

UTAH TECHTM

UNIVERSITY



ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED

JUNE 30, 2023

A COMPONENT UNIT OF THE STATE OF UTAH

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A MESSAGE FROM PRESIDENT RICHARD B. WILLIAMS



This year, Utah Tech University is celebrating 10 years of university status. What an amazing decade of growing, learning, and serving our community it has been!

Soon after becoming a university, we met with hundreds of community members to learn what they needed from their local university. We quickly learned there was a great need for prospective employees trained in business, technology and health care so these industries could thrive in Southern Utah and graduates could stay in St. George. Prepared with this information, we began creating our polytechnic academic model, which features hands-on learning and career preparation, as well as building the academic programs, facilities, and student services necessary to be an open, inclusive, comprehensive, polytechnic university.

In the last decade, Utah Tech University has added 204 academic programs. As a comprehensive University, we offer transformative experiences across all disciplines - humanities, arts, education, health sciences, business, and STEM - with the most affordable university tuition in Utah. Making college even more affordable, we nearly doubled funds awarded to students from \$10.4 million to \$19.8 million over the last decade.

To accommodate the influx in students, Utah Tech University built or renovated 28 buildings in addition to parking and outdoor facilities throughout the last 10 years. In addition to providing students with state-of-the-art labs and learning spaces, these additions have allowed the University to host more community events, such as annual Spring, 4th of July, Tricks and Treats, and Tree Lighting celebrations. As a committed community partner, we also started the City Alliance Project in which we've partnered with St. George, Santa Clara, and Springdale to help create solutions to municipalities' challenges. Our Atwood Innovation Plaza also opened in the last decade and has helped the community with approximately 200 patent applications, 20 copyrights, 100 registered trademarks, and the creation of 60 businesses.

As we implemented these initiatives, students started to notice the quality and value of an education from Utah Tech University. In fact, in the last decade enrollment has increased by 50% from 8,350 to 12,556 students. Not only are more students coming to Utah Tech, more are finishing their degrees. The number of degrees awarded has increased by 60% as the University has bestowed 24,409 degrees since 2013.

Students aren't the only ones noticing this growth. Among numerous national awards, most recently, Utah Tech University was named to Higher Education Digest's list of 10 Prominent Universities and Colleges to Watch in 2023, Education Insights Magazine's 10 Most Admired Universities and The Education Magazine's 10 Most Prominent Arts and Science Colleges.

The University's firm financial footing has afforded us this opportunity to grow and excel. Without the expertise and assistance of the University's Business Office, our success would not be possible. Consequently, I appreciate and fully support the work they are doing and the report that follows. I am grateful for Utah Tech University's tradition of excellence and I am enthusiastic for our continued momentum in the future.

Sincerely,

A handwritten signature in black ink that reads "Richard B Williams". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Richard B. Williams, Ph.D., ATC President
President
Utah Tech University



OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

To the Board of Trustees, Audit Committee
and
Richard B. Williams, President
Utah Tech University

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Utah Tech University (the University) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University'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 University, as of June 30, 2023, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University 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 opinion.

Key Audit Matters

Key audit matters are those matters that were communicated with those charged with governance and, in our professional opinion, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- The University's implementation of Governmental Accounting Standards Board (GASB)

Statement 96 Subscription Based Information Technology Arrangements had a material impact on the financial statements. We reviewed the University's identification of applicable arrangements. We also reviewed the University's accounting for these arrangements.

Emphasis of Matter

As described in Note 10, the University implemented GASB Statement 96 *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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 the University'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 opinion. 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 *Government 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 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 and *Government 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.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University'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, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, as listed in the table of contents, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Message from the President and the list of the Board of Trustees and Executive Offices. It does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 Auditing Standards*, we have also issued our report dated September 21, 2023 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Office of the State Auditor

Office of the State Auditor

Salt Lake City, Utah

September 21, 2023

UTAH TECHTM

UNIVERSITY



MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of Utah Tech University and its component units for the year ended June 30, 2023, with selected comparative information for the prior fiscal year. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes to the financial statements, which follow this discussion and analysis.

The University's financial statements include revenues, expenses, assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for the entire University entity, including the balances and activities of its component units: the Utah Tech University Foundation and the Utah Tech University Innovation Foundation. More information about these entities and their inclusion in the financial statements may be found in Note 1—*Summary of Significant Accounting Policies—Reporting Entity*.

ABOUT UTAH TECH UNIVERSITY

Utah Tech University, located in St. George, Utah, was established in 1911 as St. George Academy and became known as Dixie Academy. Originally operated by The Church of Jesus Christ of Latter-day Saints, the College was turned over to the State of Utah in 1933. It was known officially as Dixie Junior College until 1971, when the Utah State Legislature changed the name to Dixie College. In January 2000, the name was changed to Dixie State College when it became eligible to offer four-year degree programs. In February of 2013, the name was changed again to Dixie State University. In July 2022, the name was changed to Utah Tech University.

The University is a component unit of the State of Utah. The University offers over 240 programs, including masters, bachelors, associates, certificates, endorsements, minors

and/or emphases in selected high demand areas and in core or foundational areas consistent with four-year universities. Its approximate 12,500 students and 2,000 employees come from across the United States and the world.

The University is an open, inclusive, comprehensive, polytechnic university featuring active and applied learning to advance students' knowledge and skills while fostering competent, resilient, lifelong learners to succeed in their careers and personal lives as creators, innovators, and responsible citizens.

The financial statements that follow provide additional information on the resources available to the University to accomplish its mission and achieve its goals and objectives.

For more information about the University and its programs and initiatives, please visit www.utahtech.edu.



OVERVIEW AND ANALYSIS OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. Three financial statements are presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The notes to the financial statements are an integral part of the statements and provide additional details and information important to an understanding of the University's financial position and results of operations. The University's component units, the Utah Tech University Foundation (Utah Tech Foundation) and the Utah Tech University Innovation Foundation (Innovation Foundation), are reported as blended component units.

The Statement of Net Position presents the financial position of the University at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University. Net position is one indicator of the current financial condition of the University. Assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally measured using current values, except for capital assets, which are stated at acquisition cost less accumulated depreciation.

The Statement of Revenues, Expenses, and Changes in Net Position presents the University's results of operations for the fiscal year. The net difference between revenues and expenses, and other changes, is the increase (or decrease) in net position for the year. The change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

The Statement of Cash Flows provides additional information about the University's financial

results by reporting the major sources and uses of cash by type of activity, as well as providing a reconciliation to the net operating loss.

The results of operations reflect the University's focus on maintaining its standards academically in a competitive environment. At the same time, the University is addressing constrained base state appropriations, rising health care, regulatory and facility costs with productivity gains to help preserve access to affordable higher education.



STATEMENT OF NET POSITION

A Condensed Statement of Net Position for the current and prior fiscal years is shown in **Table a1** (pg 14).

Total net position increased from the prior year due to capital asset additions and growth in operating revenue. At the end of fiscal year 2022, bonding was secured for the Campus View Suites III facility and funds were held in restricted cash until construction costs were incurred. In fiscal

Table a1: Condensed Statement of Net Position

as of June 30	2023	2022*	Increase (Decrease)
Current Assets	\$ 48,808,547	\$ 49,622,502	\$ (813,955)
Noncurrent Assets			
Capital Assets, Net	381,525,689	337,763,652	43,762,037
Other Noncurrent Assets	89,399,257	114,300,812	(24,901,555)
Total Assets	519,733,493	501,686,966	18,046,527
Deferred Outflows of Resources	2,173,578	1,218,639	954,939
Current Liabilities	21,603,896	19,515,803	2,088,093
Noncurrent Liabilities	166,371,803	164,936,633	1,435,170
Total Liabilities	187,975,699	184,452,436	3,523,263
Deferred Inflows of Resources	360,599	8,669,063	(8,308,464)
Net Investment in Capital Assets	264,435,562	241,193,974	23,241,588
Restricted - Nonexpendable	25,640,294	24,012,228	1,628,066
Restricted - Expendable	16,115,794	14,968,790	1,147,004
Unrestricted	27,379,123	29,609,114	(2,229,991)
Total Net Position	\$ 333,570,773	\$ 309,784,106	\$ 23,786,667

*As presented in the 2022 published audited financial statements

year 2023, construction began for Campus View Suites III resulting in a decrease in cash and cash equivalents. Additional cash reserves were used towards the West Side Stadium expansion which experienced a rise in construction materials cost during the project due to inflation and supply chain demands.

Capital assets increased from the prior year as a result of construction projects, the addition of Subscription-Based IT Arrangements (SBITA), and donated statues. Significant construction projects included Campus View Suites III, Greater Zion Stadium west side expansion, and the College of Education building renovation. The addition of SBITA also increased long-term liabilities which was partially offset by annual scheduled bond payments.

Pension related activity resulted in an increase in deferred outflows and a decrease in deferred inflows of resources.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The results of the University's operations for the fiscal year are shown in the Statement of Revenues, Expenses, and Changes in Net Position. A Condensed Statement of Revenues, Expenses, and Changes in Net Position for the current and prior fiscal years is shown in **Table b1** (pg 15).

Adjustment to Beginning Net Position: In accordance with GASB Statement No. 96, *Subscription-based Information Technology Arrangements (SBITA)*, effective July 1, 2022, the University has recognized an increase in beginning net position of \$1,405,233.

Operating and Non-operating Revenue: The University continued to see a modest increase in enrollment as well as increases in tuition rates.

Table b1: Condensed Statement of Revenues, Expenses, and Changes in Net Position

for the years ended June 30	2023	2022	Increase (Decrease)
Operating Revenues			
Student Tuition and Fees, net	\$ 50,153,521	\$ 47,700,394	\$ 2,453,127
Grants and Contracts	136,803	53,084	83,719
Auxiliary Enterprises, net	14,712,894	13,235,172	1,477,722
Other Operating Revenues	2,810,578	1,632,728	1,177,850
Total Operating Revenues	67,813,796	62,621,378	5,192,418
Operating Expenses	154,818,614	164,920,033	(10,101,419)
Operating Loss	(87,004,818)	(102,298,655)	15,293,837
Nonoperating Revenues			
Appropriations, Grants & Contracts	88,040,586	102,981,346	(14,940,760)
Gifts	1,723,807	2,123,588	(399,781)
Investment Income (Loss)	7,036,692	(3,958,387)	10,995,079
Other Net Nonoperating Revenue (Expense)	(4,862,660)	(3,718,632)	(1,144,028)
Total Nonoperating Revenues (Expenses)	91,938,425	97,427,915	(5,489,490)
Income Before Capital and Permanent Endowment Additions	4,933,607	(4,870,740)	9,804,347
Capital and Permanent Endowment Additions	17,447,827	64,270,223	(46,822,396)
Increase in Net Position	22,381,434	59,399,483	(37,018,049)
Net Position - Beginning of Year	309,784,106	249,945,523	59,838,583
Prior Period Adjustment	1,405,233	439,100	966,133
Net Position - Beginning of Year (Restated)	311,189,339	250,384,623	60,804,716
Net Position - End of Year	\$ 333,570,773	\$ 309,784,106	\$ 23,786,667

Net auxiliary revenue increased as a result of Athletics gaining more advertising support for its Division 1 integration as well as more activities resuming on campus which were paused or scaled down because of COVID 19 risks. Such activities included camps, cultural events and concerts.

As a public university, Utah Tech University receives funds from a variety of sources in support of its operations. While the Statement of Revenues, Expenses, and Changes in Net Position classifies certain funds as “non-operating” for

the purposes of financial reporting, such funds do, in fact, support the University’s operations by covering costs such as salaries and benefits, travel, research expenses, and student aid.

Chart b2 (pg 16) and **Table b2** (pg 16) summarize the University’s revenues for the year ended June 30, 2023.

In total, non-operating revenue decreased slightly for fiscal year 2023 compared to fiscal year 2022. The decrease was primarily a result of Federal awards relating to the Higher Education Emergency Relief Fund (HEERF) program

Chart b2: Sources of Revenue in Support of Operations
For the Year Ended June 30, 2023

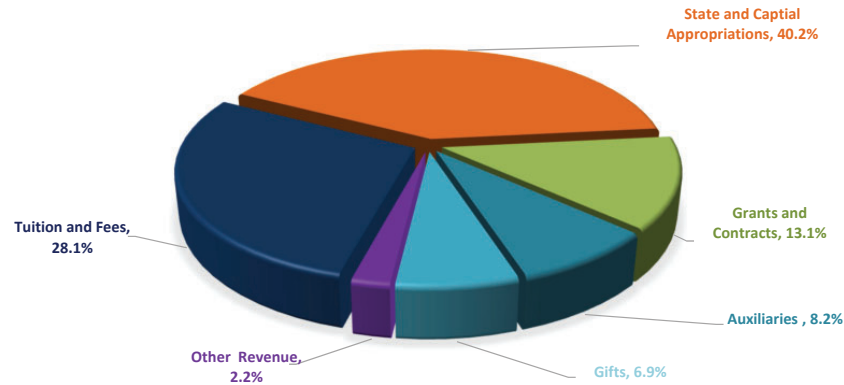


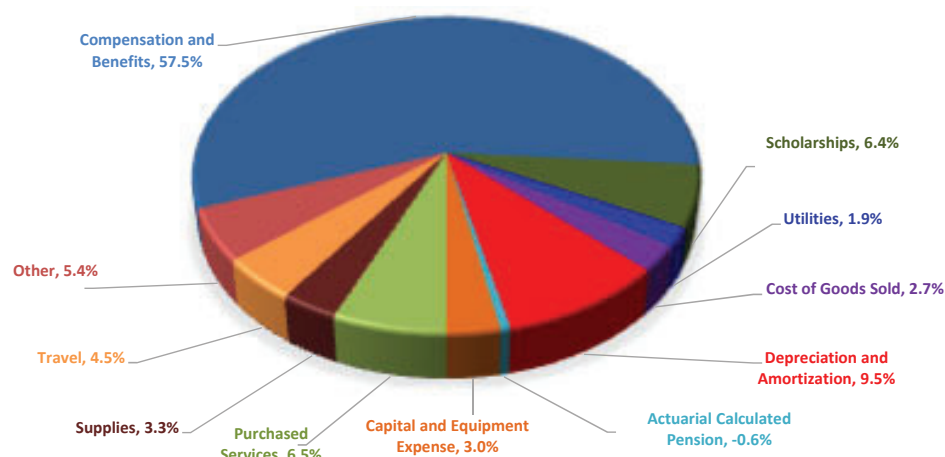
Table b2: Sources of Revenue in Support of Operations

for the years ended June 30	2023	2022
Operating Revenues		
Student Tuition and Fees, net	\$ 50,153,521	\$ 47,700,394
Grants and Contracts	136,803	53,084
Auxiliary Enterprises, net	14,712,894	13,235,172
Other Operating Revenues	2,810,578	1,632,728
Total Operating Revenues	67,813,796	62,621,378
Nonoperating Revenues		
State Appropriations	64,754,948	56,027,980
Federal Grants	19,166,373	43,745,800
State and Local Grants	4,089,281	3,199,813
Non-governmental Grants	29,984	7,753
Gifts	1,723,807	2,123,588
Investment Income and Other	8,138,895	(3,937,416)
Total Nonoperating Revenues	97,903,288	101,167,518
Other Revenues		
Capital Appropriations	6,912,931	62,587,802
Capital Grants and Gifts	10,464,996	1,186,332
Additions to Permanent Endowments	69,900	496,089
Total Other Revenues	17,447,827	64,270,223
Total Revenues	\$ 183,164,911	\$ 228,059,119

ending. This was offset by state appropriations increasing from prior year for modest salary increases, performance-based funding, and funds for strategic plan initiatives.

Investment income fluctuates from year to year and reflects the impact of market performance. For fiscal year 2023, investment income recovered from the negative market performance

Chart b3: Operating Expenses
For the Year Ended June 30, 2023



and investor economic concern which occurred in fiscal year 2022.

The University received capital appropriations in fiscal year 2022 for the SET building and the acquisition of 183 acres of land for future campus needs. In fiscal year 2023, capital appropriation funds were received for remodeling the new College of Education building and surfacing the Atwood Innovation Plaza parking lot. This resulted in a capital appropriations decrease as projects in fiscal year 2022 were monetarily larger projects when compared to fiscal year 2023.

Operating and Non-operating Expenses:

Operating expenditures decreased overall due to a decrease in scholarship and fellowships issued from Federal HEERF funding and less capital and equipment expenses in fiscal year 2023. Pension income was recognized in fiscal year 2023 as opposed to recognizing pension expense in prior year. Increases in operating expenditures were primarily due to increases in compensation, benefits, and capital asset depreciation.

While any change in compensation and benefits can have a significant impact on operating expenses, salaries have generally been held

in check due to funding constraints; however, recruitment and retention of University professors does require competitive salaries.

Depreciation expense increased primarily as a result of the SET building and the Campus View Suites II building additions.

More detail on operating expenses appears in **Chart b3** (above) and **Table b3** (pg 18).

STATEMENT OF CASH FLOWS

Cash flows from operating activities primarily consist of tuition and fees, grants and contracts, and auxiliaries. Significant sources of cash provided by non-capital financing activities, as defined by GASB, include state appropriations, Federal Pell Grants and private gift funds.

The University actively manages its investment portfolio by balancing returns and liquidity, which may cause changes in cash balances. Cash and cash equivalents are held to the minimum needed to support operations with any excess invested with varying maturity dates.

A decrease in overall liquidity resulted, when compared to the prior year. Cash used by operating activities improved from prior year. There were increases in tuition and fee revenue and auxiliary operation revenues due to an

Table b3: Operating and Nonoperating Expenses

for the years ended June 30	2023	2022
Operating Expenses		
Compensation and Benefits	\$ 89,072,307	\$ 81,691,211
Scholarships and Fellowships	9,868,818	22,171,334
Utilities	2,890,423	2,607,051
Cost of Goods Sold	4,159,112	4,450,095
Depreciation and Amortization	14,657,373	10,970,167
Actuarial Calculated Pension	(970,065)	2,974,673
Total Operating Expenses before Other	119,677,968	124,864,531
Other Operating Expenses		
Advertising, Dues, Luncheons, Entertainment, and Publications	4,651,833	3,943,594
Bad Debt Expense	584,678	181,080
Capital and Equipment Expense	4,612,668	10,088,819
Licenses, Fees, Taxes, and Insurance	1,895,223	2,677,705
Office Supplies	1,488,702	2,369,193
Professional Services	10,063,027	10,529,315
Rental of Equipment and Space	567,467	393,580
Repairs and Maintenance	361,825	509,277
Supplies	3,686,681	3,835,364
Telephone, Postage and Freight	279,054	236,645
Travel	6,949,488	5,290,930
Total Other Operating Expenses	35,140,646	40,055,502
Total Operating Expenses	154,818,614	164,920,033
Nonoperating Expenses		
Interest Expense	5,964,863	3,739,603
Total Nonoperating Expenses	5,964,863	3,739,603
Total Expenses	\$ 160,783,477	\$ 168,659,636

increase of students and events on campus. These increases were offset by increased outflows in most areas including compensation and benefits. Compensation and benefits changes are a result of campus growth and strategic initiatives to remain competitive in the marketplace. Outflows in scholarships decreased with the sunset of additional funding provided to students by the HEERF funds. Payments to vendors and suppliers continue to grow as campus grows and strives to provide a quality product to students.

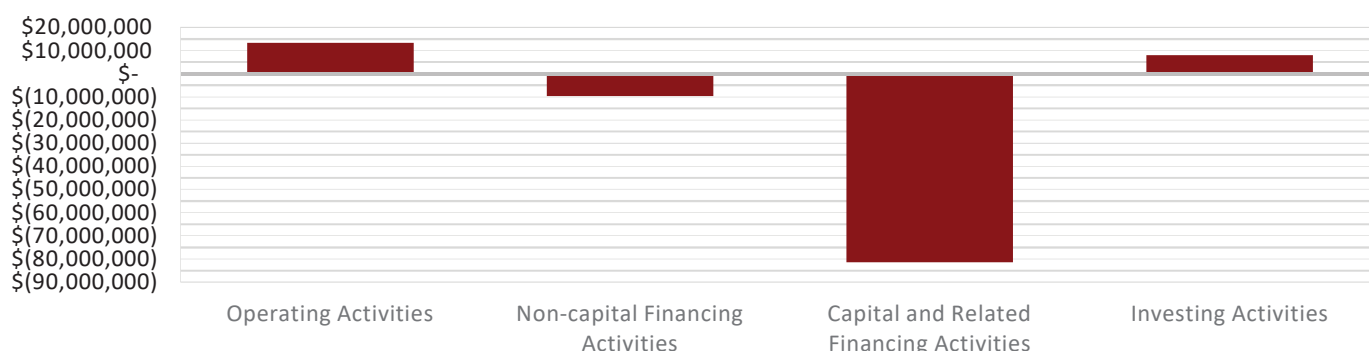
Cash flow from non-capital financing activities resulted in an increase inflow of state appropriations, state grants, and other grants. Cash inflow from Federal student aid decreased as a result of the HEERF program ending, which caused total cash provided by non-capital financing activities to decline when compared to prior fiscal year.

Capital and related financing activities resulted in a total cash outflow in fiscal year 2023 as the University used funds to facilitate the construction of Campus View Suites III student

Table c1: Condensed Statement of Cash Flows

For the years ended June 30	2023	2022	Change in Inflows (Outflows)
Cash Provided (Used) by:			
Operating Activities	\$ (76,216,584)	\$ (89,659,935)	\$ 13,443,351
Non-capital Financing Activities	94,487,071	104,089,604	(9,602,533)
Capital and Related Financing Activities	(40,002,220)	41,363,302	(81,365,522)
Investing Activities	7,050,204	(952,227)	8,002,431
Net Increase (Decrease) in Cash	(14,681,529)	54,840,744	(69,522,273)
Prior Period Adjustment	-	-	-
Cash - Beginning of Year	105,014,415	50,173,671	54,840,744
Cash - End of Year	\$ 90,332,886	\$ 105,014,415	\$ (14,681,529)

Chart c1: University Cash Flow Changes



housing facility, renovation of the College of Education building, and the west side expansion of Greater Zion Stadium projects.

Finally, investing activities had a net inflow resulting from more proceeds from investments sales and fewer purchases of investments compared to the prior year.

Table c1 (above) is a condensed version of the Statement of Cash Flows. **Chart c1** (above) shows a graphical representation of cash flow changes.

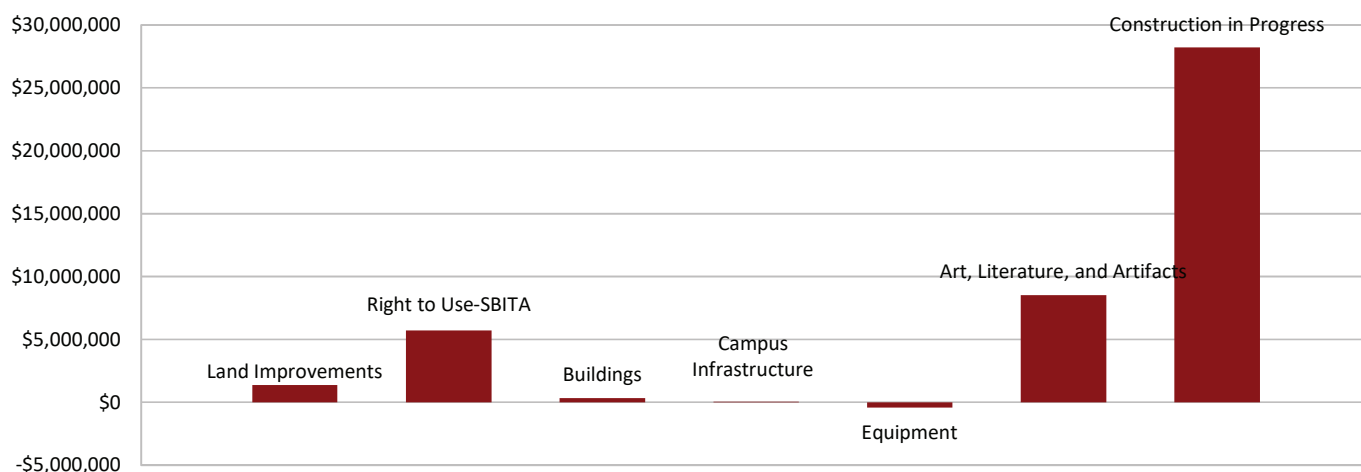
CAPITAL AND DEBT ACTIVITIES

Capital Assets: Investment in capital assets includes land, land improvements, buildings, equipment, art, literature and artifacts, right-to-use SBITA agreements, campus infrastructure,

and construction-in-progress. Buildings increased slightly due to the completion of the College of Education building, partially offset by depreciation. Construction-in-progress also increased when compared to the prior year as a result of Campus View Suites III facility starting and the West Side Stadium project pending completion. Statues were donated to the University in fiscal year 2023 which increased art, literature and artifacts. Land improvements also increased as a result of the addition of the Atwood Innovation Parking lot.

Chart d1 (pg 20) summarizes the University's changes in capital assets between June 30, 2022 and 2023.

Chart d1: Changes in Capital Assets



Additional information about the University's capital assets can be found in Note 10 to the financial statements.

Debt Activities: Strong debt ratings carry substantial advantages for the University, such as continued and wider access to capital markets when the University issues debt, lower interest rates on bonds, and the ability to negotiate favorable bond terms.

The University's administration takes its role of financial stewardship seriously and works hard to manage its financial resources effectively. Continued high debt ratings, currently AA according to S&P, for our General Revenue Bond System are important indicators of the University's success in this area.

The University's debt increased due to recognizing a payable for subscription-based liabilities. The increase was offset by a decrease due to payment on existing bonds and not incurring any additional bonds during this time. Additional information related to the University's liabilities is presented in Note 11 of the financial statements.

Table d2 (pg 21) and **Chart d2** (pg 21) summarize outstanding University debt at June 30, 2022 and 2023.



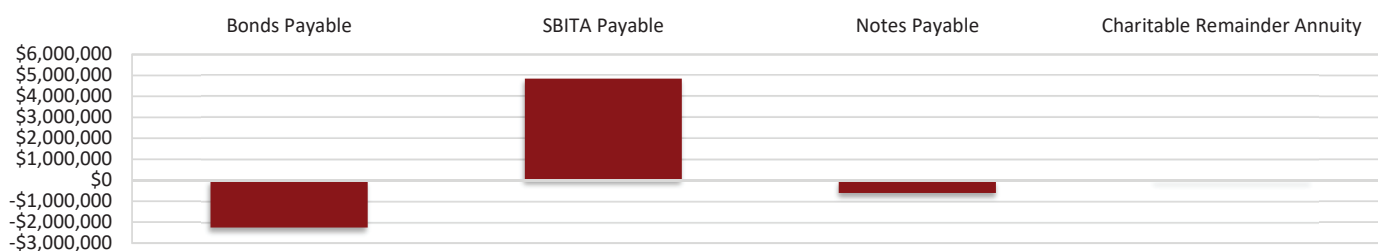
OUTLOOK FOR THE COMING FISCAL YEAR

The University has experienced moderate enrollment growth over the past few years, but expects enrollment growth to level off. University administration has been conservative in fiscal matters and placed the institution in a good financial position for the future. The University continues to emphasize priorities in recruiting and retention in an effort to maximize student attendance. As the local community and the University continue to grow, availability of student housing could also have an impact on enrollment rates in the future.

The University's recurring budget for fiscal year 2024 was increased during the 2023 legislative session to meet compensation needs and other

Table d2: University Debt

Liability Type	2023	2022	Increase (Decrease)
Bonds Payable	\$ 161,596,048	\$ 163,857,400	\$ (2,261,352)
SBITA Payable	4,854,347	-	4,854,347
Notes Payable	1,993,772	2,601,334	(607,562)
Charitable Remainder Annuity	498,075	538,909	(40,834)
Total Debt	\$ 168,942,242	\$ 166,997,643	\$ 1,944,599

Chart d2: Changes in University Debt

initiatives. The legislature added significant emphasis on compensation needs as the economy continues to see increased inflation rates. In addition to the increase in compensation, the University received an operating budget and funding for additional property adjacent to the existing campus.

Economic forecasts can change at any moment. University administration continues to maintain a conservative approach to spending while staying focused on strategic goals and initiatives that enhance student experiences and position the University for future needs.

We are optimistic that as the economy continues to improve, future legislative sessions will provide continued additional funding that will further the mission of the University.

The University continues to solicit and raise funds from private sources, including corporate funding, building donations, endowments, and gift funding and continues to benefit from the generosity of its donors and supporters.

The University exercises a prudent approach to the issuance of debt. In addition, the University evaluates existing debt versus current interest rates to identify opportunities to refinance at better rates.

The University's endowment funds are available for mission critical programs and initiatives, now and into the future. The University has invested in a portfolio of equity, fixed income and alternative assets with valuations that are impacted by market conditions. We believe our portfolio will provide solid financial footing for the University's endowments over the long term. With the additions of new academic programs, continued growth of the St. George area, and continued emphasis on strategic planning initiative, the University continues to experience one of the highest student growth rates in the Utah System of Higher Education.

Overall, the University is in a sound financial position. The institution has strong strategic leadership and prudent financial management that work together to ensure its mission is met in the future.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Utah Tech University's finances. The report is for all those with an interest in the University's finances and to show the University's accountability for the money

it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Utah Tech University, Business Services, 225 S University Blvd. St. George, Utah 84770.



UTAH TECHTM

UNIVERSITY



FINANCIAL STATEMENTS

Statement of Net Position as of June 30, 2023

ASSETS

Current Assets

Cash and Cash Equivalents (Note 2)	\$	37,461,161
Investments (Note 3)		3,133,811
Accounts and Notes Receivable, Net (Note 5)		5,362,585
Accounts Receivable - Primary Government/Related Parties (Note 5)		1,666,992
Inventories (Note 7)		679,071
Prepaid Expenses		504,927
Total Current Assets		48,808,547

Noncurrent Assets

Restricted Cash and Cash Equivalents (Note 2)		52,871,725
Investments (Note 3)		36,085,725
Accounts and Notes Receivable, Net (Note 5)		398,057
Net Pension Asset (Note 13)		43,750
Capital Assets, Net (Note 10)		381,525,689
Total Noncurrent Assets		470,924,946
Total Assets	\$	519,733,493

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows Relating to Pensions (Note 13)		2,173,578
Total Deferred Outflows of Resources		2,173,578

LIABILITIES

Current Liabilities

Accounts Payable (Note 5)	\$	2,051,028
Accounts Payable - Primary Government/Related Parties (Note 5)		6,948,268
Accrued Liabilities		1,276,714
Compensated Absences and Termination Benefits (Note 11)		2,854,934
Deposits		439,701
Unearned Revenue		4,009,633
Bonds, Notes, and Contracts Payable (Note 11)		4,023,618
Total Current Liabilities		21,603,896

Noncurrent Liabilities

Compensated Absences and Termination Benefits (Note 11)		1,159,266
Bonds, Notes, and Contracts Payable (Note 11)		164,918,624
Net Pension Liability (Note 13)		293,913
Total Noncurrent Liabilities		166,371,803
Total Liabilities	\$	187,975,699

Continued on next page...

The accompanying notes are an integral part of these financial statements

Statement of Net Position as of June 30, 2023

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows Relating to Pensions (Note 13)	\$	65,309
Deferred Inflows from Split-Interest Agreements		295,290
Total Deferred Inflows of Resources		360,599

NET POSITION

Net Investment in Capital Assets		264,435,562
Restricted For		
Nonexpendable		
Scholarships and Fellowships		11,921,876
Other		2,741,518
Foundation		10,976,900
Expendable		
Scholarships and Fellowships		6,671,178
Loans		2,338
Capital Projects		1,042,278
Other		2,221,566
Foundation		6,178,434
Unrestricted		27,379,123
Total Net Position	\$	333,570,773

The accompanying notes are an integral part of these financial statements

Statement of Revenues, Expenses, and Changes in Net Position for the Year Ended June 30, 2023

OPERATING REVENUES AND EXPENSES

Revenues

Student Tuition and Fees, net (Note 1)	\$ 50,153,521
Auxiliary Enterprises, net (Note 1)	14,712,894
State and Local Grants and Contracts	107,510
Nongovernmental Grants and Contracts	29,293
Other Operating Revenues	2,810,578
Total Operating Revenues	67,813,796

Expenses

Salaries and Wages	64,765,369
Employee Benefits	24,306,938
Actuarial Calculated Pension Expense (Income) (Note 13)	(970,065)
Student Financial Aid	9,868,818
Utilities	2,890,423
Cost of Goods Sold	4,159,112
Depreciation and Amortization	14,657,373
Other Operating Expenses	35,140,646
Total Operating Expenses	154,818,614
Operating Income (Loss)	(87,004,818)

NONOPERATING REVENUES (EXPENSES)

State Appropriations	64,754,948
Federal Grants and Contracts	19,166,373
State Grants and Contracts	4,041,281
Local Grants and Contracts	48,000
Private Grants and Contracts	29,984
Gifts	1,723,807
Investment Income	7,036,692
Interest	(5,964,863)
Other Revenues (Expenses)	1,102,203
Total Nonoperating Revenues (Expenses)	91,938,425
Income Before Capital and Permanent Endowment Additions	4,933,607

Continued on next page...

The accompanying notes are an integral part of these financial statements

Statement of Revenues, Expenses, and Changes in Net Position for the Year Ended June 30, 2023

CAPITAL AND PERMANENT ENDOWMENT ADDITIONS

Capital Appropriations	6,912,931
Capital Grants and Gifts	10,464,996
Additions to Permanent Endowments	69,900
Total Capital and Permanent Endowment Additions	17,447,827
Increase (Decrease) in Net Position	22,381,434

NET POSITION

Net Position - Beginning of Year	309,784,106
Prior Period Adjustment	1,405,233
Net Position - Beginning of Year as Adjusted	311,189,339
Net Position - End of Year	333,570,773

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows for the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Tuition and Fees	\$	49,880,212
Receipts from Grants and Contracts		136,803
Receipts from Auxiliary Enterprises		17,308,893
Payments for Compensation and Benefits		(91,158,205)
Payments to Vendors and Suppliers		(42,509,488)
Payments for Scholarships and Fellowships		(14,229,101)
Receipt of Student Loan Proceeds		4,354,302
Net Cash Provided (Used) by Operating Activities		(76,216,584)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Appropriations		64,700,305
State Grants		4,041,281
Federal Student Financial Aid		19,145,640
Other Grants		1,365,139
Gifts and Endowments		3,765,520
Receipts from Federal Direct Student Loan		14,925,573
Payments for Federal Direct Student Loan		(14,912,819)
Other Additions		1,456,432
Net Cash Provided (Used) by Noncapital Financing Activities		94,487,071

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Grants		1,394,795
Capital gifts received		162,500
Acquisition and Construction of Capital Assets		(32,897,159)
Principal Paid on Capital Debt and Leases		(2,868,915)
Interest Paid on Capital Debt and Leases		(5,793,441)
Net Cash Provided (Used) by Capital and Related Financing Activities		(40,002,220)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments		31,715,096
Interest and Dividends		4,724,796
Purchase of Investments and Related Fees		(29,389,688)
Net Cash Provided (Used) by Investing Activities		7,050,204
Net Increase (Decrease) in Cash and Cash Equivalents		(14,681,529)

Cash and Cash Equivalents - Beginning of Year		105,014,415
Cash and Cash Equivalents - End of Year	\$	90,332,886

Continued on next page...

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows for the Year Ended June 30, 2023

RECONCILIATION OF OPERATING INCOME (LOSS) TO**NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (87,004,818)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation and Amortization Expense	14,657,373
Difference between Actuarial Calculated Pension Expense and Actual Contributions	(2,571,138)
Gifts-in-Kind and Transfers Reducing Payments to Suppliers	(2,604,868)
Changes in Assets and Liabilities:	
Receivables, Net	(812,649)
Inventories	(104,163)
Prepaid Items	756,827
Notes Receivable, Net	(5,982)
Accounts Payable and Accrued Liabilities	(1,870,071)
Accounts Payable - Primary Government/Related Parties	2,568,392
Unearned Revenue	324,760
Compensated Absences	449,753
Total Adjustments	10,788,234
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (76,216,584)</u></u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Completed Construction Projects Transferred from the State of Utah	6,912,931
Acquired Through a Gift	9,070,200
Change in Fair Value of Investments	1,412,084
Capital Asset Write-Offs	2,922,741
Total Noncash Investing, Capital, and Financing Activities	<u><u>\$ 20,317,956</u></u>

The accompanying notes are an integral part of these financial statements



UTAH TECHTM

UNIVERSITY



NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The financial statements report the financial activity of Utah Tech University, including the Utah Tech University Innovation Foundation (Innovation Foundation) and the Utah Tech University Foundation (Utah Tech Foundation). Both the Innovation Foundation and the Utah Tech Foundation are presented as blended component units. The University is a component unit of the State of Utah.

Component units are entities that are legally separate from the University, but are financially accountable to the University, or whose relationships with the University are such that exclusion would cause the University's financial statements to be misleading or incomplete. The University has two entities that qualify as component units.

The Innovation Foundation is a legally separate, but affiliated, non-profit corporation that operates exclusively to promote the University's innovation and entrepreneurial endeavors. It is administered by a Board of Directors comprised of up to 9 members. The President of the University and two other key University personnel are permanent members of the Board.

The Utah Tech Foundation is a legally separate, but affiliated, not-for-profit organization that operates exclusively to promote the University. The Utah Tech Foundation's economic resources are used for the benefit of the University. It is administered by a Board of Directors comprised of three or more individuals from the community and the University. The President of the University and two other key University personnel are permanent members of the Board. Additionally, the President of the University must approve individuals that have been recommended for the Board and can remove directors without consent or vote of the Board.

The financial accountability criteria as defined by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus* an amendment of GASB Statements No. 14 and No. 34, have been met for both foundations and they are included as blended component units of the University.



B. BASIS OF ACCOUNTING

For financial reporting purposes, Utah Tech University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting.

Operating activities include all revenues and expenses derived on an exchange basis used to support the instructional, research and public service efforts, and other University priorities.

Significant recurring sources of the University’s revenues are considered non-operating, as defined by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and required by GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*.

Operating revenues include tuition and fees, grants and contracts, and revenue from various auxiliary and public service functions. Non-operating revenues include state appropriations, Pell grants and certain government grants, gifts, and investment income.

Operating expenses include compensation and benefits, student aid, supplies, repairs and maintenance, utilities, etc. Non-operating expenses primarily include interest on debt obligations.

When both restricted and unrestricted resources are available, such resources are tracked and spent at the discretion of the department, subject to donor restrictions, where applicable.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, the University recognizes gifts, grants, appropriations, and the estimated net realizable value of pledges as revenue as soon as all eligibility requirements imposed by the provider have been met.

C. INVESTMENTS

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or

decrease to investment assets and investment income. The University distributes earnings from pooled investments based on the average daily investment of each participating account, or for endowments, distributes according to the University’s spending policy.

D. ALLOWANCES

In accordance with GASB Statement No. 34, certain expenses are netted against revenues as allowances. Certain governmental grants, such as Pell grants and other federal, state, or nongovernmental programs, are recorded as either operating or non-operating revenues in the University’s financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded allowances against student tuition and fees and auxiliary enterprises revenue.

The following schedule in **Table 1** presents scholarship revenue allowance for the year ended June 30, 2023.

Table 1: Scholarship Revenue Allowances		
Tuition and Fees	\$	32,023,788
Auxiliary		1,027,908

E. COMPENSATED ABSENCES & TERMINATION BENEFITS

Employee vacation leave is accrued at a rate of eight hours each month for the first three years and increases to a rate of 14.66 hours each month after eleven years of service. There is no requirement to use vacation leave, but a maximum of thirty-five days may be carried forward at the beginning of each calendar year. Eligible employees are reimbursed for unused vacation leave upon termination, and vacation leave is expended when used or reimbursed. The liability for vacation leave at June 30, 2023, was approximately \$2.8 million.

Employees earn sick leave at a rate of eight hours each month. The University does not reimburse employees for unused sick leave. Each year, eligible employees may convert up to four days of unused sick leave to vacation leave based on their use of sick leave during the year. Sick leave is expended when used.

In addition, the University may provide early retirement benefits, if approved by the Administration and by the Board of Trustees, for certain employees who have attained the age of 57 with at least five years of continuous service and whose age and years of service add to at least 75.

The University pays each early retiree an annual amount equal to the lesser of 20% of the retiree's final salary or their predicted social security benefit at full retirement age. This incentive is paid to the eligible employee until the earlier of five years or full retirement age. The employee is also eligible to receive the same coverage of medical insurance and dental insurance the employee was receiving at the early retirement date, which coverage continues for a maximum period of five years or to age 65, whichever comes first. These benefits are deducted from the early retirement incentive the employee receives on the same basis as non-retired employees.

In accordance with GASB Statement No. 47, *Accounting for Termination Benefits*, the amount recognized on the financial statements was calculated at the discounted present value of the projected future costs, which includes an estimated annual increase of 3.0%. A discount rate of 5.0% was used and is based on the average rate earned by the University on investments for the fiscal year.

As of June 30, 2023, 20 eligible employees have elected to participate in the early retirement program. The funding for these termination benefits is provided on a pay-as-you-go basis. For the year ended June 30, 2023, the stipend and benefits expense for the early retirement

program totaled \$246,291 and \$258,329, respectively, and the calculated remaining termination benefits liability is \$1,173,963.

F. CONSTRUCTION

The Utah State Division of Facilities Construction and Management (DFCM) administers most of the construction of facilities for state institutions, maintains records, and furnishes cost information for recording plant assets on the books of the University. Construction projects funded by DFCM are not recorded on the books of the University until the facility is available for occupancy.

G. DEFERRED OUTFLOWS AND INFLOWS

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, deferred outflows and deferred inflows of resources related to pensions have been recorded. Deferred outflows of resources represent a consumption of net position that applies to the future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Further information regarding pension reporting can be found in Note 13.

In accordance with GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, as of June 30, 2023 the University has recognized certain donated assets as investments along with a deferred inflow of resources for certain irrevocable split-interest agreements. The University has a beneficial interest or right to a portion of the benefits donated, pursuant to an irrevocable split-interest agreement, in which the donor enters into a trust and transfers resources to an intermediary.

Asset recognition criteria include: (1) the government is specified by name as beneficiary in the legal document underlying the donation;



(2) the donation agreement is irrevocable; (3) the donor has not granted variance power to the intermediary with respect to the donated resources; (4) the donor does not control the intermediary, such that the actions of the intermediary are not influenced by the donor beyond the specified stipulations of the agreement; and (5) the irrevocable split-interest agreement established a legally enforceable right for the government's benefit (an unconditional beneficial interest).

H. PENSIONS

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

I. NET POSITION

The University's net position is classified as follows:

Net Investment in Capital Assets: Net Investment in Capital Assets – This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position, nonexpendable: Non-expendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated as a condition of the gift instrument that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted Net Position, expendable: Restricted expendable net position includes resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted Net Position: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

Adjustment to Beginning Net Position: In accordance with GASB Statement No. 96, *Subscription-based Information Technology Arrangements (SBITA)*, effective July 1, 2022, the

University has recognized an increase in beginning net position of \$1,405,233. See note 10 and 11 for further information on SBITA assets and debt.

2. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents consist of cash and short-term, liquid investments with an original maturity of three months or less. Cash, depending on source of receipts, is pooled except for cash and cash equivalents where legal requirements dictate the use of separate accounts. The cash balances are invested principally in short-term investments that conform to the provisions of the *Utah Code*. It is the practice of the University that the investments ordinarily be held to maturity at which time the par value of the investments will be realized.

Table 2 shows the University’s cash and cash equivalents at June 30, 2023.

Table 2: Cash and Cash Equivalents		
Cash	\$	4,403,201
Money Market Mutual Funds		57,022,639
Utah Public Treasurers' Investment Fund		28,907,046
Total (fair value)	\$	90,332,886

The Utah State Treasurer’s Office operates the Utah Public Treasurers’ Investment Fund (PTIF), which is managed in accordance with the State of Utah Money Management Act (Act) and is available for investment of funds administered by any Utah public treasurer.

3. INVESTMENTS

Funds available for investment are pooled to maximize return and minimize administrative cost, except for funds that are authorized by the University administration to be separately invested or which are separately invested to meet legal or donor requirements. Investments received as gifts are recorded at fair value on the date of receipt. Other investments are also recorded at fair value.

University personnel manage certain portfolios, while other portfolios are managed by banks, investment advisors, or through trust agreements.

According to the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Section 51-8 of the *Utah Code*, the institution may appropriate for expenditure or accumulate so much of an endowment fund as the University determines to be prudent for uses, benefits, purposes, and duration for which the endowment was established.

The endowment income spending practice at June 30, 2023, was 4% of the twelve-quarter moving average of the market value of the endowment pool. The spending practice is reviewed periodically and any necessary changes are made.

The amount of net appreciation on investments of donor-restricted endowments available for authorization for expenditure at June 30, 2023, was \$9,471,091. The net appreciation is a component of restricted expendable net position.

At June 30, 2023, the investment portfolio composition was as follows in **Table 3**.

Table 3: Investments at Fair Value		
Common & Preferred Stock	\$	322,093
Common Fund		16,116
Corporate Notes & Bonds		2,100,472
Mutual Funds		32,433,817
Negotiable Certificates of Deposits		290,218
U.S. Agencies		2,563,171
U.S. Treasuries		605,295
Total	\$	38,331,182

4. DEPOSITS AND INVESTMENTS

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 Act that relate to the deposit and investment of public funds.

Except for endowment funds, the University follows the requirements of the Act (*Utah Code*, Section 51, Chapter 7), in handling its depository and investment transactions. The Act requires the depositing of University 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.

For endowment funds, the University follows the requirements of the UPMIFA, the State Board of Regents' Rule 541, *Management and Reporting of Institutional Investments* and the University's investment policy and endowment guidelines.

A. DEPOSITS

Custodial Credit Risk: Custodial credit risk for deposits is the risk that in the event of a bank failure the University's deposits may not be returned.

At June 30, 2023, the carrying amount of the University's deposits and bank balances is \$7,169,562. The Federal Deposit Insurance Corporation (FDIC) provides deposit insurance coverage up to \$250,000 for each account ownership category at each banking institution. As a result, the bank balances of the University were insured for \$742,062 by the FDIC. The bank balances in excess of \$742,062 were uninsured and uncollateralized, leaving \$6,427,500 exposed to custodial credit risk. The University's policy for reducing this risk of loss is to deposit all such balances in qualified depositories as defined and required by the Act.



B. INVESTMENTS

The Act defines the types of securities authorized as appropriate investments for the University's non-endowment 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. These statutes authorize the University to invest within the following guidelines:

- negotiable or nonnegotiable deposits of qualified or permitted negotiable depositories;
- re-purchase and reverse re-purchase 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 Act;
- reciprocal deposits and negotiable brokered certificates of deposit in accordance with the Act; and
- the Utah State Public Treasurers’ Investment Fund (PTIF).

The Utah State Public Treasurers’ Investment Fund (PTIF) is available for investment of funds administered by any Utah public treasurer and is not registered with the Securities and Exchange Commission (SEC) as an investment company. The PTIF is authorized and regulated by the Act.

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 UPMIFA and State Board of Regents Rule 541, *Management and Reporting of Institutional Investments* (Rule 541), allows the University to invest endowment funds including gifts, devises, or bequests of property of any kind from any source in any of the above investments or any of the following, subject to satisfying certain criteria:

- mutual funds registered with the SEC, investments sponsored by the Common Fund;
- any investment made in accordance with the donor’s directions in a written instrument;
- investments in corporate stock listed on a major exchange (direct ownership); and
- any alternative investment funds that derive returns primarily from high yield and distressed debt (hedged or non-hedged), private capital including venture capital and private equity, natural resources, and private real estate assets or absolute return and long/short hedge funds.

UPMIFA also permits institutions within the Utah System of Higher Education to accept and invest funds on behalf of other institutions. Utah Tech University and the University of Utah maintain an agreement that Utah Tech University will transfer funds to the University of Utah to invest in its unitized endowment pool (Pool).



The Pool is not registered with the SEC as an investment company and is not rated. The University of Utah invests funds in accordance with UPMIFA, Rule 541, and University of Utah investment policies, as approved by the Board of Regents. Deposits in the Pool are not insured or otherwise guaranteed by the University of Utah, and participants share proportionately in any realized gains or losses on investments.

The Pool operates and reports to participants on a fair market value basis. The income, gains and

losses, net of administration fees are allocated monthly on the ratio of Utah Tech University's ending monthly balance to the total funds in the Pool.

C. FAIR VALUE OF INVESTMENTS

The University 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:

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

Debt and equity securities classified in *Level 1* are valued using prices quoted in active markets for those securities.

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

- U.S. Agencies and U.S. Treasuries: quoted prices for identical securities in markets that are not active.
- Corporate Notes and Bonds and negotiable Certificates of Deposit: quoted prices for similar securities in active markets.
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.
- Utah Public Treasurers' Investment Fund: application of the June 30, fair value factor as calculated by the Utah State Treasurer to the University's balance in the Fund at June 30.
- University of Utah Endowment Pool: application of the June 30, fair value factor

Table 4a: Fair Value Measurements by Tier

	June 30, 2023	Level 1	Level 2	Level 3
Investment by Fair Value Level				
<u>Debt Securities</u>				
U.S. Treasuries	\$ 605,295	\$ -	\$ 605,295	\$ -
U.S. Agencies	2,563,171	-	2,563,171	-
Corporate Notes & Bonds	2,100,472	-	2,100,472	-
Negotiable Certificates of Deposit	290,218	-	290,218	-
Money Market Mutual Funds	57,022,639	448,242	56,574,397	-
Bond Mutual Funds	4,830,810	-	4,330,419	500,391
Utah Public Treasurers' Investment Fund	28,907,046	-	28,907,046	-
Total Debt Securities	96,319,651	448,242	95,371,018	500,391
<u>Equity Securities</u>				
Common and Preferred Stock	314,117	314,117	-	-
Other	16,116	16,116	-	-
Equity Mutual Funds	22,542,627	-	20,503,980	2,038,647
University of Utah Endowment Pool	5,060,380	-	5,060,380	-
Total Equity Securities	27,933,240	330,233	25,564,360	2,038,647
<u>Other</u>				
Donated Assets (Real Estate)	551,424	-	-	551,424
Total Investments by Fair Value Level	\$ 124,804,315	\$ 778,475	\$ 120,935,378	\$ 3,090,462

as calculated by the University of Utah to the University's average quarterly balance in the Fund.

Other donated real estate classified in *Level 3* are valued using one of the following methods: the latest available appraised amount as determined by an independent State certified or other licensed appraiser, tax assessments, or other generally accepted industry standard.

Table 4a (pg 39) shows the fair value measurements along with their respective tier classification.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's policy for managing its exposure to fair value loss arising from increasing interest rates is to

comply with the Act or the UPMIFA and Rule 541, as applicable. For non-endowment funds, Section 51-7-11 of the 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 10 years for institutions of higher education.

Table 4b: Maturities

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Money Market Mutual Funds	\$ 57,022,639	\$ 57,022,639	\$ -	\$ -	\$ -
Bond Mutual Funds	4,830,810	500,391	778,984	2,115,926	1,435,509
Corporate Notes & Bonds	2,100,472	1,200,935	899,537	-	-
Negotiable Certificates of Deposit	290,218	234,107	56,111	-	-
U.S. Agencies	2,563,171	642,058	1,921,113	-	-
U.S. Treasuries	605,295	402,473	202,822	-	-
Utah Public Treasurers' Investment Fund	28,907,046	28,907,046	-	-	-
Totals	\$ 96,319,651	\$ 88,909,649	\$ 3,858,567	\$ 2,115,926	\$ 1,435,509

Table 4c: Investment Ratings

Investment Type	Fair Value	Quality Ratings				
		AAA	AA	A	BBB	Unrated
Money Market Mutual Funds	\$ 57,022,639	\$ 51,535,456	\$ -	\$ -	\$ -	\$ 5,487,183
Bond Mutual Funds	4,830,810	1,321,306	-	-	-	3,509,504
Corporate Notes & Bonds	2,100,472	-	199,739	1,148,356	752,377	-
Negotiable Certificates of Deposit	290,218	-	-	-	-	290,218
U.S. Agencies	2,563,171	-	2,413,276	-	-	149,895
U.S. Treasuries	605,295	605,295	-	-	-	-
Utah Public Treasurers' Investment Fund	28,907,046	-	-	-	-	28,907,046
Totals	\$ 96,319,651	\$ 53,462,057	\$ 2,613,015	\$ 1,148,356	\$ 752,377	\$ 38,343,846

In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years. For endowment funds, Rule 541 is more general, requiring only that investments be made as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the endowments and by exercising reasonable care, skill, and caution.

Table 4b (pg 40) shows the University's investment maturities as of June 30, 2023.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's policy for reducing its exposure to credit risk is to comply with the Money Management Act, the UPMIFA, and Rule 541, as previously discussed.

The University's investments quality ratings at June 30, 2023 are shown in **Table 4c** (pg 40).

Custodial Credit Risk: Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The University's policy for reducing its exposure to custodial credit risk is to comply with applicable provisions of the Act. As required by the Act, all applicable securities purchased were delivered versus payment and held in safekeeping by a bank. Also, as required, the ownership of book-entry-only securities, such as U.S. Treasury or Agency securities, by the University's custodial bank was reflected in the book-entry records of the issuer and the University's ownership was represented by a receipt, confirmation, or statement issued by the custodial bank.

At June 30, 2023, the University had \$322,093 in equity securities and \$2,100,472 in bond



and corporate debt, which were held by the counterparty and not in the University's name.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council or the UPMIFA and Rule 541, as applicable.

Rule 17 of the Money Management Council limits non-endowment fund 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 the time of purchase.

For endowment funds, the University follows Rule 541, which requires that an institution's

overall endowment portfolio be invested in accordance with the allocation ranges as shown in **Table 4d**.

Table 4d: Allocation Ranges

Fixed Income and Cash Equivalents	25-100%
Equity Investments*	0-75%
Alternative Investments	0-30%
*Corporate stock (direct ownership) can be a maximum of 3% of total equity investments	

5. RECEIVABLES AND ACCOUNTS PAYABLE

Accounts, pledges, and interest receivable include tuition and fees, and auxiliary enterprise and services. Accounts receivable also include amounts due from the federal, state, and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University’s grants and contracts.

Allowances for doubtful accounts are established by charges to operations to cover anticipated losses from accounts receivable generated by



sales and services. Such accounts are charged to the allowance when collection appears doubtful. Any subsequent recoveries are credited to the allowance accounts. Allowances are not established for pledges or in those instances where receivables consist of amounts due from governmental units or where receivables are not material in amount.

Table 5a presents receivables at June 30, 2023.

Table 5a: Receivables

Type of Receivable	Year Ended June 30, 2023
Student Tuition and Fees	\$ 5,108,148
Auxiliary Enterprises and Other	1,607,078
Contracts and Grants	519,073
Pledges	290,000
Primary Government / Related Parties	1,666,992
Total Receivables	9,191,291
Less Allowances for Doubtful Accounts	(1,763,657)
Receivables, Net	\$ 7,427,634

Table 5b presents the major components of accounts payable at June 30, 2023.

Table 5b: Accounts Payable

Vendors	\$ 1,262,822
Interest	609,482
Primary Government/Related Parties	6,948,268
Student Refunds	178,724
Total Accounts Payable	\$ 8,999,296

6. UNEARNED REVENUE

Unearned revenue consists of summer session tuition and fees, advance payments on grants and contracts, advance ticket sales for various athletic and cultural events, and results of normal operations of auxiliary enterprises and service units.

7. INVENTORIES

Inventories consist primarily of books and merchandise held in the Campus Store (Bookstore). Other inventories include food products and fuel. The University uses internal testing of inventory counts to verify inventory amounts.

The University Bookstore's inventories are valued using the retail inventory method. All other inventories are stated at the lower of cost or market using the first-in, first-out method or, on a basis that approximates cost, determined on the first-in, first-out method.

Table 7 presents the components of inventories at June 30, 2023.

Table 7: Inventories		
Organization	Year Ended June 30, 2023	
Bookstore	\$	464,319
Dining Services		144,512
Fuel Services		70,240
Total Inventories	\$	679,071

8. INCOME TAXES

The University is a political subdivision of the State for federal income tax purposes. The University is an Internal Revenue Code (IRC) Section 115 organization. This status exempts the University from paying federal income tax

on revenue generated by activities that are directly related to the University's mission. This exemption does not apply to unrelated business activities. On these activities, the University is required to report and pay federal and state income tax.

9. RISK MANAGEMENT AND INSURANCE COVERAGE

The University maintains insurance coverage for commercial general liability, automobile, errors and omissions, and property (building and equipment) through policies administered by the Utah State Division of Risk Management. This insurance coverage provides for repair or replacement of damaged property at a replacement cost basis subject to a \$1,000 per occurrence deductible. Additionally, employees of the University and authorized volunteers are covered by workers compensation and employees' liability through the Workers Compensation Fund.

On July 1, 2017, the University established a self-insurance fund for employee dental care that is administered through Educators Mutual Insurance Company. GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The University's estimated self-insurance claims liability at June 30, 2023 is shown in **Table 9** (below).

Table 9: Estimated Dental Self-Insurance Claim Liability			
	Year Ended June 30, 2023		Year Ended June 30, 2022
Estimated Claims Liability - Beginning of Year	\$	538,603	\$ 471,140
Current Year Contributions & Changes in Estimates		357,802	647,350
Claim Payments, Including Related Legal & Administrative Expenses		(590,316)	(579,887)
Estimated Claims Liability - End of Year	\$	306,089	\$ 538,603

The University has recorded the investments of the dental care funds at June 30, 2023 and the estimated liability for self-insurance claims at that date in the Statement of Net Position. The income and expenses related to the administration of the self-insurance and estimated provision for the claims liability for the year then ended are recorded in the Statement of Revenues, Expenses, and Changes in Net Position.

10. CAPITAL ASSETS

Buildings, infrastructure and improvements (which include roads, curb and gutter, streets and sidewalks, and lighting systems), land, equipment, library materials, and intangible assets (primarily software) are valued at historical cost or at acquisition value at the date of donation. Buildings, infrastructure and improvements, and additions to existing assets are capitalized when acquisition cost equals or exceeds \$100,000 for the University.

Equipment is capitalized when acquisition costs exceed \$5,000. All costs incurred in the acquisition of library materials are capitalized. Purchased software is capitalized when acquisition costs are \$100,000 or greater. Land acquisitions have been valued at original cost or fair market value at the date of donation in the case of gifts. Buildings, improvements, land, and equipment of component units have been valued at cost at the date of acquisition.

Artwork is capitalized when acquisition cost exceeds \$2,000; however the University has certain works of art that are not capitalized, nor depreciated. These assets are held for public exhibition, education, or research rather than financial gain. These assets are also protected, unencumbered, and preserved and are subject to policies requiring the proceeds from sales of collection items to be used to acquire other collection items. The University's assets of this nature include Native American artifacts, photographs, prints, paintings, monuments, statues, and other historical documents.



Capital assets of the University and its component units are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives of University assets extends to forty years on buildings, up to thirty years for building improvements, forty to fifty years on infrastructure and improvements, five to twenty years for land improvements, twenty years on library books, from three to twenty years on equipment, and from three to ten years on software. Land, art and special collections, and construction in progress are not depreciated.

Capital assets at June 30, 2023, are shown in **Table 10a** (pg 45).

The University is committed to the completion of all projects that are under construction. At June 30, 2023, the University had outstanding commitments of \$48,900,638.

The University implemented GASB Statement No. 96, *Subscription-based Information Technology Arrangements (SBITA)*, effective July 1, 2022, which requires recognition of a right-to-use subscription asset and a corresponding subscription liability for certain subscription based information technology arrangements. The right-to-use asset is amortized over the subscription term. The University has a number of qualified SBITA arrangements that resulted in recognition of a beginning right-to-use asset, net of amortization, of \$6,449,851 and a corresponding beginning subscription liability of \$5,012,634.

Table 10a: Changes in Capital Assets

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capital Assets, Non-depreciable:				
Land and Permanent Easements	\$ 30,915,968	\$ -	\$ -	\$ 30,915,968
Construction in Progress	18,271,907	30,750,050	2,535,410	46,486,547
Total Capital Assets, Non-depreciable	49,187,875	30,750,050	2,535,410	77,402,515
Capital Assets, Depreciable:				
Buildings	348,185,495	10,157,586	2,234,723	356,108,358
Machinery and Equipment	20,324,574	1,803,451	620,856	21,507,169
Art, Literature, and Artifacts	2,497,220	9,062,063	70,937	11,488,346
Land Improvements	21,256,869	2,218,743	-	23,475,612
Right to Use-SBITA	7,219,382	507,381	-	7,726,763
General Infrastructure	5,076,336	186,316	-	5,262,652
Total Before Depreciation	404,559,876	23,935,540	2,926,516	425,568,900
Less Accumulated Depreciation and Amortization For:				
Buildings	83,089,185	9,659,614	2,068,144	90,680,655
Machinery and Equipment	13,650,890	2,217,459	605,329	15,263,020
Art, Literature, and Artifacts	1,775,310	546,659	72,422	2,249,547
Land Improvements	9,336,423	849,890	-	10,186,313
Right to Use-SBITA	769,531	1,252,834	-	2,022,365
General Infrastructure	912,909	130,917	-	1,043,826
Total Accum Depreciation and Amortization	109,534,248	14,657,373	2,745,895	121,445,726
Total Capital Assets, Depreciable, Net	295,025,628	9,278,167	180,621	304,123,174
Total Capital Assets, Net	\$ 344,213,503	\$ 40,028,217	\$ 2,716,031	\$ 381,525,689

Table 11a: Bonds Payable

Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Current Liability	Balance June 30, 2023 *
Series 2015-Revenue	6/24/2015	6/1/2046	2%-5%	\$ 21,315,000	\$ 507,988	\$ 18,240,737
Series 2017-Revenue	7/18/2017	6/1/2049	2%-5%	20,770,000	501,087	20,507,392
Series 2019-Revenue	12/18/2019	6/1/2051	2.55%-5%	42,040,000	915,345	42,848,975
Series 2020-Revenue	9/23/2020	6/1/2050	2%-5%	10,050,000	243,537	10,475,493
Series 2022-Revenue	6/9/2022	6/1/2053	4%-5%	65,075,000	153,395	69,523,451
Total Bonds Payable				\$ 159,250,000	\$ 2,321,352	\$ 161,596,048

* Includes unamortized bond premiums.

Table 11b: Notes Payable

Financial Institution	Term	Interest Rate	Balance
Bank of America Public Capital Corp	2011-2028	2.87%-4.5%	\$ 1,429,949
US Bancorp Government Leasing and Finance, Inc.	2014-2028	3.02%	283,353
Zions Bank	2006-2028	2.47%-4.65%	280,470
Total Notes Payable			\$ 1,993,772

11. BONDS PAYABLE AND OTHER LONG-TERM LIABILITIES

The long-term debt of the University consists of bonds payable, notes payable, compensated absences, net pension liability, and other obligations.

The Utah Board of Higher Education issues revenue bonds to provide funds for the construction and renovation of major capital facilities and the acquisition of capital equipment for the University.

The revenue bonds are special limited obligations of the University. The obligation for repayment is solely that of the University and payable from the net revenues of auxiliary enterprise, student building fees, Road Scholar, travel study, and parking fees. Neither the full faith and credit, nor the taxing power of the State or any other political subdivision of the State is pledged to the payment of the bonds, the distributions, or other costs associated with the bonds.

Table 11a (pg 45) lists the outstanding bonds payable of the University at June 30, 2023.

Table 11b (pg 45) lists the outstanding notes payable along with their principal balance at June 30, 2023.

In July 2017, the University issued a general revenue bond in the amount of \$20,770,000 to finance the construction of the East Stadium Grandstands and the Health and Human Performance Center (HPC). Construction was complete on the East Grandstands in May 2018. The HPC construction was complete in August 2019.

In December 2019, the University issued a general revenue bond in the amount of \$42,040,000 to finance the construction of new student housing (Campus View Suites II). Construction for the project was completed in July 2021.

In September 2020, the University issued a new general revenue bond in the amount of \$10,050,000 to finance the construction of the West Side Stadium Expansion. The construction is in process with anticipated completion for fall 2023.

In June 2022, the University issued a new general revenue bond in the amount of \$65,075,000 to finance the construction of new student housing (Campus View Suites III). The construction is in process with anticipated completion for fall 2024.

Table 11c: Long Term Liabilities

Liability Type	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<u>Bonds, Notes, SBITA and Annuities Payable</u>					
Bonds Payable*	\$ 163,857,400	\$ -	\$ 2,261,352	\$ 161,596,048	\$ 2,321,352
SBITA Liability	5,012,634	507,381	665,668	4,854,347	1,240,779
Notes Payable	2,601,335	-	607,563	1,993,772	422,381
Charitable Remainder Annuity	538,908	-	40,833	498,075	39,106
Total Long-Term Debt	172,010,277	507,381	3,575,416	168,942,242	4,023,618
Net Pension Liability	-	293,913	-	293,913	-
Compensated Absences	2,551,026	2,519,275	2,230,064	2,840,237	2,305,757
Termination Benefits	1,013,422	646,475	485,934	1,173,963	549,177
Total Long-Term Liabilities	\$ 175,574,725	\$ 3,967,044	\$ 6,291,414	\$ 173,250,355	\$ 6,878,552

*Includes bond premium amortization.

Table 11d: Maturities of Long Term Debt Principal and Interest

Year Ending June 30	Notes Payable	Bonds Payable	SBITA Liability	Total Principal	Total Interest	Total Principal and Interest
2024	\$ 422,387	\$ 1,970,000	\$ 1,240,779	\$ 3,633,166	\$ 6,350,918	\$ 9,984,084
2025	376,182	3,135,000	1,268,841	4,780,023	6,219,908	10,999,931
2026	387,084	3,285,000	1,310,489	4,982,573	6,027,991	11,010,564
2027	398,305	3,415,000	966,682	4,779,987	5,826,888	10,606,875
2028	409,814	3,575,000	67,556	4,052,370	5,628,143	9,680,513
2029-2033	-	20,675,000	-	20,675,000	25,305,900	45,980,900
2034-2038	-	25,285,000	-	25,285,000	20,704,075	45,989,075
2039-2043	-	30,630,000	-	30,630,000	15,350,694	45,980,694
2044-2048	-	34,500,000	-	34,500,000	9,068,081	43,568,081
2049-2053	-	26,330,000	-	26,330,000	2,683,725	29,013,725
Totals	\$ 1,993,772	\$ 152,800,000	\$ 4,854,347	\$ 159,648,119	\$ 103,166,323	\$ 262,814,442

This fiscal year the University paid off a 2006 lease revenue bond that was entered into through the Utah Board of Higher Education to acquire the Avenna Center and other buildings.

Over a number of years, the University has entered into notes payable agreements as direct borrowings to acquire equipment. These outstanding notes contain a provision that, in the event of default, outstanding amounts become immediately due or the equipment is subject to bank repossession. Equipment currently financed through these direct borrowings are pledged as collateral for the debt.

Table 11c (pg 46) summarizes the changes in long-term liabilities for the year ended June 30, 2023.

Table 11d (above) shows maturities of principal and interest requirements for long-term debt payable as follows.

The Utah Tech Foundation has entered into Charitable Gift Annuity Agreements wherein donors (the annuitants) conveyed to the Utah Tech Foundation assets in exchange for monthly, quarterly, or annual payments to the annuitants during the lifetime of the donors or through the end of the agreement.

Table 11e presents the annuities payable at June 30, 2023.

Table 11e: Remainder Annuity and Unitrusts Payable

	Date Created	Interest Rate	Present Value	Current Portion
Charitable Remainder Unitrust:				
Arthur Paxman	11/22/1996	4.20%	\$ 23,603	\$ 1,960
Robert Paxman	11/22/1996	4.20%	13,679	2,337
Charitable Gift Annuity:				
Lou & Terre Burton	07/26/2005	4.20%	103,291	7,344
Kathleen Ann Capik	06/15/2007	4.20%	137,046	8,445
Keith & Charlene Fuller	08/21/2004	4.20%	101,413	9,804
Blair Wellington McDonald Jr	11/05/1993	4.20%	119,043	9,216
Total Remainder Annuity and Unitrusts Payable			\$ 498,075	\$ 39,106

Table 11f presents the estimated future annuities payable at June 30, 2023.

Table 11f: Estimated Future Annuities Payable

Year	Principal	Interest	Total Principal and Interest
2024	\$ 39,106	\$ 20,233	\$ 59,339
2025	40,779	18,561	59,340
2026	42,520	16,818	59,338
2027	44,341	15,001	59,342
2028	46,236	13,104	59,340
2029-2033	229,824	35,866	265,690
2034-2036	55,269	2,481	57,750
Totals	\$ 498,075	\$ 122,064	\$ 620,139

12. PLEDGED BOND REVENUE

The University issues revenue bonds to provide funds for the construction and renovation of major capital facilities and the acquisition of capital equipment for the University. Investors in these bonds rely solely on the net revenue

pledged by the general revenue of the University for the retirement of outstanding bonds payable.

Table 12 presents the net revenue pledged and the principal and interest paid and accrued for the year ended June 30, 2023.

Table 12: Pledged Bond Revenue

Revenues	
Operating Revenue	\$ 18,667,345
Nonoperating Revenue	1,845,898
Total Revenues	20,513,243
Expenses	
Operating Expenses	13,641,114
Total Expenses	13,641,114
Net Pledged Revenue	\$ 6,872,129
Principal and Interest Paid	\$ 7,733,727

Table 13a: Summary of Benefits by System

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefits	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020; 2.0% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reductions are applied.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit. 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.

13. PENSION PLANS AND RETIREMENT BENEFITS

As required by State law, eligible nonexempt employees (as defined by the U.S. Fair Labor Standards Act) of the University are covered by defined benefit plans sponsored by the Utah Retirement Systems (URS), and eligible exempt employees (as defined by the U.S. Fair Labor Standards Act) are covered by defined contribution plans, such as the Teachers Insurance and Annuity Association Fund (TIAA), 401(k), 403(b), 457(b), or Roth IRA plans.

DEFINED BENEFIT PLANS

Eligible plan participants are provided with pensions through the following systems:

- Public Employee Noncontributory Retirement System (Noncontributory System) and the Public Employee Contributory Retirement System (Contributory System), which are multiple-employer, cost sharing, public employee retirement systems.
- The Public Safety Retirement System (Public Safety), which is a cost-sharing, multiple-employer, public employee retirement system.

- Tier 2 Public Employee Contributory Retirement System (Tier 2 Public Employee System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighter System), which are multiple-employer, cost-sharing, public employee retirement systems.

The Tier 2 Public Employees System and the Tier 2 Public Safety and Firefighter System were created July 1, 2011. All eligible employees who have no previous service credit with any of the Utah Retirement Systems prior to that date are members of the Tier 2 Retirement Systems.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The URS's defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act, in Title 49, provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The URS are fiduciary funds defined as pension (and other employee benefits) trust funds and are a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

Table 13b: Contribution Rates

	Rates Paid by Employee	Rates Paid by UT for Employee	UT Contribution Rates
Noncontributory System			
State and School Division Tier 1	-	-	22.19%
Contributory System			
Public Employees Tier 1	-	6.00%	17.70%
Public Employees Tier 2	-	-	19.84%
Public Safety Retirement System			
Public Safety	-	-	41.35%
Public Safety and Firefighter	-	2.59%	32.54%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liabilities of the Tier 1 plans.

The URS issues a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems at 560 East 200 South, Salt Lake City, Utah 84102, or visiting the website: www.urs.org.

The URS provides retirement benefits as summarized in **Table 13a** (pg 48).

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contribution rates as of June 30, 2023, are shown in **Table 13b** (pg 49).

For the year ended June 30, 2023, employer and employee contributions to the Systems were as follows in **Table 13c**.

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used

to finance the unfunded liabilities in the Tier 1 Systems.

At June 30, 2023, the University's net pension asset and liability were as follows in **Table 13d**.

The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022, and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2023, pension income of \$970,065 was recorded. At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources in **Table 13e** (pg 51).

Table 13c: Systems Employer and Employee Contributions

System	Employer	Employee
Noncontributory	\$ 1,098,408	\$ -
Public Safety	107,615	-
Tier 2 Public Employees	307,788	-
Tier 2 Public Safety and Firefighter	63,984	5,093
Total Contributions	\$ 1,577,795	\$ 5,093

Table 13d: Net Pension Assets and Liability

(Measurement Date): December 31, 2022

System	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2021	Change (Decrease)
Noncontributory	\$ 43,750	\$ -	2.4992366%	2.4223427%	0.0768939%
Contributory	-	-	0.0000000%	0.6849293%	(0.6849293%)
Public Safety	-	212,722	0.2696475%	0.2902374%	(0.0205899%)
Tier 2 Public Employees System	-	75,628	0.0694542%	0.0677323%	0.0017219%
Tier 2 Public Safety and Firefighter	-	5,563	0.0666804%	0.0859335%	(0.0192531%)
Total Net Pension Asset / Liability	\$ 43,750	\$ 293,913			

Table 13e: Pensions Deferred Inflows and Outflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 345,525	\$ 52,970
Changes in assumptions	41,991	749
Net difference between projected and actual earnings on pension plan investments	954,338	-
Changes in proportion and differences between contributions and proportionate share of contributions	41,226	11,590
Contributions subsequent to the measurement date	790,499	-
	\$ 2,173,579	\$ 65,309

Of the \$2,173,578 reported as deferred outflows of resources related to pensions, \$790,499 results from contributions made by the University prior to its fiscal year end, but subsequent to the measurement date of December 31, 2022. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in **Table 13f**.

Table 13f: Other Deferred Resources

Year Ending December 31	Deferred Outflows (Inflows) of Resources
2023	(530,384)
2024	(154,293)
2025	426,501
2026	1,540,479
2027	6,880
Thereafter	28,587

The total pension liability in the December 31, 2022, actuarial valuation was determined using the actuarial assumptions shown in **Table 13g** applied to all periods included in the measurement.

Table 13g: Actuarial Assumptions

Inflation	2.50 Percent
Salary Increases	3.25 - 9.25 Percent, average, including Inflation
Investment Rate of Return	6.85 Percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022, valuation were based on the results of an actuarial experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed

Table 13h: Expected Return Arithmetic Basis

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	35%	6.58%	2.30%
Debt Securities	20%	1.08%	0.22%
Real Assets	18%	5.72%	1.03%
Private Equity	12%	9.80%	1.18%
Absolute Return	15%	2.91%	0.44%
Cash & Cash Equivalents	0%	-0.11%	0.00%
Totals	100%		5.17%
	Inflation		2.50%
	Expected Arithmetic Nominal Return		7.67%

for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in **Table 13h** (above).

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense. The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that

contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

Table 13i (below) presents the proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the proportionate share of the net pension liability

Table 13i: Sensitivity of Proportionate Share of Net Pension (Asset)/Liability

System	1% Decrease or 5.85%	Discount Rate of 6.85%	1% Increase or 7.85%
Noncontributory System	\$ 6,658,590	\$ (43,750)	\$ (5,658,920)
Public Safety System	799,758	212,722	(269,932)
Tier 2 Public Employees System	330,454	75,628	(120,683)
Tier 2 Public Safety and Firefighter System	44,528	5,563	(25,406)
Total	\$ 7,833,330	\$ 250,163	\$ (6,074,941)



(asset) would be if it were calculated using a discount rate that is one percentage point lower (5.85%) or one percentage point higher (7.85%) than the current rate.

DEFINED CONTRIBUTION SAVINGS PLANS

TIAA provides individual retirement fund contracts with each participating employee. Employees may allocate contributions by the University to any of all of the providers, and the contributions to the employee's contract(s) become vested at the time the contribution is made. Employees are eligible to participate from the date of employment and are not required to contribute to the fund.

Benefits provided to retired employees are based on the value of the individual contracts and the estimated life expectancy of the employee at retirement. For the year ended June 30, 2023, the University's contribution to these defined contribution pension plans was 14.20% of the employees' annual salaries. Additional contributions are made by the University based on employee contracts. The University has no further liability once contributions are made.

Employees of the University may also contribute to the 457(b), 403(b), Roth IRA, or 401(k) plans. For employees participating in the Noncontributory, Tier 2 Public Employee, or Tier 2 Public Safety and Firefighter Systems, the University is also required to contribute 1.50%, 0.18%, or 2.59%, respectively, of the employee's salary into a 401(k) plan.

For employees participating in the Tier 2 Public Employee defined contribution plan and Tier 2 Public Safety and Firefighter defined contribution plan, the University is required to contribute 20.02% and 35.13% respectively, of the employees' salary, of which 10% and 14% respectively, is paid into a 401(k)/457 plan while the remainder is contributed to the Tier 1 Systems, as required by law.

Defined Contribution Plans administered by the Utah Retirement Systems Board are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

For the year ended June 30, 2023, the University's contributions to the defined contribution plans were equal to the required amounts, as shown in **Table 13j**.

Table 13j : Employer and Employee Contributions

	University's Contributions	Employee Contributions
TIAA	\$ 6,184,686	\$ -
401(k) Plans	122,752	120,752
403(b) Plans	-	843,466
457 Plans	-	184,237
Roth IRA	-	32,130
Total Contributions	\$ 6,307,438	\$ 1,180,585

Table 15a: Condensed Statement of Net Position

as of June 30	Innovation Foundation	Utah Tech Foundation	Eliminations	Total
Current Assets	\$ 667,129	\$ 2,182,612		\$ 2,849,741
Noncurrent Assets				
Capital Assets, Net	281,250	378,950		660,200
Other Noncurrent Assets	-	16,535,292		16,535,292
Total Assets	948,379	19,096,854		20,045,233
Current Liabilities	-	59,839	\$ (20,733)	39,106
Noncurrent Liabilities	-	458,969		458,969
Total Liabilities	-	518,808	(20,733)	498,075
Deferred Inflows of Resources	-	295,290		295,290
Net Investment in Capital Assets	-	378,950		378,950
Restricted - Nonexpendable	948,379	10,976,900	1,901,088	13,826,367
Restricted - Expendable	-	6,178,434		6,178,434
Unrestricted	-	748,472		748,472
Total Net Position	\$ 948,379	\$ 18,282,756	\$ 1,901,088	\$ 21,132,223

Table 15b: Condensed Statement of Revenues, Expenses, and Changes in Net Position

as of June 30	Innovation Foundation	Utah Tech Foundation	Eliminations	Total
Operating Revenues				
Other Revenues	-	\$ 29,400		\$ 29,400
Total Operating Revenues	-	29,400		29,400
Operating Expenses				
Other Expenses	-	\$ 2,355,879	\$ (1,901,088)	\$ 454,791
Transfers to University	\$ 5,100	-		5,100
Total Operating Expenses and Transfers	5,100	2,355,879	(1,901,088)	459,891
Operating Loss	(5,100)	(2,326,479)	1,901,088	(430,491)
Nonoperating Revenues				
Gifts	-	499,709		499,709
Investment Income (Loss)	-	1,612,498		1,612,498
Other Nonoperating Revenues (Expenses)	-	885,636		885,636
Total Nonoperating Revenues (Expenses)	-	2,997,843		2,997,843
Capital and Permanent Endowment Additions	-	-		-
Increase (Decrease) in Net Position	(5,100)	671,364	1,901,088	2,567,352
Net Position - Beginning of Year	953,479	17,611,392		18,564,871
Net Position - End of Year	\$ 948,379	\$ 18,282,756	\$ 1,901,088	\$ 21,132,223

Table 15c: Condensed Statement of Cash Flows

as of June 30	Innovation Foundation	Utah Tech Foundation	Total
Cash Provided (Used) by:			
Operating Activities	\$ (5,760)	\$ (2,317,980)	\$ (2,323,740)
Financing Activities	-	1,410,434	1,410,434
Capital and Related Financing Activities	-	-	-
Investing Activities	-	2,122,509	2,122,509
Net Increase (Decrease) in Cash and Cash Equivalents	(5,760)	1,214,963	1,209,203
Cash and Cash Equivalents - Beginning of Year	672,889	730,904	1,403,793
Cash and Cash Equivalents - End of Year	\$ 667,129	\$ 1,945,867	\$ 2,612,996

14. CONTINGENT LIABILITIES

The University is involved in various legal actions arising in the ordinary course of business. The University is contesting these matters, but as of this date it is not possible to reasonably estimate the outcome of these proceedings. It is the opinion of management that these matters will not have an adverse effect on the University's financial position.

15. BLENDED COMPONENT UNITS

The Utah Tech Innovation Foundation (Innovation Foundation) is a legally separate, tax-exempt component unit of the University. The Innovation Foundation acts primarily to promote the University's educational innovation and entrepreneurial endeavors. The majority of the resources or income the Innovation Foundation holds and invests is restricted to the activities of the University by the donors. Additionally, the Innovation Foundation's governing board is controlled by key University employees.

These restricted resources held by the Foundation can only be used by, or for the benefit of the University. For these reasons the Innovation Foundation is considered a component unit of the University and is presented in the University financial statements as a blended component unit. Separately issued financial statements for the Innovation Foundation can be obtained from the University Business Services Office.

The following schedules present condensed statements of net position, **Table 15a** (pg 54); statements of revenues, expenses, and changes in net position, **Table 15b** (pg 54); and statements of cash flows, **Table 15c** (above) for the Innovation Foundation and the Utah Tech Foundation. The amounts are for the year ended June 30, 2023.

The Utah Tech University Foundation (Utah Tech Foundation) is a legally separate, but affiliated, not-for-profit organization that operates exclusively to promote the University. The Utah Tech Foundation's economic resources are used for the benefit of the University. It is administered by a Board of Directors comprised of three or more individuals from the community and the University. The President of the University and two other key University personnel are permanent members of the Board. Additionally, the President of the University must approve individuals that have been recommended for the Board and can remove directors without consent or vote of the Board.



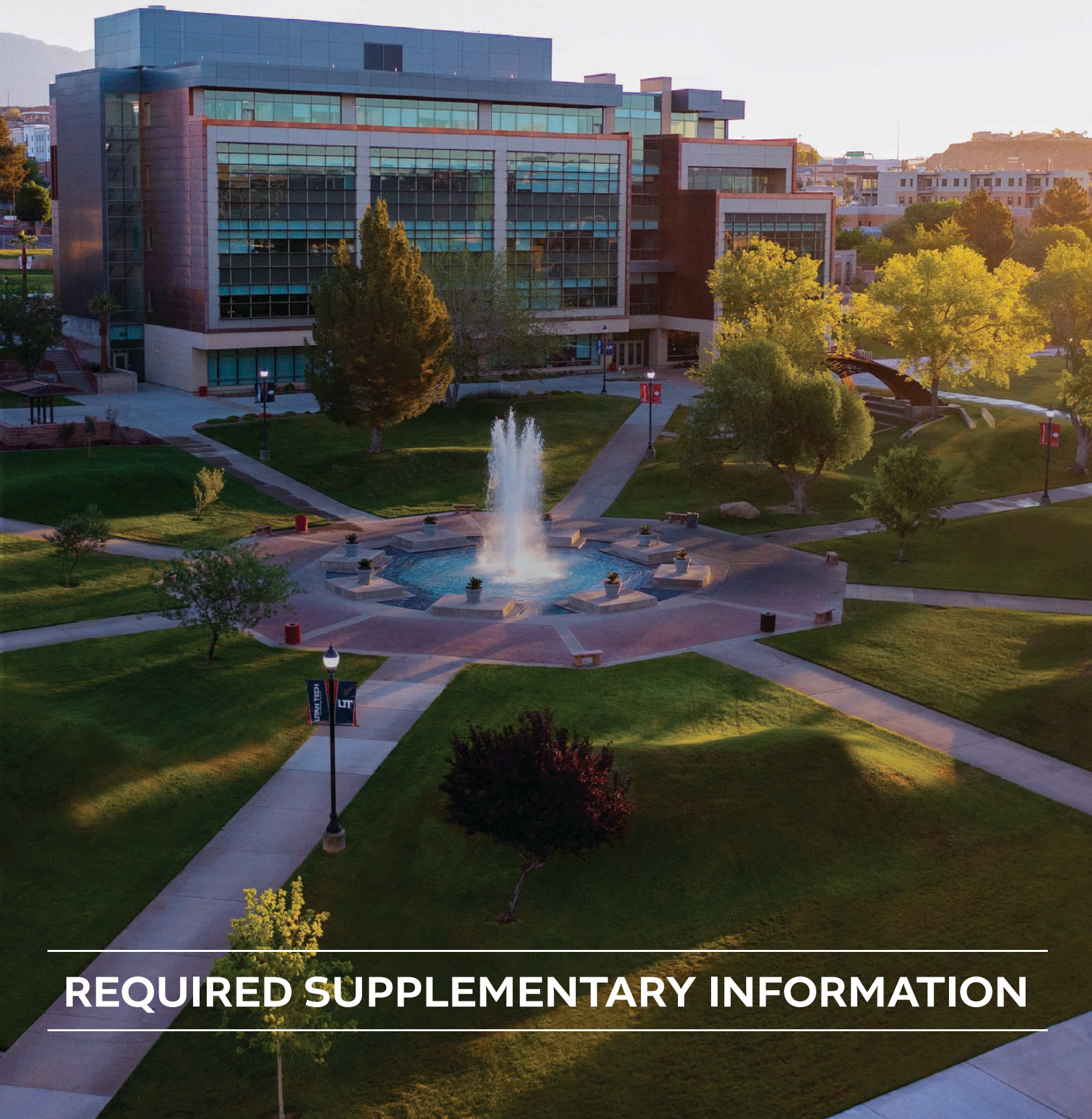
For these reasons the Utah Tech Foundation is considered a component unit of the University and is presented in the University financial statements as a blended component unit. Separately issued financial statements for the Utah Tech Foundation can be obtained from the University Business Services Office.

Elimination of internal balances and transactions between the University, the Innovation Foundation, and the Utah Tech Foundation and a presentation of eliminated balances and transactions in a separate column is required by GASB Statement 34.



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REQUIRED SUPPLEMENTARY INFORMATION

Table RS11: Proportionate Share of the Net Pension Liability for the Utah Retirement Systems

Noncontributory System	Measurement Date of December 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Proportion of Net Pension Liability (Asset)	2.49923660%	2.42234270%	2.42234270%	2.37668010%	0.16921450%	0.16094350%	0.17014040%	0.18031080%	0.18064140%	
Proportionate Share of Net Pension Liability (Asset)	\$ (43,750)	\$ (5,953,878)	\$ (2,389,124)	\$ 2,787,917	\$ 6,295,654	\$ 3,935,651	\$ 5,514,109	\$ 5,664,079	\$ 4,538,667	
Covered Payroll	\$ 5,370,820	\$ 5,228,832	\$ 5,330,777	\$ 5,451,009	\$ 5,235,463	\$ 4,866,617	\$ 5,047,851	\$ 5,341,127	\$ 5,245,808	
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	-0.81%	-113.87%	-44.82%	51.14%	120.25%	80.87%	109.24%	106.05%	86.50%	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.10%	111.80%	104.70%	94.20%	84.10%	89.20%	84.90%	84.50%	87.20%	
Contributory System	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Proportion of Net Pension Liability (Asset)	0.00000000%	0.68492930%	1.11667480%	0.94379050%	0.24403790%	0.20484470%	0.16843100%	0.28094420%	0.28692570%	
Proportionate Share of Net Pension Liability (Asset)	\$ -	\$ (192,934)	\$ (237,214)	\$ (53,214)	\$ 173,268	\$ 13,480	\$ 92,293	\$ 176,054	\$ 31,461	
Covered Payroll	\$ -	\$ 24,825	\$ 49,651	\$ 49,045	\$ 47,361	\$ 46,608	\$ 45,151	\$ 88,995	\$ 103,443	
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	0.00%	-777.16%	-477.76%	-108.50%	365.84%	28.92%	204.41%	197.82%	30.40%	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	0.00%	117.60%	113.10%	103.60%	91.40%	99.20%	93.40%	92.40%	98.70%	
Public Safety System	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Proportion of Net Pension Liability (Asset)	0.26964750%	0.29023740%	0.25072190%	0.22419080%	0.15050290%	0.15606120%	0.19421210%	0.19371590%	0.18916470%	
Proportionate Share of Net Pension Liability (Asset)	\$ 212,722	\$ (266,055)	\$ 162,389	\$ 331,068	\$ 360,266	\$ 271,370	\$ 415,242	\$ 417,044	\$ 351,513	
Covered Payroll	\$ 283,018	\$ 260,234	\$ 223,112	\$ 229,406	\$ 151,933	\$ 169,787	\$ 223,944	\$ 212,317	\$ 204,903	
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	75.16%	-102.24%	72.78%	144.32%	237.12%	159.83%	185.42%	196.42%	171.60%	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.20%	105.70%	95.80%	90.00%	83.20%	87.40%	83.50%	82.30%	84.30%	
Tier 2 Public Employees System	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Proportion of Net Pension Liability (Asset)	0.06945420%	0.06773230%	0.06778710%	0.06785280%	0.05998340%	0.06992920%	0.08406200%	0.09876360%	0.10467660%	
Proportionate Share of Net Pension Liability (Asset)	\$ 75,628	\$ (28,667)	\$ 9,750	\$ 15,261	\$ 25,690	\$ 6,165	\$ 9,377	\$ (216)	\$ (3,172)	
Covered Payroll	\$ 1,515,347	\$ 1,256,305	\$ 1,083,920	\$ -	\$ 699,995	\$ 685,025	\$ 689,380	\$ 638,190	\$ 513,385	
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	4.99%	-2.28%	0.90%	0.00%	3.67%	0.90%	1.36%	-0.03%	-0.60%	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.30%	103.80%	98.30%	96.50%	90.80%	97.40%	95.10%	100.20%	103.50%	
Tier 2 Public Safety and Firefighter System	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Proportion of Net Pension Liability (Asset)	0.06668040%	0.08593350%	0.09052480%	0.06301240%	0.05511630%	0.04007360%	0.03969350%	0.05173510%	0.07165880%	
Proportionate Share of Net Pension Liability (Asset)	\$ 5,563	\$ (4,343)	\$ 8,120	\$ 5,927	\$ 1,381	\$ (464)	\$ (345)	\$ (756)	\$ (1,060)	
Covered Payroll	\$ 205,163	\$ 205,501	\$ 179,207	\$ 103,831	\$ 73,647	\$ 42,282	\$ 32,795	\$ 30,780	\$ 29,601	
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	2.71%	-2.11%	4.53%	5.71%	1.88%	-1.10%	-1.05%	-2.46%	-3.60%	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.40%	102.80%	93.10%	89.60%	95.60%	103.00%	103.60%	110.70%	120.50%	
The University implemented GASB Statement No. 68 in fiscal year 2015. Information on the University's portion of the plans' net pension liabilities (assets) is not available for periods prior to fiscal year 2015.										

The University implemented GASB Statement No. 68 in fiscal year 2015. Information on the University's portion of the plans' net pension liabilities (assets) is not available for periods prior to fiscal year 2015.

Table RS12: Schedule of Pension Contributions to the Utah Retirement Systems for the Last 10 Fiscal Years ending June 30

Noncontributory System	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 1,098,408	\$ 1,062,600	\$ 1,089,648	\$ 1,120,005	\$ 1,126,793	\$ 1,018,373	\$ 1,002,286	\$ 1,078,513	\$ 1,132,464	\$ 1,009,059
Contributions in Relation to the Contractually Required Contribution	(1,098,408)	(1,062,600)	(1,089,648)	(1,120,005)	(1,126,793)	(1,018,373)	(1,002,286)	(1,078,513)	(1,132,464)	(1,009,059)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,407,249	\$ 5,236,743	\$ 5,259,769	\$ 5,399,426	\$ 5,472,599	\$ 5,041,252	\$ 4,849,980	\$ 5,274,072	\$ 5,240,619	\$ 5,294,042
Contributions as a Percentage of Covered Payroll	20.31%	20.29%	20.72%	20.74%	20.59%	20.20%	20.67%	20.45%	21.61%	19.06%
Contributory System	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014*
Contractually Required Contribution	\$ -	\$ -	\$ 8,788	\$ 8,788	\$ 8,574	\$ 8,330	\$ 8,031	\$ 10,704	\$ 18,102	\$ 16,659
Contributions in Relation to the Contractually Required Contribution	-	-	(8,788)	(8,788)	(8,574)	(8,330)	(8,031)	(10,704)	(18,102)	(16,659)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ -	\$ -	\$ 49,651	\$ 49,651	\$ 48,440	\$ 47,062	\$ 45,375	\$ 60,473	\$ 102,272	\$ 104,314
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	17.70%	17.70%	17.70%	17.70%	17.70%	17.70%	17.70%	15.97%
Public Safety System	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 107,615	\$ 124,845	\$ 92,721	\$ 90,752	\$ 84,912	\$ 59,318	\$ 88,037	\$ 90,450	\$ 91,062	\$ 79,124
Contributions in Relation to the Contractually Required Contribution	(107,615)	(124,845)	(92,721)	(90,752)	(84,912)	(59,318)	(88,037)	(90,450)	(91,062)	(79,124)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 289,630	\$ 301,924	\$ 224,234	\$ 219,473	\$ 205,350	\$ 143,452	\$ 212,907	\$ 218,742	\$ 206,738	\$ 201,282
Contributions as a Percentage of Covered Payroll	37.16%	41.35%	41.35%	41.35%	41.35%	41.35%	41.35%	41.35%	44.05%	39.31%
Tier 2 Public Employees System *	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014*
Contractually Required Contribution	\$ 307,788	\$ 274,434	\$ 214,392	\$ 202,212	\$ 147,880	\$ 122,315	\$ 126,881	\$ 129,774	\$ 44,354	\$ 79,924
Contributions in Relation to the Contractually Required Contribution	(307,788)	(274,434)	(214,392)	(202,212)	(147,880)	(122,315)	(126,881)	(129,774)	(44,354)	(79,924)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,551,348	\$ 1,414,608	\$ 1,120,712	\$ 1,064,834	\$ 783,679	\$ 663,313	\$ 695,619	\$ 711,479	\$ 532,459	\$ 477,160
Contributions as a Percentage of Covered Payroll	19.84%	19.40%	19.13%	18.99%	18.87%	18.44%	18.24%	18.24%	8.33%	16.75%
Tier 2 Public Safety and Firefighter System *	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 63,984	\$ 71,321	\$ 62,980	\$ 43,379	\$ 24,457	\$ 16,961	\$ 9,987	\$ 9,159	\$ 3,262	\$ 6,589
Contributions in Relation to the Contractually Required Contribution	(63,984)	(71,321)	(62,980)	(43,379)	(24,457)	(16,961)	(9,987)	(9,159)	(3,262)	(6,589)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 196,631	\$ 219,179	\$ 193,545	\$ 145,371	\$ 82,071	\$ 57,927	\$ 34,190	\$ 31,357	\$ 30,203	\$ 24,046
Contributions as a Percentage of Covered Payroll	32.54%	32.54%	32.54%	29.84%	29.80%	29.28%	29.21%	29.21%	10.80%	27.40%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 Systems. Tier 2 systems were created July 1, 2011.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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



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