ 9,549,138	\$ 43,889,138
2027	34,735,000	7,911,063	42,646,063
2028	36,540,000	6,241,113	42,781,113
2029	13,890,000	4,504,232	18,394,232
2030	13,160,000	3,857,244	17,017,244
2031-2037	91,135,000	11,274,346	102,409,346
Totals	<u><u>\$ 223,800,000</u></u>	<u><u>\$ 43,337,136</u></u>	<u><u>\$ 267,137,136</u></u>

On August 28, 2024 the District issued \$13,980,000 of Series 2024 General Obligation School Building Bonds. The total amount issued was authorized at a bond election on November 6, 2018 for the purpose of raising money for purchasing one or more school sites, constructing buildings, and improving existing school property under the charge of the Board.

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NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

Legal Debt Limit – The general obligation indebtedness of the District is limited by Utah State Law to 4.0% of the fair market value of the total taxable property in the District. The legal debt limit and additional debt incurring capacity of the District, based on estimated fair market values for the calendar year 2024 is calculated as follows:

2024 Fair market value of properties within District (1)	\$ 30,969,983,375
Utah State Law debt limit	4.0%
Legal debt limit	1,238,799,335
Less general obligation debt outstanding, net of deferred amounts	(265,165,905)
Additional debt incurring capacity	<u>\$ 973,633,430</u>

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

Lease Revenue Bonds – Lease revenue bonds are obligations of the Local Building Authority for which the District is considered to be financially accountable. As of the date of this report, the Local Building Authority has a rating of AA+ from Fitch Ratings and Aa2 from Moody's Investors Service.

The District issues lease revenue bonds to finance the purchase, acquisition, and/or construction of major capital assets. Outstanding lease revenue bonds at June 30, 2025 are as follows:

Series	Dated	Original Amount	Rates	Maturity Date	Balance
Series 2023	March 9, 2023	\$ 97,075,000	2.00% to 5.00%	July 1, 2038	\$ 87,850,000
Series 2020	May 12, 2020	35,340,000	2.00% to 5.00%	July 1, 2035	26,285,000
Total outstanding lease revenue bonds payable					<u>\$ 114,135,000</u>

Projects financed through the issuance of lease revenue bonds are pledged as collateral until the debt is repaid. The Local Building Authority issued lease revenue bonds to construct Spring Canyon Middle School and a major portion of the rebuild of Payson High School. Interest on the bonds are payable semi-annually and annual requirements to amortize the lease revenue bonds outstanding are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 7,090,000	\$ 5,416,838	\$ 12,506,838
2027	7,440,000	5,062,338	12,502,338
2028	7,820,000	4,690,338	12,510,338
2029	8,205,000	4,299,336	12,504,336
2030	8,620,000	3,889,088	12,509,088
2031-2038	74,960,000	15,623,612	90,583,612
Totals	<u>\$ 114,135,000</u>	<u>\$ 38,981,550</u>	<u>\$ 153,116,550</u>

Lease Obligations – The District entered into a lessee agreement with a third-party vendor to supply and maintain its vehicle fleet. The term of each individual vehicle lease is not to exceed five years. As of June 30, 2025, the liability, which is measured at the present value of payments expected to be made during the lease term, was \$2,083,774.

NEBO SCHOOL DISTRICT
Notes to Basic Financial Statements
June 30, 2025

The annual requirements to amortize the lease liability outstanding as of June 30, 2025, including interest payments, are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 572,415	\$ 139,800	\$ 712,215
2027	517,993	133,175	651,168
2028	391,801	99,942	491,743
2029	324,747	79,555	404,302
2030-2038	133,576	18,714	152,290
Totals	<u>\$ 1,940,532</u>	<u>\$ 471,186</u>	<u>\$ 2,411,718</u>

8. GRANTS

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

9. BUDGET CONVERSION

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

10. SUBSEQUENT EVENT

Issuance of Bonds – On August 27, 2025 the District issued Series 2025 General Obligation School Building Bonds in the amount of \$10,000,000. The total amount issued was authorized at a bond election on November 6, 2018 for the purpose of paying all or a portion of the costs to construct or purchase buildings, or purchase school sites, or furnish schools or improve existing school property under the charge of the Board.

REQUIRED SUPPLEMENTARY INFORMATION

NEBO SCHOOL DISTRICT
Required Supplementary Information
Last 10 Valuation Dates

Utah Retirement Systems
Schedule of Proportionate Share of Net Pension Liability

	December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Non-Contributory Plan:										
Share of the net pension liability (asset)	4.1140945%	4.0451160%	3.9463800%	3.9453125%	3.8332080%	3.7948422%	3.4331375%	3.4582051%	3.3590183%	3.3321593%
Share of the net pension liability (asset)	\$ 93,065,795	\$ 82,883,871	\$ 85,589,355	\$ (26,956,123)	\$ 51,101,333	\$ 84,310,079	\$ 127,730,469	\$ 84,565,640	\$ 108,862,992	\$ 104,672,666
Covered employee payroll	\$ 113,409,886	\$ 107,161,269	\$ 101,466,024	\$ 100,603,042	\$ 96,333,550	\$ 93,902,623	\$ 90,467,980	\$ 91,022,609	\$ 90,337,715	\$ 89,442,920
Share of the net pension liability (asset) as a percentage of its covered employee payroll	82.06%	77.34%	84.35%	-26.79%	53.05%	89.78%	141.19%	92.91%	120.51%	117.03%
Net position as a percentage of the total pension liability	92.13%	92.49%	91.60%	102.70%	94.30%	90.10%	84.10%	89.20%	84.90%	84.50%
Contributory Plan:										
Share of the net pension liability (asset)	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.1868411%	0.2742856%	0.2223368%	0.1814883%
Share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,658	\$ 18,049	\$ 121,831	\$ 113,730
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,261	\$ 62,408	\$ 59,601	\$ 57,491
Share of the net pension liability (asset) as a percentage of its covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	365.84%	28.92%	204.41%	197.82%
Net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	91.40%	99.20%	93.40%	92.40%
Tier 2 Plan:										
Share of the net pension liability (asset)	2.7468483%	2.6876677%	2.6129349%	2.6068634%	2.5326027%	2.5973543%	2.6948295%	2.6741210%	2.4545353%	2.4990808%
Share of the net pension liability (asset)	\$ 8,192,171	\$ 5,231,226	\$ 2,845,208	\$ (1,103,321)	\$ 364,259	\$ 584,164	\$ 1,154,138	\$ 235,770	\$ 273,802	\$ (5,455)
Covered employee payroll	\$ 81,596,963	\$ 69,485,385	\$ 57,378,335	\$ 48,605,623	\$ 40,586,603	\$ 36,179,086	\$ 31,712,573	\$ 26,249,188	\$ 20,129,255	\$ 16,136,697
Share of the net pension liability (asset) as a percentage of its covered employee payroll	10.04%	7.53%	4.96%	-2.27%	0.90%	1.61%	3.64%	0.90%	1.36%	-0.03%
Net position as a percentage of the total pension liability	87.44%	89.58%	92.30%	103.80%	98.30%	96.50%	90.80%	97.40%	95.10%	100.20%

NEBO SCHOOL DISTRICT
Required Supplementary Information
Last 10 Fiscal Years

Utah Retirement Systems
Schedule of Contributions

		June 30,									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Non-Contributory Plan:											
Actuarial determined contributions	\$	23,364,934	\$ 24,467,913	\$ 22,624,069	\$ 21,921,872	\$ 21,617,262	\$ 20,761,663	\$ 20,362,792	\$ 19,472,884	\$ 18,678,014	\$ 19,727,115
Contributions in relation to the contractually required contributions		23,364,934	24,467,913	22,624,069	21,921,872	21,617,262	20,761,663	20,362,792	19,472,884	18,678,014	19,727,115
Contribution deficiency (excess)		-	-	-	-	-	-	-	-	-	-
Covered employee payroll		108,561,718	111,461,303	103,138,106	99,856,153	98,683,952	94,811,813	93,315,062	89,283,760	85,630,840	90,440,131
Contributions as a percentage of covered employee payroll		21.52%	21.95%	21.94%	21.95%	21.91%	21.90%	21.82%	21.81%	21.81%	21.81%
Contributory Plan:											
Actuarial determined contributions	\$	-	\$ -	\$ 4,562	\$ -	\$ 733	\$ -	\$ 916	\$ 11,204	\$ 9,853	\$ 10,415
Contributions in relation to the contractually required contributions		-	-	4,562	-	733	-	916	11,204	9,853	10,415
Contribution deficiency (excess)		-	-	-	-	-	-	-	-	-	-
Covered employee payroll		-	-	22,994	-	3,829	-	5,173	63,300	55,664	58,900
Contributions as a percentage of covered employee payroll		0.00%	0.00%	0.00%	0.00%	19.14%	0.00%	17.71%	17.70%	17.70%	17.68%
Tier 2 Plan:											
Actuarial determined contributions	\$	15,938,324	\$ 15,230,273	\$ 12,486,078	\$ 10,087,568	\$ 8,456,939	\$ 7,237,981	\$ 6,456,916	\$ 5,489,466	\$ 3,831,628	\$ 3,390,050
Contributions in relation to the contractually required contributions		15,938,324	15,230,273	12,486,078	10,087,568	8,456,939	7,237,981	6,456,916	5,489,466	3,831,628	3,390,050
Contribution deficiency (excess)		-	-	-	-	-	-	-	-	-	-
Covered employee payroll		81,981,877	76,748,685	63,225,328	52,103,533	44,255,829	38,167,631	34,340,036	29,814,719	21,098,630	18,582,991
Contributions as a percentage of covered employee payroll		19.44%	19.84%	19.75%	19.36%	19.11%	18.96%	18.80%	18.41%	18.16%	18.24%
Tier 2 DC Only Plan:											
Actuarial determined contributions	\$	1,457,710	\$ 1,462,354	\$ 1,084,232	\$ 843,273	\$ 759,233	\$ 605,231	\$ 517,694	\$ 413,387	\$ 305,457	\$ 280,027
Contributions in relation to the contractually required contributions		1,457,710	1,462,354	1,084,232	843,273	759,233	605,231	517,694	413,387	305,457	280,027
Contribution deficiency (excess)		-	-	-	-	-	-	-	-	-	-
Covered employee payroll		15,212,912	14,529,543	10,808,325	8,372,816	7,577,172	6,032,796	5,152,491	4,114,734	3,044,603	2,794,177
Contributions as a percentage of covered employee payroll		9.58%	10.06%	10.03%	10.07%	10.02%	10.03%	10.05%	10.05%	10.03%	10.02%

NEBO SCHOOL DISTRICT
Required Supplementary Information
Last 10 Fiscal Years

Early Retirement Incentive Payments
Schedule of Changes in Total Pension Liability and Related Ratios

	June 30,									
	2025	2024	2023	2022	2021	2020 (1)	2019	2018	2017	2016
Total Pension Liability:										
Service cost	\$ 991,264	\$ 953,138	\$ 1,098,234	\$ 1,508,316	\$ 735,588	\$ -	\$ 739,957	not available	not available	not available
Interest on total pension liability	1,228,075	1,127,338	1,136,756	821,501	1,184,246	-	1,259,921	not available	not available	not available
Effect of plan changes	-	-	-	-	8,152,612	-	-	not available	not available	not available
Effect of economic/demographic gains or (losses)	-	275,239	-	(4,525,299)	(2,042,574)	-	-	not available	not available	not available
Effect of assumption changes or inputs	(1,644,821)	840,838	(199,929)	(2,973,960)	1,946,377	-	-	not available	not available	not available
Benefit payments	(3,259,106)	(2,963,254)	(2,554,760)	(2,163,793)	(1,163,401)	-	(6,686,022)	not available	not available	not available
Net changes in total pension liability	(2,684,588)	233,299	(519,699)	(7,333,235)	8,812,848	-	(4,686,144)	not available	not available	not available
Total pension liability, beginning	31,634,479	31,401,180	31,920,879	39,254,114	30,441,266	30,441,266	35,127,410	not available	not available	not available
Total pension liability, ending	28,949,891	31,634,479	31,401,180	31,920,879	39,254,114	30,441,266	30,441,266	\$ 35,127,410	not available	not available
Covered employee payroll	\$ 87,109,172	\$ 83,758,819	\$ 80,537,326	\$ 77,439,736	\$ 74,371,307	\$ 39,461,361	\$ 39,461,361	not available	not available	not available
Total pension liability as a percentage of covered payroll	33.23%	37.77%	38.99%	41.22%	52.78%	77.14%	77.14%	not available	not available	not available

(1) No actuarial valuation was performed for this year

NEBO SCHOOL DISTRICT
Required Supplementary Information
Last 10 Fiscal Years

Early Retirement Health Insurance Incentive Payments
Schedule of Changes in Total Pension Liability and Related Ratios

		June 30,									
		2025	2024	2023	2022	2021	2020 (1)	2019	2018	2017	2016
Total Pension Liability:											
Service cost	\$	688,189	\$ 661,720	\$ 970,977	\$ 940,414	\$ 527,817	\$ -	\$ 531,314	not available	not available	not available
Interest on total pension liability		957,570	873,163	840,868	467,113	741,428	-	721,283	not available	not available	not available
Effect of plan changes		-	-	-	-	-	-	-	not available	not available	not available
Effect of economic/demographic gains or (losses)		-	(1,549,875)	-	923,962	(239,090)	-	-	not available	not available	not available
Effect of assumption changes or inputs		(903,231)	670,223	(954,370)	(547,054)	2,909,539	-	-	not available	not available	not available
Benefit payments		(425,611)	(420,584)	(338,735)	(914,545)	(970,528)	-	(491,162)	not available	not available	not available
Net changes in total pension liability		316,917	234,647	518,740	869,890	2,969,166	-	761,435	not available	not available	not available
Total pension liability, beginning		23,703,612	23,468,965	22,950,225	22,080,335	19,111,169	19,111,169	18,349,734	not available	not available	not available
Total pension liability, ending		24,020,529	23,703,612	23,468,965	22,950,225	22,080,335	19,111,169	19,111,169	\$ 18,349,734	not available	not available
Covered employee payroll	\$	87,109,172	\$ 83,758,819	\$ 80,537,326	\$ 77,439,736	\$ 74,371,307	\$ 30,034,012	\$ 30,034,012	not available	not available	not available
Total pension liability as a percentage of covered payroll		27.58%	28.30%	29.14%	29.64%	29.69%	63.63%	63.63%	not available	not available	not available

(1) No actuarial valuation was performed for this year

NEBO SCHOOL DISTRICT
Notes to Required Supplementary Information
June 30, 2025

Note A. Utah Retirement Systems - Changes in Assumptions

No changes were made in actuarial assumptions from the prior year's valuation.

APPENDIX B – BOOK ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Series 2026 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2026 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2026 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026 Bond documents. For example, Beneficial Owners of the Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Board or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2026 Bond certificates will be printed and delivered to DTC.

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

APPENDIX C – CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Agreement”) is executed and delivered by the Board of Education of Nebo School District, Utah (the “Issuer”) in connection with the issuance of \$[] General Obligation School Building Bonds, (Utah School District Bond Guaranty Program) Series 2026 (the “Bonds”). The Bonds are being issued pursuant to a Resolution of the Issuer adopted on June 10, 2026 (the “Resolution”).

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

Section 1. Purpose of this Agreement. This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Issuer represents that it and the State (pursuant to the Utah School Bond Guaranty Act, Part 8, Chapter 4, Title 53G, Utah Code Annotated, 1953, as amended) will be the only obligated persons with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

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

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

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

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

“Commission” means the Securities and Exchange Commission.

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

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

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Financial Obligation” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial

Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

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

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

“State” means the State of Utah.

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

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

<u>[July 1 of the Year]</u>	<u>CUSIP Number</u>
-----------------------------	---------------------

The Final Official Statement relating to the Bonds is dated [____], 2026 (the “Final Official Statement”). The Issuer will include the CUSIP Numbers in all disclosure described in Sections 4 and 5 of this Agreement.

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

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

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

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

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

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

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

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

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

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

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of

EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

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

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

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

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

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

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

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

DATED as of [_____], 2026.

BOARD OF EDUCATION OF NEBO
SCHOOL DISTRICT, UTAH

President

ATTEST AND COUNTERSIGN:

Business Administrator

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

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

DEBT STRUCTURE

- Outstanding General Obligation Debt Issues
- Debt Service Schedule of Outstanding General Obligation Bonds
- General Obligation Overlapping Indebtedness
- Debt Ratios

FINANCIAL INFORMATION

- Taxable and Estimated Fair Market Value
- Significant Taxpayers in the District
- Summary of Taxable Value
- Tax Collection Record of the District
- Schedule of Property Tax Rates
- Five-Year Financial Summary

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

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

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

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

EXHIBIT II

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

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of Bond holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer¹
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

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

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

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

APPENDIX D – PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Bonds, Gilmore & Bell, P.C., Bond Counsel to the Board, proposes to issue its approving opinion in substantially the following form:

Re: \$[_____] Board of Education of Nebo School District, Utah, General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2026

We have acted as bond counsel to the Board of Education (the “Issuer”) of Nebo School District, Utah, in connection with the issuance by the Issuer of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and such certified proceedings, certifications, and other documents as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Issuer, on the certified proceedings and other certifications of representatives of the Issuer and the certifications of others furnished to us without undertaking to verify them by independent investigation.

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

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property within the territorial limits of the Issuer.

3. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

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

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Bonds, or the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion letter.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Respectfully submitted,