



Annual Financial Report

SOUTHERN UTAH UNIVERSITY
A COMPONENT UNIT OF THE STATE OF UTAH

2020-2021

NOV 2021

Table of Contents

| | |
|---|----|
| Message from the President | 3 |
| Independent State Auditor’s Report | 4 |
| Management’s Discussion and Analysis | 8 |
| Statement of Net Position | 17 |
| Statement of Revenues, Expenses and Changes in Net Position | 19 |
| Statement of Cash Flows | 20 |
| Notes to the Financial Statements | 23 |
| Required Supplementary Information | 44 |
| Governing Boards and Officers | 48 |

ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2021



Message from the President



It was another great year of achievement, growth, and change for Southern Utah University. With 147 undergraduate programs, 21 graduate programs and a vibrant student life, SUU has created its niche as an institution focused on innovation and personalized learning experiences. True to SUU’s mission, faculty, staff and administrators focus on engaging students in experiential education that leads to personal growth, civic responsibility and professional excellence.

The University’s vision is to receive national recognition for its innovations in learning, student success, and providing the best educational experience in the intermountain west. The continued fulfillment of this vision was evident during the 2021 fiscal year. SUU received national recognition in the prestigious U.S. News & World Report annual rankings as the best public regional university in Utah and 3rd in the eight-state mountain west region. SUU is also the top-rated regional university in the West, 3rd in the nation for lowest student debt, and 34th “Best Value” in the West. These recognitions represent only a few of the many ways SUU’s reputation as a premier four-year regional university continues to grow.

In addition to receiving national recognition for affordability and student success during this fiscal year, SUU also led the state university system in enrollment growth with a 12.1% increase over the previous fall semester. Even with the impact of the COVID-19 pandemic, SUU grew to 13,000 students, the largest number in the University’s history. SUU’s online degree programs also doubled in size during this time. I am proud that for the third year in a row, SUU has not raised tuition and actually reduced student fees. Providing students with affordable access to a high-quality education is always important, but especially during a global pandemic and time of economic distress.

Another highlight was the approval of SUU’s first doctorate degree by the Utah Board of Higher Education in October. The new Doctor of Psychology in Clinical Psychology (Psy.D.) will begin welcoming student in the fall of 2022 and will provide greater access to mental health care, particularly in rural Utah. Also of note this year –the Utah Legislature approved a new academic classroom building for SUU to be completed and ready for classes in spring semester of 2023. This building will house the Art and Design Department, SUU’s new film studies program, the History, Sociology, and Anthropology Department, the Mathematics Department, portions of the Aviation Department, and some faculty and staff from other academic areas.

The biggest change for the university came at the end of the fiscal year with the announcement that Scott L Wyatt would be stepping down as President of Southern Utah University to take a new role in the Utah Commissioner of Higher Education’s office. While we are excited for President Wyatt, he will be missed on campus. The legacy of innovation, affordability and accessibility, and growth he has left at SUU are greatly appreciated.

Each of our successes and accolades are made possible by the support of our employees, community and treasured alumni, friends, and policy makers. Thank you for your continued devotion to our mission and our students.

Sincerely,

A handwritten signature in black ink that reads "Mindy Benson". The signature is written in a cursive, flowing style.

Mindy Benson
Interim President

Independent State Auditor's Report



OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

To the Board of Trustees, Audit Committee
and
Mindy Benson, Interim President
Southern Utah University

We have audited the accompanying financial statements of Southern Utah University (University) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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, 2021, 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.

Other Matters

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the University's basic financial statements. The Message from the President and the listing of the governing boards and officers are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Message from the President and the listing of the governing boards and officers have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021 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 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

November 15, 2021



MANAGEMENT'S DISCUSSION & ANALYSIS

Management's Discussion and Analysis

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Southern Utah University (University) for the year ended June 30, 2021. This discussion was prepared by management and should be read in conjunction with the audited financial statements and the notes thereto, which follow this section.

Since its founding in 1897, the University has evolved from a teacher training school into its current role as Utah's premier four-year regional university. Historically, it has served the southern region of Utah and areas of two contiguous states with undergraduate and graduate programs and applied technology training. More recently, it has expanded its reach both nationally and internationally. People look to the University for public education, outreach services, culture, sporting events, economic and business development, regional history, public affairs, and major academic specialties. The University enrolls over 13,000 undergraduate and graduate students.

Financial

The annual report consists of three basic financial statements that provide information on the University as a whole: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. Each of these statements will be discussed.

The University's financial statements include, as a blended component unit, the activity of the Southern Utah University Foundation (Foundation). The Foundation was established to support, promote, sponsor, and carryout educational and related activities and objectives at the University.

Statement of Net Position

The Statement of Net Position reports the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University at June 30. Net Position is categorized as "Net Investment in Capital Assets", "Restricted" (Expendable or Nonexpendable), or "Unrestricted." Net Investment in Capital Assets includes fixed assets of the University reduced by accompanying debt and accumulated depreciation. Restricted Nonexpendable assets include endowment and similar funds that are held in perpetuity. Restricted Expendable assets are subject to externally imposed restrictions governing their use. All other assets are listed as Unrestricted. Below is a Condensed Statement of Net Position as of June 30, 2021 and 2020.

| Condensed Statement of Net Position | | | | |
|--|-----------------------|-----------------------|----------------------|-----------------|
| As of June 30 | | | | |
| | 2021 | 2020* | Change | % Change |
| Assets | | | | |
| Current Assets | \$ 60,973,182 | \$ 28,978,664 | \$ 31,994,518 | 110.4% |
| Noncurrent Assets | | | | |
| Net Capital Assets | 162,699,096 | 163,593,349 | (894,253) | -0.5% |
| Other Noncurrent Assets | 90,700,866 | 89,599,409 | 1,101,457 | 1.2% |
| Total Assets | 314,373,144 | 282,171,422 | 32,201,722 | 11.4% |
| Deferred Outflows of Resources | 3,307,645 | 2,721,271 | 586,374 | 21.5% |
| Liabilities | | | | |
| Current Liabilities | 28,663,214 | 23,150,385 | 5,512,829 | 23.8% |
| Noncurrent Liabilities | 23,208,595 | 27,024,240 | (3,815,645) | -14.1% |
| Total Liabilities | 51,871,809 | 50,174,625 | 1,697,184 | 3.4% |
| Deferred Inflows of Resources | 6,656,185 | 3,681,314 | 2,974,871 | 80.8% |
| Net Position | | | | |
| Net Investment in Capital Assets | 142,784,448 | 144,097,731 | (1,313,283) | -0.9% |
| Restricted Nonexpendable | 33,391,324 | 24,738,427 | 8,652,897 | 35.0% |
| Restricted Expendable | 33,864,841 | 30,135,864 | 3,728,977 | 12.4% |
| Unrestricted | 49,112,182 | 32,064,732 | 17,047,450 | 53.2% |
| Total Net Position | \$ 259,152,795 | \$ 231,036,754 | \$ 28,116,041 | 12.2% |

*As presented in 2020 published financial statements

Current assets increased by \$32.0 million due to several factors including cash balances increasing by \$20.0 million primarily from an increase in the PTIF Investment Pool due to excess available cash, including \$9.7 million in HEERF funding drawn down. We also strategically maintained funds in the pool due to fewer investment options earning above the pool. Short-term investments increased by \$7.1 million as a result of a larger schedule of maturity of bonds and brokered certificates of deposit maturing in FY 2022, offset by a \$1.0 million bank certificate of deposit that was redeemed. Net receivables increased by \$1.9 million with an increase in tuition and fee receivables (\$842K), grants receivables from HEERF funding (\$2.2 million), offset by a reduction in receivables from DFCM for projects completed in FY 2020 (\$1.1 million). Prepaid expenses increased dramatically (\$3.8 million) primarily due to a \$3.5 million increase in deferred charges for the Utah Shakespeare Festival after the 2020 season was cancelled due to COVID-19. Also contributing to the increase in prepaid expenses were a prepayment of football season charter flights (\$93K), cashiering system annual maintenance contract (\$177K), USHE IT support contracts (\$351K), and IT equipment purchased but not placed in service (\$45K). These increases were offset by a decrease in prepayments of aircraft purchases made in FY 2020 (\$352K).

Net capital assets decreased \$894K due to a \$7.9 million dollar increase in capital assets, including the new Child Care Center (\$1.7 million), roof replacements on several buildings (\$1.4 million), aircraft acquisitions (\$3.7 million), a new aircraft hangar (\$255K), and other equipment (\$1.0 million). These additions were offset by increased depreciation, net of retirements, of \$8.8 million.

Other noncurrent assets increased by \$1.1 million primarily as a result of reallocation of longer term investments in mutual funds and equity traded products (\$8.0 million) and an increase in alternative investments (\$527K), offset by the schedule of maturities for long-term bonds moving to current (\$6.6 million), brokered certificates of deposit being called prior to maturity (\$853K).

Deferred Outflows Related to Pensions increased \$584K due to an increase in the difference between expected and actual experience used in pension estimates (\$507K), changes in assumptions (\$25K), and the net difference between actual and expected earnings on pension plan investments (\$31K).

Current liabilities increased due to a \$2.3 million increase in USF deferred revenues as there was no season in FY 2020 due to COVID-19, a \$1.1 million increase in unearned tuition and fees and unapplied payments for summer semester, an increase in both May and June health insurance claims payable at year-end (\$2.0 million), offset by retirement payables paid before year-end in FY 2021 (\$780K) that were not paid by year-end in FY 2020. Current leases payable also increased \$486K and payroll liabilities increased \$361K due to an increase in hourly employees over FY 2020 due to COVID-19 and \$135K increase due to implementation of the 3-year academic program.

Noncurrent liabilities increased \$3.8 million due to an increase in net pension liability that resulted from an increase in deferred inflows of resources related to pensions (\$2.9 million), a decrease in deferred outflows of resources related to pensions (\$586K), and an increase in actuarial expense recognition (\$1.5 million).

The University's Net Position increased as a result of the following: Net Investment in Capital Assets decreased primarily as a result from the capitalization of the Child Care Center and the acquisition of aircraft as described previously. Restricted Nonexpendable Net Position increased as a result of increased market values of investments and receipts of scholarship endowment donations from University friends and alumni. Restricted Expendable Net Position increased primarily from additional debt incurred for aviation equipment and grants receivable for HEERF funding. Unrestricted Net Position increased primarily due to increases in tuition and fees and reductions in operating expenses as described below.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the results of operations for the year ended June 30. Below is a Condensed Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2021 and 2020.

| Condensed Statement of Revenues, Expenses, and Changes in Net Position | | | | |
|--|-----------------------|-----------------------|----------------------|--------------------|
| For the Years Ended June 30 | | | | |
| | 2021 | 2020* | Change | % Change |
| Operating Revenues | | | | |
| Tuition and Fees | \$ 76,158,492 | \$ 67,688,993 | \$ 8,469,499 | 12.5% |
| Grants and Contracts | 3,014,819 | 3,209,876 | (195,057) | -6.1% |
| Sales and Services of Educational Activities | 6,415,670 | 13,754,380 | (7,338,710) | -53.4% |
| Sales and Services of Auxiliary Enterprises | 4,269,559 | 4,313,410 | (43,851) | -1.0% |
| Other | 31,110 | 31,420 | (310) | -1.0% |
| Total Operating Revenues | 89,889,650 | 88,998,079 | 891,571 | 1.0% |
| Operating Expenses | | | | |
| Salaries | 75,967,448 | 77,895,944 | (1,928,496) | -2.5% |
| Benefits | 31,253,203 | 33,613,869 | (2,360,666) | -7.0% |
| Other Operating Expenses | 11,403,257 | 18,421,923 | (7,018,666) | -38.1% |
| Student Aid | 20,252,211 | 14,434,671 | 5,817,540 | 40.3% |
| Services and Supplies | 26,310,990 | 21,198,660 | 5,112,330 | 24.1% |
| Depreciation | 9,311,495 | 8,091,458 | 1,220,037 | 15.1% |
| Repairs and Maintenance | 460,344 | 756,122 | (295,778) | -39.1% |
| Utilities | 2,340,837 | 2,468,878 | (128,041) | -5.2% |
| Total Operating Expenses | 177,299,785 | 176,881,525 | 418,260 | 0.2% |
| Operating Loss | (87,410,135) | (87,883,446) | 473,311 | 0.5% |
| Nonoperating Revenues (Expenses) | | | | |
| State Appropriations | 54,721,121 | 48,390,079 | 6,331,042 | 13.1% |
| Grants and Contracts | 42,341,535 | 26,751,920 | 15,589,615 | 58.3% |
| Private Gifts and Grants | 5,286,742 | 4,075,933 | 1,210,809 | 29.7% |
| Investment Income | 9,715,325 | 2,629,029 | 7,086,296 | 269.5% |
| Other Nonoperating Revenues (Expenses) | - | (8,216) | 8,216 | 100.0% |
| Interest on Indebtedness | (257,065) | (290,648) | 33,583 | 11.6% |
| Net Nonoperating Revenue (Expenses) | 111,807,658 | 81,548,097 | 30,259,561 | 37.1% |
| Income (Loss) Before Other Revenue | 24,397,523 | (6,335,349) | 30,732,872 | 485.1% |
| Other Revenues | 4,326,436 | 6,335,458 | (2,009,022) | -31.7% |
| Change in Net Position | 28,723,959 | 109 | 28,723,850 | 26352156.0% |
| Net Position - Beginning of Year | 231,036,754 | 231,036,645 | 109 | 0.0% |
| Prior Period Adjustment | (607,918) | - | (607,918) | 100.0% |
| Net Position - Beginning of Year (Restated) | 230,428,836 | 231,036,645 | (607,809) | -0.3% |
| Net Position - End of Year | \$ 259,152,795 | \$ 231,036,754 | \$ 28,723,959 | 12.4% |

*As presented in 2020 published financial statements

Overall tuition revenues increased 11% due to increasing enrollment, with resident revenue growth of 14.6% and nonresident growth of 6.8% from FY 2020. Online enrollments increased significantly due to the uncertainty of the COVID-19 learning environment. SUU introduced a Three-Year Degree program in FY 2021 which led to summer tuition increase of 28.1%. Student fees were waived for fall semester due to COVID-19 resulting in \$1.5 million reduction in student fees for fall and \$940K overall. Additionally, course fees increased \$4.6 million primarily due to a \$5.3 million dollar growth in aviation course fees and decrease of \$770,000 due to the dissolution of Graduate & Online School. Scholarship allowance increased proportionally to tuition and fees resulting in an overall increase \$8.5 million, and 12.5% Net Tuition and Fees.

Operating Grants & Contracts decreased due to reduced funding of an expiring grant for IIC's Cedar Breaks project (\$170K) and reduced State Trust Land funding (\$20K).

Sales and Services of Educational Activities decreased by \$7.3 million primarily due to the elimination of deferred revenues for 2021 Shakespeare Festival season, whereas FY 2020 showed the reversal of eliminating deferred revenue for the 2019 Festival, the effect of which essentially doubled the change from FY 2021 from FY 2020 resulting in a decrease of \$4.6 million. There were additional increases in inter-departmental billings, etc. that resulting in a decrease in revenues of \$1.9 million. In addition, the decrease in sales and services of educational activities included a reduction in athletic guarantees due to cancellation or postponement of much of the 2020-2021 athletic seasons due to COVID-19 (\$904K).

Salaries decreased by \$1.9 million because of a reduction in deferred USF salary costs (\$3.7 million) due to cancellation of the 2020 season, but that decrease was offset by increases related to a mid-year COLA increase of 1.4%, a 13% growth in full-time employees and a 12% growth in part-time employees (\$770K), as well as an increase to adjunct/overloads due to the Three-Year degree program (\$1.0 million). Salary driven benefits changed consistent with salary increases (\$842K), including institutional medical insurance premiums increase of 5% in FY 2021. Additionally, a reduction in deferred Shakespeare benefits (\$875K) and the change to GASB 68 pension benefit expense elimination (\$2.3 million) resulted in a decrease of total benefits expense by \$2.3 million.

Other operating expenses, net of inter-department billings and expense eliminations only decreased \$57 thousand dollars, but this reduction was due to a variety of increases and decreases including a \$2.4 million decrease in travel expenses due to limited travel due to the COVID-19 pandemic. That decrease was offset by increases in other expenses including for promotional activities (\$396K), bad debt expense (\$764K), aviation liability insurance (\$542K), medical and dental insurance costs (\$981K), aviation rotor wing leases (\$368K) and gifts in kind expense (\$266K), and offset by decreases in non-travel meals (\$336K), membership dues/conference registration fees (\$500K). However, the reason for the \$7.0 million decrease in total other operating expenses is primarily due to an increase in inter-departmental billings (\$1.6 million), total DFCM activity and AMA project expense eliminations (\$2.4 million), and USF deferred expenses eliminations (\$2.5 million) and indirect costs eliminations (\$412K).

Student aid increased by \$5.8 million primarily due to awarding of HEERF (Cares Act) funds to students (\$5.3 million), academic scholarships and waivers (\$3.2 million), activity and other scholarships (\$400K), grants in aid (\$936K), offset by a \$4.0 million increase in scholarship allowances.

Services and supplies increased \$5.1 million as aviation parts expense increased (\$1.1 million) due to growth in the aircraft fleet, an increase in supplies purchased using HEERF funding (\$619K), State IT support contracts (\$564K), increase in bad debt expense (\$284K), and a decrease in DFCM activity eliminations as a result of completed projects in FY 2020 (\$2.6 million).

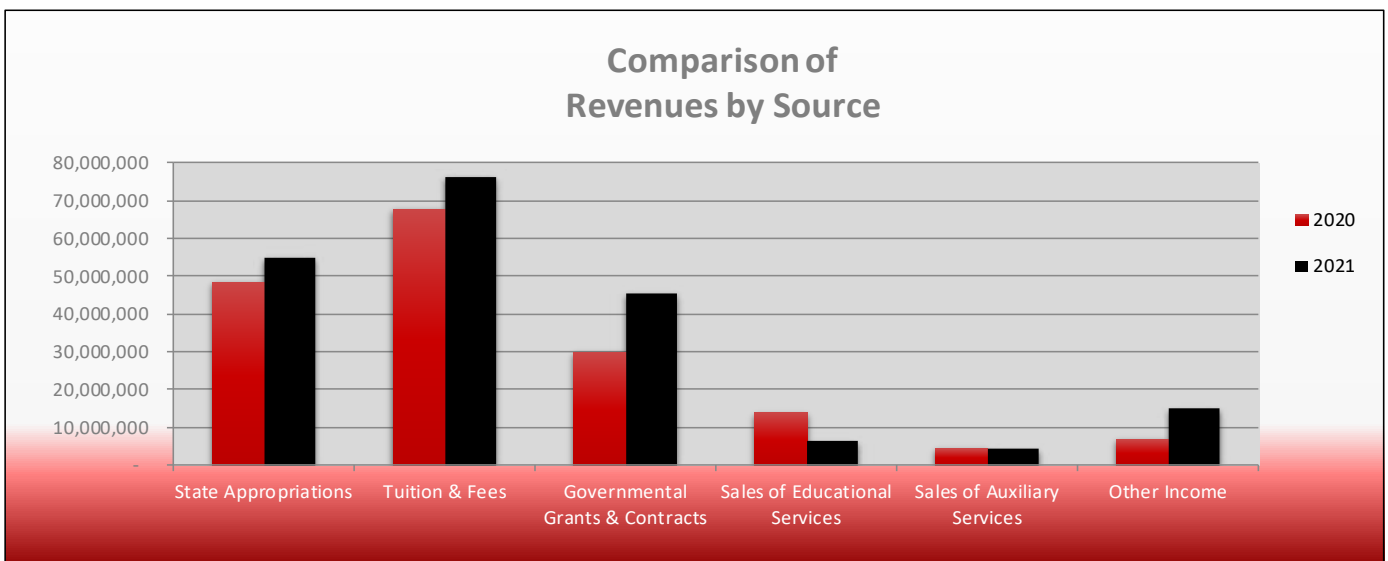
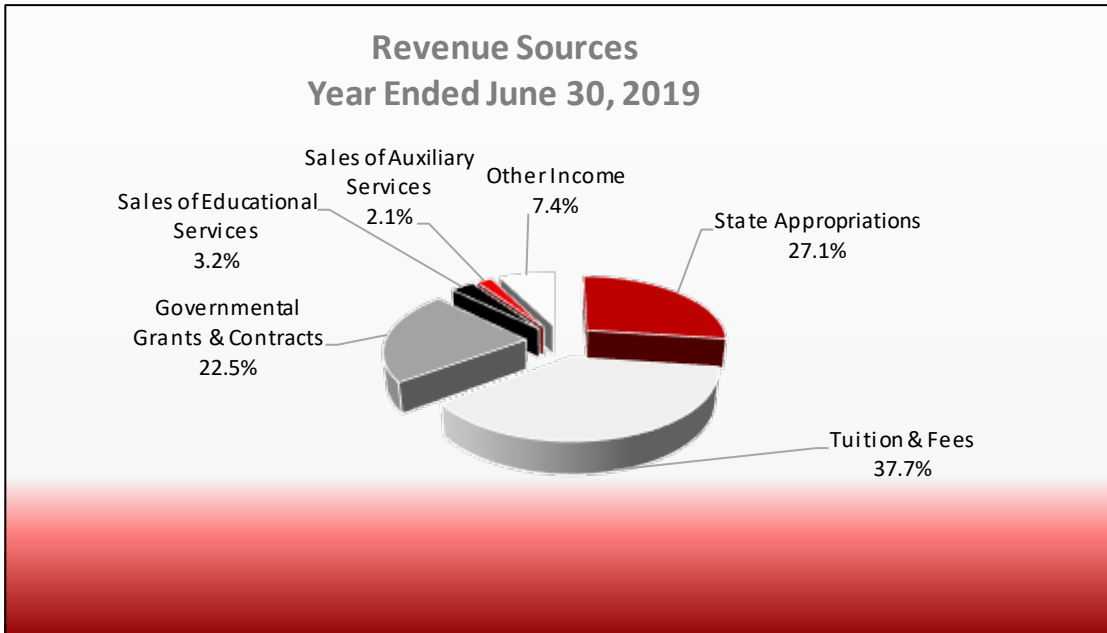
Depreciation expense increased \$1.2 million primarily due to the capitalization of the Child Care Center and helicopter acquisitions made in FY 2021.

State appropriations increased \$6.3 million due to additional funding for compensation, operations and maintenance, and performance based funding. Grants and Contracts increased \$15.6 million due to primary and flow-through HEERF funding (\$10.7 million), State COVID-19 funding for USF (\$1.8 million), additional Pell, SEOG, and Work Study funding (\$1.0M), increase in Department of Labor awards (\$800K), GOED Learn & Work awards (\$600K), and an increase in Rural Health funding (\$200K). Private Gifts and Grants revenue increased primarily for additional donations for the Child Care Center, Athletics, and scholarship funding. Investment income

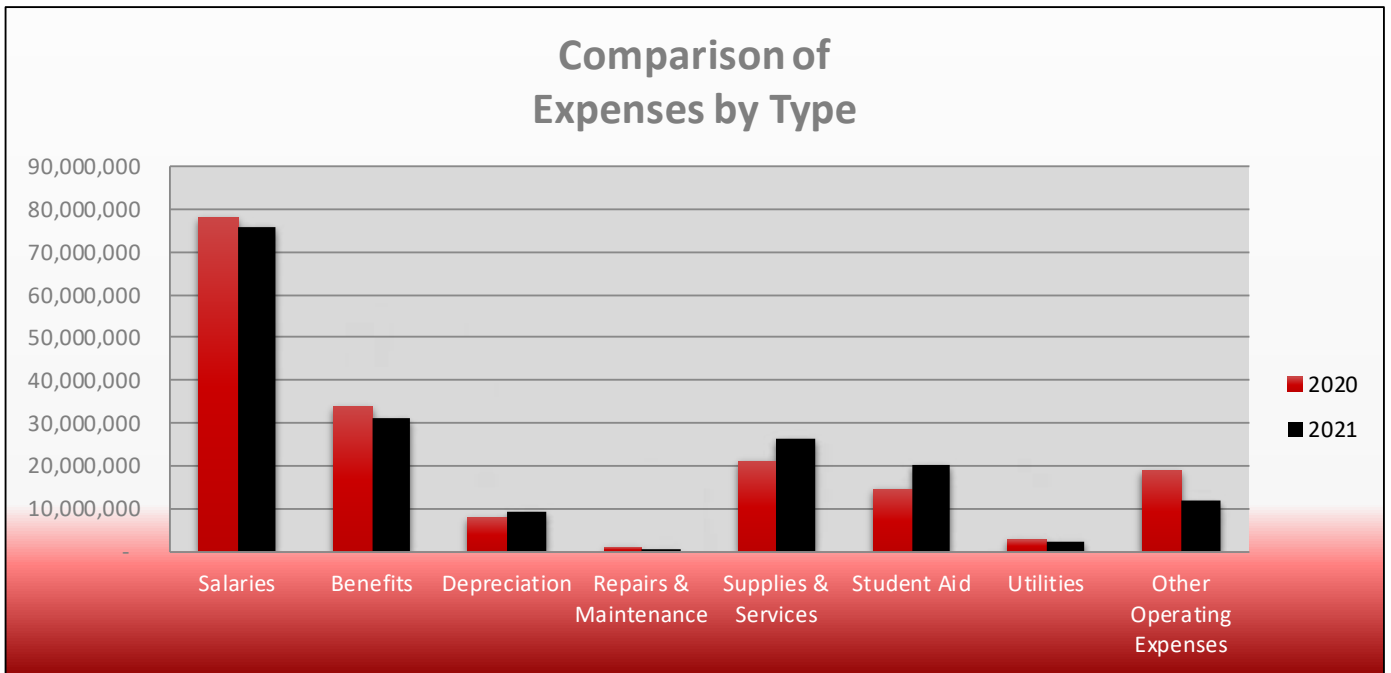
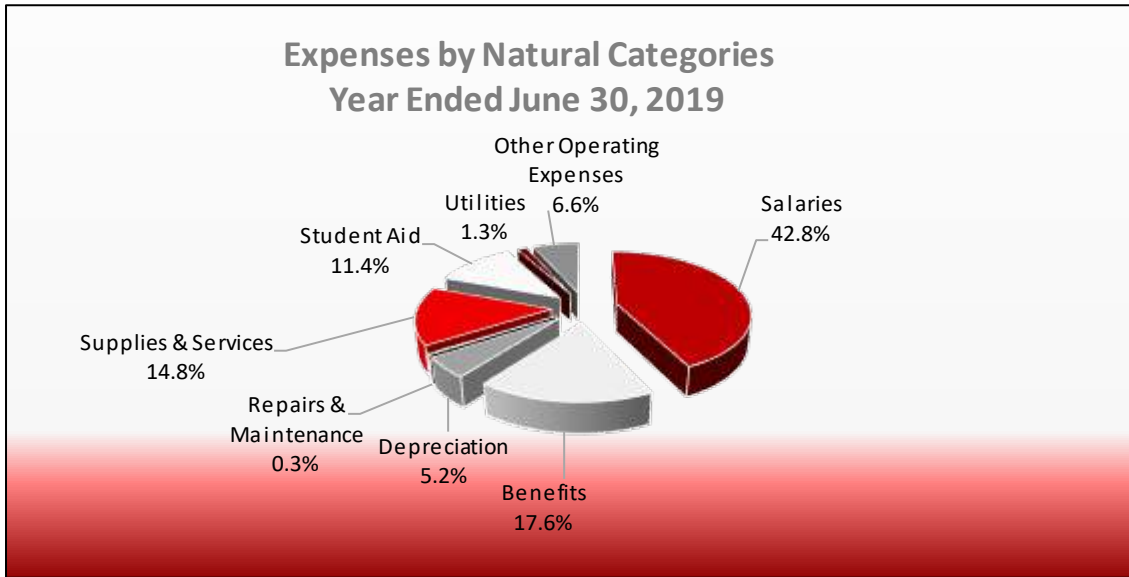
grew primarily due to increases in asset valuation (\$7.3 million), net gains on sale of investments (\$500K), offset by reduction in dividends and interest due to poor economic conditions (\$702K).

Capital appropriations decreased due to the projects funding in FY 2020 being completed. Likewise, Capital Gifts and Grants decreased for the same reason. Additions to Permanent Endowments decreased due to a single \$1.0 million gift received in FY 2020, offset by a few single endowment gifts of \$40K or greater (endowment threshold) received in FY 2021.

The following graphs illustrate all funding sources as a percentage of total revenues for the year ended June 30, 2021, with a comparison to the prior year:



The following graphs illustrate expenses of the University by natural classification as a percentage of total expense for the year ended June 30, 2021, with a comparison to the prior year:



Statement of Cash Flows

The Statement of Cash Flows provides an additional perspective on the University's financial results for the fiscal year. The statement identifies sources and uses of cash by broad categories of activity including Operations, Noncapital Financing Activities, Capital Financing Activities, and Investing Activities. Below is a Condensed Statement of Cash Flows for the fiscal years ended June 30, 2021 and 2020.

| Condensed Statement of Cash Flows | | | | |
|--|----------------------|----------------------|----------------------|-----------------|
| For the Years Ended June 30 | | | | |
| | 2021 | 2020* | Change | % Change |
| Cash Provided (Used) by: | | | | |
| Operating Activities | \$ (77,539,655) | \$ (69,505,534) | \$ (8,034,121) | -11.6% |
| Noncapital Financing Activities | 100,870,456 | 76,569,586 | 24,300,870 | 31.7% |
| Capital Financing Activities | (5,961,049) | (4,719,710) | (1,241,339) | -26.3% |
| Investing Activities | 2,653,644 | (773,725) | 3,427,369 | 443.0% |
| Net Increase (Decrease) in Cash | 20,023,396 | 1,570,617 | 18,452,779 | 1174.9% |
| Cash - Beginning of Year | 14,805,695 | 13,235,078 | 1,570,617 | 11.9% |
| Cash - End of Year | \$ 34,829,091 | \$ 14,805,695 | \$ 20,023,396 | 135.2% |

*As presented in 2020 published financial statements

Noncapital Financing Activities include state appropriations, most grants and contracts, noncapital gifts, other non-operating revenue and agency fund activity. Capital Financing Activities are those associated with capital assets such as capital appropriations, gifts, proceeds from capital debt, capital debt payments, proceeds from the sale of capital assets, and capital asset purchases. Investing Activities include proceeds from the sale of investments, interest/dividend earnings, and payments for the purchase of investments. Changes in cash provided or used by the various cash flow activities is a reflection of results as previously mentioned.

Economic Outlook

In spite of the threats related to the COVID-19 pandemic, the University is continuing to see strong growth in enrollments, with current projections for continued enrollment growth. With increased enrollment combined with the critical need of continued funding from the State of Utah, the generous support of alumni and friends of the University, the University believes it is well positioned to manage current and future budget challenges.



FINANCIAL STATEMENTS

Statement of Net Position

As of June 30, 2021

| | |
|--|--------------------|
| ASSETS | |
| Current Assets: | |
| Cash and Cash Equivalents (Note B) | \$ 33,514,041 |
| Short-term Investments (Note B) | 12,930,333 |
| Receivables, Net of Allowance (Note C) | 7,834,155 |
| Due From Related Parties (Note D) | 423,770 |
| Loans and Notes Receivable, Net (Note E) | 340,829 |
| Inventories (Note F) | 866,712 |
| Prepaid Expenses (Note G) | 5,063,342 |
| Total Current Assets | 60,973,182 |
| Noncurrent Assets: | |
| Restricted Cash and Cash Equivalents (Note B) | 1,315,050 |
| Investments (Note B) | 77,255,932 |
| Pledges Receivable (Note C) | 174,079 |
| Loans and Notes Receivable, Net (Note E) | 10,753,274 |
| Capital Assets, Net of Accumulated Depreciation (Note H) | 162,699,096 |
| Other Noncurrent Assets (Note I) | 1,120,502 |
| Net Pension Asset (Note O) | 82,029 |
| Total Noncurrent Assets | 253,399,962 |
| Total Assets | 314,373,144 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred Outflows Related to Pensions (Note O) | 3,307,645 |
| Total Deferred Outflows of Resources | 3,307,645 |

| | |
|--|-----------------------|
| LIABILITIES | |
| Current Liabilities: | |
| Accounts and Interest Payable (Note J) | 2,574,821 |
| Due to Related Parties (Note D) | 72,910 |
| Refundable Government Grants (Note R) | 1,130,020 |
| Payroll and Withholding Taxes Payable (Note J) | 995,851 |
| Accrued Benefits & Deductions Payable (Note Q) | 4,377,863 |
| Deposits and Other Liabilities (Note K) | 1,895,599 |
| Unearned Revenues (Note G) | 11,485,478 |
| Compensated Absences and Termination Benefits (Note L) | 2,125,651 |
| Bonds, Notes, and Contracts Payable (Note M) | 4,005,021 |
| Total Current Liabilities | 28,663,214 |
| Noncurrent Liabilities: | |
| Compensated Absences and Termination Benefits (Note L) | 1,206,395 |
| Bonds, Notes, and Contracts Payable (Note M) | 16,193,696 |
| Net Pension Liability (Notes L & O) | 5,808,504 |
| Total Noncurrent Liabilities | 23,208,595 |
| Total Liabilities | 51,871,809 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Inflows Related to Pensions (Note O) | 6,179,369 |
| Deferred Inflows Related to Irrevocable Split-Interest Agreements (Note A) | 476,816 |
| Total Deferred Inflows of Resources | 6,656,185 |
| NET POSITION | |
| Net Investment in Capital Assets | 142,784,448 |
| Restricted Nonexpendable: | |
| Pensions | 82,029 |
| Scholarships | 26,079,189 |
| Other | 7,230,106 |
| Restricted Expendable: | |
| Scholarships | 3,408,806 |
| Capital Projects | 11,200,313 |
| Loans | 11,068,532 |
| Other | 8,187,190 |
| Unrestricted | 49,112,182 |
| Total Net Position | \$ 259,152,795 |

Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2021

| | |
|--|-----------------------|
| Operating Revenues | |
| Student Tuition and Fees (net of scholarship discounts and allowances of \$40,972,126) | \$ 76,158,492 |
| Governmental Grants and Contracts | 3,014,819 |
| Sales and Services of Educational Activities | 6,415,670 |
| Sales and Services of Auxiliary Enterprises (net of scholarship discounts and allowances of \$1,660,986) | 4,269,559 |
| Interest Income on Student Loans | 31,110 |
| Total Operating Revenues | 89,889,650 |
| Operating Expenses | |
| Salaries | 75,967,448 |
| Benefits | 31,253,203 |
| Depreciation | 9,311,495 |
| Repairs and Maintenance | 460,344 |
| Services and Supplies | 26,310,990 |
| Student Aid | 20,252,211 |
| Utilities | 2,340,837 |
| Other Operating Expenses | 11,403,257 |
| Total Operating Expenses | 177,299,785 |
| Operating Income (Loss) | (87,410,135) |
| Nonoperating Revenues (Expenses) | |
| Government Appropriations - State | 54,721,121 |
| Government Grants and Contracts | 42,341,535 |
| Private Gifts and Grants | 5,286,742 |
| Investment Income | 9,715,325 |
| Interest on Indebtedness | (257,065) |
| Net Nonoperating Revenues (Expenses) | 111,807,658 |
| Income (Loss) Before Other Revenue | 24,397,523 |
| Other Revenue | |
| Capital Appropriations | 3,515,865 |
| Capital Grants & Gifts | 148,299 |
| Additions to Permanent Endowments | 662,272 |
| Total Other Revenue | 4,326,436 |
| Increase (Decrease) in Net Position | 28,723,959 |
| Net Position - Beginning of Year as Originally Stated | 231,036,754 |
| Net Position - Prior Period Restatement | (607,918) |
| Net Position - Beginning of Year as Restated | 230,428,836 |
| Net Position - End of Year | \$ 259,152,795 |

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2021

| | |
|--|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Tuition and Fees | \$ 76,690,661 |
| Receipts from Grants/Contracts | 3,145,508 |
| Receipts from Auxiliary and Educational Services | 13,883,307 |
| Collection of Loans to Students and Employees | 78,001 |
| Loans Issued to Students and Employees | (44,896) |
| Payments for Employee Services and Benefits | (109,483,928) |
| Payments to Suppliers | (41,556,097) |
| Payments for Student Financial Aid | (20,252,211) |
| Net Cash Provided (Used) by Operating Activities | (77,539,655) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| State Appropriations | 54,721,121 |
| Receipts from Grants/Contracts | 39,694,472 |
| Gifts/Grants for Other Than Capital Purposes | 5,919,071 |
| Agency Account Receipts | 3,384,240 |
| Agency Account Payments | (2,848,448) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 100,870,456 |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | |
| Receipts from Capital Appropriations | 539,246 |
| Receipts from Capital Grants/Gifts | 362,051 |
| Proceeds from Sale of Capital Assets | 39,183 |
| Purchases of Capital Assets | (3,201,716) |
| Principal Paid on Capital Debt/Leases | (3,442,748) |
| Interest Paid on Capital Debt/Leases | (257,065) |
| Net Cash Provided (Used) by Capital Financing Activities | (5,961,049) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from Sale/Maturity of Investments | 24,712,365 |
| Receipt of Interest/Dividends from Investments | 1,314,327 |
| Purchase of Investments | (23,373,048) |
| Net Cash Provided (Used) by Investing Activities | 2,653,644 |
| Net Increase (Decrease) in Cash | 20,023,396 |
| Cash & Cash Equivalents - Beginning of Year | 14,805,695 |
| Cash & Cash Equivalents - End of Year | 34,829,091 |

The accompanying notes are an integral part of these financial statements.

| Reconciliation of Operating Loss to Net Cash Used by Operating Activities | |
|--|------------------------|
| Operating Income (Loss) | \$ (87,410,135) |
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities: | |
| Depreciation Expense | 9,311,495 |
| Operations and Maintenance Expense paid by Division of Facilities Construction and Management (DFCM) | 539,246 |
| Difference between Actuarial Calculated Pension Expense and Actual Contributions | (396,766) |
| Prior Period Adjustment for Fiduciary Activities | (607,918) |
| Changes in Assets and Liabilities: | |
| Receivables (Net) | (892,339) |
| Due from Related Parties | (81,497) |
| Student Loans Receivable | 63,924 |
| Inventories | (18,988) |
| Prepaid Expenses | (3,805,287) |
| Accounts Payable | (201,746) |
| Due to Related Parties | (525,606) |
| Accrued Liabilities | 2,648,314 |
| Accrued Payroll | 373,575 |
| Unearned Revenues | 3,527,697 |
| Compensated Absences | (63,624) |
| Net Cash Used by Operating Activities | \$ (77,539,655) |

| Noncash Investing, Capital, and Financing Activities | |
|---|----------------------|
| Capital Projects paid by DFCM | \$ 2,976,619 |
| Repairs and Maintenance paid by DFCM | 539,246 |
| Change in Fair Value of Investments Recognized as Investment Income | 8,100,494 |
| Re-investment of Investment Dividends and Interest | 490,920 |
| Capital Assets acquired through note payable | 4,001,344 |
| Investment Securities donated | 81,158 |
| Total Noncash Investing, Capital, and Financing Activities | \$ 16,189,781 |

| Reconciliation of Cash and Cash Equivalents to the Statement of Net Position | |
|---|----------------------|
| Cash and Cash Equivalents Classified as Current Assets | \$ 33,514,041 |
| Cash and Cash Equivalents Classified as Noncurrent Assets | 1,315,050 |
| Total Cash and Cash Equivalents | \$ 34,829,091 |

The accompanying notes are an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements

Note A. – Summary of Significant Accounting Policies

The significant accounting policies followed by Southern Utah University (University) are described below to enhance the usefulness of the financial statements to the reader.

Reporting Entity

The University is a component unit of the State of Utah as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. The financial activity of the University is included in the State's Comprehensive Annual Financial Report as a non-major discrete component unit.

The University's financial statements include the accounts of the University, all auxiliary enterprises, and other restricted and unrestricted funds of the University. In addition, the financial statements include the Southern Utah University Foundation (the Foundation).

The Foundation is a legally separate, non-profit organization, incorporated under Utah law in 1996. The Foundation was established to provide support for the University, its students and faculty, and to promote, sponsor, and carry out educational, scientific, charitable, and related activities and objectives of the University.

The Foundation is included in the University's financial statements as a blended component unit. A blended component unit is an entity which is legally separate from the University but which is so intertwined with the University that it is, in substance, the same as the University.

Financial statements of the Foundation can be obtained from the University. In Note S, condensed financial statements have been prepared for the Foundation.

Basis of Accounting

Under the provisions of the GASB standards, the University is permitted to report as a special-purpose government engaged in business-type activities (BTA). BTA reporting requires the University to present only the basic financial statements and required supplementary information (RSI) for an enterprise fund. The basic financial statements include a Management's Discussion and Analysis, a Statement of Net Position or Balance Sheet, a Statement of Revenues, Expenses and

Changes in Net Position, a Statement of Cash Flows, and notes to the financial statements. The required basic financial statements described above are prepared using the economic resources measurement focus and the accrual basis of accounting.

Cash and Cash Equivalents and Investments

Cash and cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value or net asset value (NAV) 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 earnings according to the University's spending policy.

According to the Uniform Prudent Management of Institutional Funds Act, Section 51-8 of the Utah Code, the governing board may appropriate for expenditure for the purposes for which an endowment is established, as much of the net appreciation, realized and unrealized, of the fair value of the assets of an endowment over the historic dollar value as is prudent under the facts and circumstances prevailing at the time of the action or decision.

The endowment income spending policy at June 30, 2021, was 3.25% of the 12-quarter moving average of the fair value of the endowment pool. The spending policy 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, 2021 was approximately \$969,163. The net appreciation was a component of restricted, expendable net position.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, staff, and other private parties. Accounts

receivable also include amounts due from federal, state, and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Donor pledges are also included as accounts receivable. Only those pledges deemed by management as collectible are recorded; therefore, no estimate is made for uncollectible amounts.

Inventories

Inventories are carried at the lower of cost or market on the first-in, first-out ("FIFO") method.

Restricted Cash and Cash Equivalents and Investments

Cash and cash equivalents and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other restricted assets, are classified as noncurrent assets in the Statement of Net Position.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. All land is capitalized and not depreciated. New buildings with a cost of \$100,000 or more are capitalized. Renovations to buildings, infrastructure, and land improvements that increase the value or extend the useful life of the structure with a cost of \$100,000 or more are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. For equipment and intangibles, the University's capitalization policy includes all items with a unit cost of \$5,000 or more (\$3,000 or more for fiscal years prior to 2015), and an estimated useful life of greater than one year. All library books are capitalized with a useful life of 20 years. Collections and works of art valued in excess of \$2,000 are capitalized. Useful lives for collections and works of art shall be determined on a case by case basis, typically 20 years. Depreciation is computed for all capital assets using the straight-line method over the estimated useful lives of the assets, generally 30 to 40 years for buildings, 20 to 40 years for infrastructure, land improvements, library and other collections, 3 to 20 years for equipment, and 3 to 5 years for intangibles. Leasehold improvements are depreciated over the life of the lease.

Other Noncurrent Assets

Other noncurrent assets include funds held in reserve by third parties that are not likely to be liquidated within the next fiscal year.

Unearned Revenues

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but earned in the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Compensated Absences

Non-academic University employee vacation pay is accrued at year-end for financial statement purposes. The liabilities and expenses incurred are recorded at year-end as a component of compensated absences and termination benefits in the Statement of Net Position, and as a component of salaries and benefits expense in the Statement of Revenues, Expenses, and Changes in Net Position.

Pensions

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

Noncurrent Liabilities

Noncurrent liabilities include: (1) principal amounts of revenue bonds, notes, and contracts (leases) payable with contractual maturities greater than one year; (2) estimated amounts for compensated absences and termination benefits and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

Net Position

The University's Net Position is classified as follows:

Net investment in capital assets: This represents the University's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets.

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

Restricted – nonexpendable: Nonexpendable restricted net position consist of endowment and similar type funds 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.

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

When both restricted and unrestricted resources are available for use, it is the University's policy to use restricted resources first, then unrestricted resources as they are needed.

Classification of Revenues and Expenses

The University has classified its revenues and expenses as either operating or non-operating revenues and expenses according to the following criteria:

Operating Revenues and Expenses: Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) some federal, state, and local grants and contracts, (4) interest on institutional student loans (5) the cost of providing services, (6) administration expenses, and (7) depreciation of capital assets.

Non-operating Revenues and Expenses: Non-operating revenues and expenses include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, expenses not meeting the definition of operating expenses, and other revenue sources that are defined as non-operating cash flows by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, such as state appropriations, grants, and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. 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 a scholarship discount and allowance.

Deferred Inflows

In accordance with GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, the University has recognized a deferred inflow of resources in the amount of \$476,816 for certain irrevocable split-interest agreements where 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; (5) the irrevocable split-interest agreement established a legally enforceable right for the government's benefit (an unconditional beneficial interest).

Adjustment to Beginning Net Position

Effective July 1, 2020, the University implemented GASB Statement No. 84, *Fiduciary Activities*. Funds that were previously considered custodial (agency) funds were reclassified to either fiduciary activities or business-type activities. Due to this reclassification, the University has recognized a reduction in beginning net position in the amount of \$607,918.

Note B. – Cash & Cash Equivalents and Investments

At June 30, 2021, cash and cash equivalents and investments consisted of:

| Cash and Cash Equivalents | |
|--|----------------------|
| Current | |
| Cash | \$ 1,038,879 |
| Utah PTIF | 32,475,162 |
| Sub-total - Current | 33,514,041 |
| Restricted | |
| Cash and Money Market | 241,978 |
| Utah PTIF | 1,073,072 |
| Sub-total - Restricted | 1,315,050 |
| Total Cash and Cash Equivalents | \$ 34,829,091 |

| Investments | |
|----------------------------------|----------------------|
| Current | |
| Brokered Certificates of Deposit | \$ 806,385 |
| Securities | 12,123,948 |
| Sub-total - Current | 12,930,333 |
| Noncurrent | |
| Brokered Certificates of Deposit | 4,461,139 |
| Securities | 35,634,798 |
| Mutual Funds | 18,082,046 |
| Exchange Traded Products | 16,899,230 |
| Alternative Investments | 1,510,405 |
| Property Held for Resale | 668,314 |
| Sub-total - Noncurrent | 77,255,932 |
| Total Investments | \$ 90,186,265 |

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the University’s deposits may not be returned to it. The University does not have a formal deposit policy for custodial credit risk. As of June 30, 2021, the University’s bank balances were \$1,658,230, of which \$1,408,230 was uninsured and uncollateralized.

Investments

The State of Utah Money Management Council has the responsibility to advise the Utah State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) (the Act) that relate to the deposit and investment of public funds.

Except for endowment funds, the University follows the requirements of the Act 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 Uniform Prudent Management of Institutional Funds Act (UPMIFA) and State Board of Regents Rule 541, Management and Reporting of Institutional Investments (Rule 541).

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.

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

The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the 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 Rule 541 allow 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 Securities and Exchange Commission; 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.

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, as follows:

Level 1: Quoted prices for identical investments in active markets;

Level 2: Observable inputs other than quoted market prices; and,

Level 3: Unobservable inputs.

At June 30, 2021, the University had the following recurring fair value measurements:

| | Fair Value | Fair Value Measurements Using | | |
|--|-----------------------|-------------------------------|----------------------|-------------------|
| | | Level 1 | Level 2 | Level 3 |
| Investments by Fair Value Level | | | | |
| Debt Securities | | | | |
| Corporate Notes | \$ 37,980,367 | \$ - | \$ 37,980,367 | \$ - |
| U.S. Agencies | 9,778,379 | - | 9,778,379 | - |
| Utah Public Treasurers' Investment Fund | 33,548,234 | - | 33,548,234 | - |
| Total Debt Securities | 81,306,980 | - | 81,306,980 | - |
| Equity Securities | | | | |
| Equity Mutual Funds | 18,082,046 | - | 18,082,046 | - |
| Exchange Traded Products | 16,899,230 | 16,899,230 | - | - |
| Alternative Investments | 304,785 | 304,785 | - | - |
| Brokered Certificates of Deposit | 5,267,524 | 5,267,524 | - | - |
| Total Equity Securities | 40,553,585 | 22,471,539 | 18,082,046 | - |
| Donated Property Held for Sale | 668,314 | - | - | 668,314 |
| Donated Property Held for Sale | 668,314 | - | - | 668,314 |
| Total Investments by Fair Value Level | \$ 122,528,879 | \$ 22,471,539 | \$ 99,389,026 | \$ 668,314 |
| Investments Measured at Net Asset Value (NAV) | | | | |
| Private Equity Partnerships | 1,205,620 | - | - | - |
| Total Investments Measured at NAV | 1,205,620 | - | - | - |
| Total Investments | \$ 123,734,499 | - | - | - |

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:

Corporate Notes: quoted prices for similar securities in active markets;

U.S. Agencies: quoted prices for identical securities in markets that are not active;

Utah Public Treasurers' Investment Fund (PTIF): application of the June 30, 2021 fair value factor, as calculated by the Utah State Treasurer, to the University's June 30 balance in the Fund.

Equity Mutual Funds: published fair value per share (unit) for each fund.

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The University values these investments based on the partnerships’ audited financial statements.

Where June 30 valuations are not available, the value is

progressed from the most recently available valuation taking into account subsequent calls and distributions. The following table presents the unfunded commitments, redemption frequency, and the redemption notice period for the University’s alternative investment measured at NAV:

| Investments Measured at Net Asset Value (NAV) | Fair Value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|---|---------------------|----------------------|----------------------|--------------------------|
| Private Equity Partnerships | \$ 1,205,620 | \$ - | Quarterly | 45-60 days |
| Total Investments Measured at NAV | \$ 1,205,620 | \$ - | | |

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. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 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.

As of June 30, 2021, the University had the following investments with the following maturities:

| Investment Type: | Fair Value | Investment Maturities (in Years) | | | |
|------------------|----------------------|----------------------------------|----------------------|-------------|--------------|
| | | Less than 1 | 1-5 | 6-10 | More than 10 |
| Corporate Notes | \$ 37,980,367 | \$ 9,852,322 | \$ 28,128,045 | \$ - | \$ - |
| U. S. Agencies | 9,778,379 | 2,316,054 | 7,462,325 | - | - |
| Utah PTIF | 33,548,234 | 33,548,234 | - | - | - |
| Totals | \$ 81,306,980 | \$ 45,716,610 | \$ 35,590,370 | \$ - | \$ - |

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 Act, the UPMIFA, and Rule 541 as previously discussed.

At June 30, 2021, the University had the following investments with the following quality ratings:

| Investment Type: | Fair Value | Quality Ratings | | | |
|------------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| | | AA | A | BBB | Unrated |
| Corporate Notes | \$ 37,980,367 | \$ 719,269 | \$ 31,227,308 | \$ 6,033,790 | \$ - |
| U. S. Agencies | 9,778,379 | 9,778,379 | - | - | - |
| Utah PTIF | 33,548,234 | - | - | - | 33,548,234 |
| Totals | \$ 81,306,980 | \$ 10,497,648 | \$ 31,227,308 | \$ 6,033,790 | \$ 33,548,234 |

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 acquisition. For endowment funds, Rule 541 requires that a minimum of 25% of the overall endowment portfolio be invested in fixed income or cash equivalents. Also, the overall endowment portfolio cannot consist of more than 75% equity investments. Rule 541 also limits investments in alternative investment funds to between 0% and 30% based on the size of the University’s endowment fund.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the 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 does not have a formal policy for custodial credit risk. As of June 30, 2021, the University had \$47,758,746 in debt securities and \$34,981,276 in equity securities that were held by the investment’s counterparty.

Note C. – Receivables, Net of Allowance for Doubtful Accounts

In addition to the components of receivables discussed in Footnote A, SUU also recognized revenue and federal grants receivable under the Coronavirus Aid, Relief, and Economic Security Act (or CARES Act) Higher Education Emergency Relief Fund (HEERF).

Receivables consisted of the following at June 30, 2021:

| | Total | Current Portion | Noncurrent Portion |
|--|---------------------|---------------------|--------------------|
| Student Tuition and Fees | \$ 3,118,462 | \$ 2,324,462 | \$ - |
| Federal, State, and Private Grants and Contracts | 3,646,044 | 3,646,044 | - |
| Auxiliary Service Charges | 86,750 | 86,750 | - |
| Continuing & Professional Studies Fees | 97,951 | 97,951 | - |
| Utah Shakespearean Festival Ticket Sales | 615,571 | 615,571 | - |
| Interest and Dividends Receivable | 171,194 | 171,194 | - |
| Other Operating | 679,487 | 679,487 | - |
| Allowance for Doubtful Accounts | (794,000) | - | - |
| Total Receivables, net of Allowance | 7,621,459 | 7,621,459 | - |
| Contributions and Gifts (Pledges) | 386,775 | 212,696 | 174,079 |
| Total | \$ 8,008,234 | \$ 7,834,155 | \$ 174,079 |

Note D. – Due To/Due From Related Parties

The University receives and provides services, supplies, repairs and maintenance, and capital projects through departments, agencies, and other component units of the State of Utah. The following tables are a summary of the net amount due to the Division of Facilities and Construction Management (DFCM) for repairs and maintenance and capital projects and amounts due from and due to all other related parties for services and supplies as of the year ended June 30, 2021.

| Related Party Receivables at June 30, 2021: | |
|---|-------------------|
| DFCM | \$ 273,475 |
| Utah Vocational Rehabilitation | 32,370 |
| University of Utah | 72,893 |
| Utah State University | 45,032 |
| Total Related Party Receivables | \$ 423,770 |

| Related Party Payables at June 30, 2021: | |
|--|------------------|
| DFCM | \$ 12,900 |
| Other related parties | 60,010 |
| Total Related Party Payables | \$ 72,910 |

Note E. – Loans Receivable

Student loans made through the Federal Perkins Loan Program (the Program) comprised a significant portion of the loans receivable at June 30, 2021. The Program provided for cancellations of loans at rates of 10% to 30% per year up to a maximum of 100% if the participant complied with certain provisions. In the past, the Federal Government has reimbursed the University for amounts cancelled under these provisions; however, for the past few years there have been no reimbursements. As the University determines that loans are uncollectible and not eligible for reimbursement by the Federal Government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which in management's opinion, is sufficient to absorb loans that will ultimately be written off.

In August 2014, the University entered into a loan agreement with a third party borrower in the amount of \$10,149,500 to partially finance the construction of the Center for the Arts. The note has a 40-year term with interest at 1.39%. Interest-only payments are required for the first seven years of the note. Beginning in fiscal year 2022, principal and interest payments sufficient to pay off the note will be required. The note is secured by an interest in the building and an associated ground lease. See *Note T – Subsequent Events* for additional information pertaining to this loan receivable.

At June 30, 2021, the current and long-term loans receivable amounts net of allowance were \$340,829 and \$10,753,274, respectively. The allowance for uncollectible loans was \$37,000.

Note F. – Inventories

Total inventories at June 30, 2021 were \$866,712, consisting solely of Bookstore inventory.



NOTE G. Prepaid Expenses and Unearned Revenues

Prepaid expenses are those disbursements for goods or services applicable to the subsequent fiscal year when they will be recorded as expenses. Prepaid Expenses at June 30, 2021 were \$5,063,342.

Unearned revenues are receipts of funds that are applicable to the subsequent fiscal year when they become earned and recorded as revenues. Unearned Revenues at June 30, 2021, consisted of the following:

| Unearned Revenues | |
|---------------------------|----------------------|
| Tuition and Fees | \$ 7,440,754 |
| Utah Shakespeare Festival | 2,421,277 |
| Unapplied Student Credits | 852,897 |
| Grants and Contracts | 349,103 |
| Miscellaneous | 421,447 |
| Total | \$ 11,485,478 |

Note H. – Capital Assets

Capital assets are stated at historical cost or at acquisition value at the date of donation (in the case of gifts) and consisted of the following at June 30, 2021:

| | Balance | | | Balance | |
|---------------------------------------|-----------------------|-------------------|-----------------------|-----------------------|--|
| | June 30, 2020 | Additions | Retirements | June 30, 2021 | |
| Land | \$ 10,048,814 | \$ - | \$ - | \$ 10,048,814 | |
| Land Improvements | 13,389,322 | - | - | 13,389,322 | |
| Buildings | 211,306,456 | 4,598,394 | - | 215,904,850 | |
| Leasehold Improvements | 12,295,222 | - | - | 12,295,222 | |
| Equipment | 28,478,238 | 4,721,795 | (376,364) | 32,823,669 | |
| Vehicles | 1,939,455 | 83,775 | (33,166) | 1,990,064 | |
| Intangibles | 578,634 | - | - | 578,634 | |
| Artwork | 3,426,640 | 188,000 | - | 3,614,640 | |
| Library Collections | 7,240,917 | 60,363 | (99,349) | 7,201,931 | |
| Construction-in-Progress | 1,235,085 | - | (1,235,085) | - | |
| Total Capital Assets | 289,938,783 | 9,652,327 | (1,743,964) | 297,847,146 | |
| Less: Accumulated Depreciation | | | | | |
| Land Improvements | 9,683,895 | 271,772 | - | 9,955,667 | |
| Buildings | 93,339,345 | 5,620,616 | - | 98,959,961 | |
| Equipment | 15,582,437 | 2,988,536 | (376,364) | 18,194,609 | |
| Vehicles | 1,283,849 | 141,384 | (33,166) | 1,392,067 | |
| Intangibles | 577,517 | 1,117 | - | 578,634 | |
| Artwork | 762,251 | 34,750 | - | 797,001 | |
| Library Collections | 5,116,140 | 253,320 | (99,349) | 5,270,111 | |
| Total Depreciation | 126,345,434 | 9,311,495 | (508,879) | 135,148,050 | |
| Capital Assets, net | \$ 163,593,349 | \$ 340,832 | \$ (1,235,085) | \$ 162,699,096 | |

The 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 capital assets on the books of the University. Construction projects are recorded on the books of the University as funds are expensed or when projects are substantially completed if funded through State Appropriations administered through DFCM. The University is committed to the completion of all projects that are added to construction in progress. No remaining (unpaid) costs were contractually committed to DFCM as of June 30, 2021.

Note I. – Other Noncurrent Assets

Total Other Noncurrent Assets as of June 30, 2021 were \$1,120,502. They consisted of medical plan and dental plan reserve amounts held by third-parties in the amount of \$1,054,502 and \$66,000, respectively.

Note J. – Accounts, Interest, and Payroll Related Payables

| Accounts and Interest Payable at June 30, 2021: | |
|---|---------------------|
| Vendors | \$ 1,942,531 |
| Veterans Administration | 314,638 |
| Interest | 51,764 |
| Sales Tax | 10,361 |
| Other | 255,527 |
| Total Accounts & Interest Payable | \$ 2,574,821 |

| Payroll & Withholding Taxes Payable at June 30, 2021: | |
|---|-------------------|
| Accrued Payroll | \$ 968,482 |
| FICA & Medicare | 27,369 |
| Total Payroll & Withholding Taxes | \$ 995,851 |

Note K. – Deposits and Other Liabilities

| Deposits & Other Liabilities at June 30, 2021: | |
|---|---------------------|
| Business-Type & Fiduciary Activities | \$ 1,420,147 |
| International Student & Other Advanced Deposits | 196,709 |
| Gift Certificates | 247,157 |
| Utah Shakespeare Festival | 31,586 |
| Total Deposits & Other Liabilities | \$ 1,895,599 |

Note L. – Compensated Absences, Termination Benefits, and Net Pension Liability

Compensated absences, termination benefits, and net pension liability activity for the year ended June 30, 2021 was as follows:

| | Balance June 30, 2020 | Additions | Reductions | Balance June 30, 2021 | Current Portion | Noncurrent Portion |
|-----------------------|-----------------------------|---------------------|-----------------------|-----------------------------|---------------------|-----------------------|
| Compensated Absences | \$ 2,606,722 | \$ 2,009,992 | \$ (1,822,292) | \$ 2,794,422 | \$ 1,889,468 | \$ 904,954 |
| Termination Benefits | 788,948 | 68,897 | (320,221) | 537,624 | 236,183 | 301,441 |
| Sub-total | 3,395,670 | 2,078,889 | (2,142,513) | 3,332,046 | 2,125,651 | 1,206,395 |
| Net Pension Liability | 9,601,758 | - | (3,793,254) | 5,808,504 | - | 5,808,504 |
| Total | \$ 12,997,428 | \$ 2,078,889 | \$ (5,935,767) | \$ 9,140,550 | \$ 2,125,651 | \$ 7,014,899 |

Compensated Absences

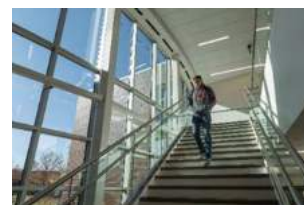
Non-academic full-time and certain part-time University employees earn vacation leave for each month worked at a rate between 12 and 22 days per year. Vacation time may be used as it is earned. A maximum of 240 hours can be carried over into the next vacation year, which begins each July 1. Upon termination, no more than the maximum plus the current year earned vacation is payable to the employee. Non-academic full-time and certain part-time University employees earn sick leave at the rate of one day earned for each month worked. No payment is made for unused sick leave in the event of termination. After an employee has accumulated 18 days of unused sick leave, any sick leave days accumulated by the end of the sick leave year may be converted at the option of the employee to vacation days, up to a maximum of four (4) days. A liability is recognized in the Statement of Net Position for vacation payable to the employees at the statement date.

Termination Benefits

The University, as authorized by its Board of Trustees, offers an early retirement incentive option to eligible employees that includes a stipend of an amount equal to the lesser of 20 percent of the employee's annual base salary at the time of early retirement or the employee's estimated Social Security benefit at full retirement age, along with the continuation of

certain health care insurance premiums for a period of the lesser of 5 years or until the employee reaches Social Security full retirement age. Full-time University employees whose accumulated age plus years of service equal at least 75 and are at least 57 are eligible to apply. The cost of early retiree benefits is funded on a pay-as-you-go basis. The total early retiree stipend and benefits payments for the year ended June 30, 2021 was \$429,655. The number of participants for the year ended June 30, 2021 was 18.

The projected future cost of the early retirement stipends and early retirement medical and dental insurance benefits has been calculated based on the known amount to be paid out in the next fiscal year plus projected increases of 2.52 and 4.14 percent, respectively. These increases are based on historical data. The net present value of the total projected costs is calculated using the estimated yield (0.36 percent) for short term investments. The net present value is the amount recognized on the financial statements as a liability for termination benefits.



Note M. – Bonds, Notes, and Contracts Payable

Bonds, Notes, and Contracts liability activity for the year ended June 30, 2021 was as follows:

| | Balance June 30, 2020 | Additions | Reductions | Balance June 30, 2021 | Current Portion | Noncurrent Portion |
|--|--------------------------|------------------|-----------------------|--------------------------|---------------------|-----------------------|
| Bonds Payable | \$ 10,450,000 | \$ - | \$ (1,400,000) | \$ 9,050,000 | \$ 1,465,000 | \$ 7,585,000 |
| Unamortized Bond Premium | 455,557 | - | (96,480) | 359,077 | 80,114 | 278,963 |
| Notes Payable | 1,583,287 | - | (250,110) | 1,333,177 | 257,704 | 1,075,473 |
| Leases Payable | 6,867,209 | 4,001,344 | (1,696,158) | 9,172,395 | 2,157,148 | 7,015,247 |
| Charitable Remainder Annuity Trust and Unitrust | 328,233 | - | (44,165) | 284,068 | 45,055 | 239,013 |
| Total Bonds, Notes, and Contracts Payable | \$ 19,684,286 | 4,001,344 | \$ (3,486,913) | \$ 20,198,717 | \$ 4,005,021 | \$ 16,193,696 |

Bonds Payable

Revenue bonds payable consisted of the following at June 30, 2021:

| Bond Series | Date of Issue | Interest Rate | Original Amount of Issue | Retired or Paid | | Balance June 30, 2021 |
|-------------------------------|------------------|------------------|--------------------------------|---------------------|---------------------|--------------------------|
| | | | | Current Year | Prior Years | |
| Auxiliary System, Series 2011 | 8/11/2011 | 2.000-4.000% | \$ 8,285,000 | \$ 930,000 | \$ 5,345,000 | \$ 2,010,000 |
| Auxiliary System, Series 2016 | 4/27/2016 | 2.000-3.000% | 8,420,000 | 470,000 | 910,000 | 7,040,000 |
| Total Bonds Payable | | | \$ 16,705,000 | \$ 1,400,000 | \$ 6,255,000 | \$ 9,050,000 |

The scheduled maturities of the revenue bonds are as follows at June 30, 2021:

| Year | Principal | Interest | Total |
|--|---------------------|---------------------|----------------------|
| 2022 | 1,465,000 | 310,581 | 1,775,581 |
| 2023 | 1,515,000 | 261,581 | 1,776,581 |
| 2024 | 515,000 | 196,081 | 711,081 |
| 2025 | 535,000 | 170,331 | 705,331 |
| 2026 | 565,000 | 143,581 | 708,581 |
| 2027-2031 | 3,100,000 | 442,501 | 3,542,501 |
| 2032-2033 | 1,355,000 | 61,200 | 1,416,200 |
| Total Bonds Payable (before unamortized premium/discount) | \$ 9,050,000 | \$ 1,585,856 | \$ 10,635,856 |

Principal and interest on these revenue bonds are collateralized by a first lien on and pledge of Student Center Building Fees, net revenues derived from the operation of the Auxiliary Enterprise System and investment income of the bond security reserve funds (See Note N).

The University is required to maintain certain debt service reserves aggregating \$1,066,000. As of June 30, 2021, the balance in the debt service reserve funds met or exceeded this requirement.

Notes Payable

On August 22, 2016, the University took over full operation of the SUU Aviation Program. Consequently, the University has entered into multiple funding arrangements for the purchase of several capital assets as follows:
Aircraft hangars (2) for \$1,216,000 funded through a 10-year interest-bearing note, with interest at 2.15%, and maturing in October 2026;

- 1) Aircraft hangar (1) for \$205,000 funded through a 10-year interest-bearing note, with interest at 10.00%, and maturing in April 2029;
- 2) Aircraft hangar (1) and Piper Cherokee Aircraft (1) for \$202,500 funded through a 10-year interest-bearing note, with interest at 8.00%, and maturing in November 2028;
- 3) Flight simulators (2) for \$775,000 funded through a seven-year interest-bearing note, with interest at 2.75% and maturing in November 2023.

Future minimum notes payable commitments are as follows:

| Fiscal Year | Payments |
|--|--------------------|
| 2022 | 309,856 |
| 2023 | 309,855 |
| 2024 | 238,682 |
| 2025 | 187,886 |
| 2026 | 232,928 |
| 2027-2029 | 144,731 |
| Total future commitments | 1,423,938 |
| Amount representing interest | (231,313) |
| Present value of future commitments | \$1,192,625 |

Operating Leases

The University has entered into operating leases to rent additional office and classroom space, the terms of which vary depending on the lease and the lessor. The University has an operating lease to rent both land and buildings that comprise the Englestad Shakespeare Theatre for a period of twenty (20) years commencing on June 1, 2016. Additionally, the University has entered into a long-term operating lease for the Founders Hall housing building for a period of thirty (30) years commencing on January 1, 2018.

For the fiscal year ended June 30, 2021, payments of \$1,765,491 were paid on these leases and are included in Other Operating Expenses on the Statement of Revenues, Expenses, and Changes in Net Position.

| | Date Created | Interest Rate | Present Value | Current Portion |
|--------------------------------------|--------------|---------------|-------------------|------------------|
| Charitable Remainder Annuity Trusts: | | | | |
| K & H Englehart | 11/10/2015 | 6.000% | \$ 284,068 | \$ 45,055 |
| Total Annuities Payable | | | \$ 284,068 | \$ 45,055 |

Capital Leases

The University entered into lease-purchase agreements as a means of financing the purchase of aircraft and hangars for the Aviation Program as follows:

- 1) Helicopters (9) and Fixed-wing Aircraft (12) funded through a seven-year capital lease for \$7,753,575, with interest at 2.78% and maturing in April 2024;
- 2) Helicopters (3) and Fixed-wing Aircraft (3) funded through a seven-year capital lease for \$3,100,000, with interest at 3.38% and maturing in June 2025;
- 3) Aircraft hangar funded through a seven-year capital lease for \$256,415 with interest at 2.30% and maturing in November 2027;
- 4) Helicopters (6) funded through a seven-year capital lease for \$3,744,929 with interest at 2.30% and maturing in July 2028.

Future minimum payments of the operating and capital leases are as follows:

| Fiscal Year | Operating | Capital |
|-------------------------------------|----------------------|---------------------|
| 2022 | \$ 1,727,637 | \$ 2,423,333 |
| 2023 | 1,709,801 | 2,552,548 |
| 2024 | 1,649,402 | 2,508,328 |
| 2025 | 1,642,731 | 1,197,196 |
| 2026 | 1,642,731 | 814,659 |
| 2027 - 2031 | 7,262,936 | 319,532 |
| 2032 - 2036 | 7,041,831 | - |
| 2037 - 2041 | 4,380,141 | - |
| 2042 - 2046 | 4,380,141 | - |
| 2047 - 2051 | 1,752,056 | - |
| Total future commitments | \$ 33,189,407 | \$ 9,815,596 |
| Amount representing interest | | (643,201) |
| Present value of commitments | \$ 9,172,395 | |

Remainder Annuity Trusts Payable

Remainder Annuity Trusts payable are due in quarterly installments for the lifetime of the donors or through the end of the agreement. Annuities payable consisted of the following at June 30, 2021:

| The estimates of future annuities payable are as follows: | | | |
|--|-------------------|-------------------|-------------------|
| Year | Principal | Interest | Payments |
| 2022 | \$ 45,055 | \$ 14,881 | \$ 59,936 |
| 2023 | 45,963 | 13,973 | 59,936 |
| 2024 | 46,889 | 13,047 | 59,936 |
| 2025 | 47,834 | 12,102 | 59,936 |
| 2026 | 48,798 | 11,138 | 59,936 |
| 2027 - 2031 | 259,140 | 40,540 | 299,680 |
| 2032 - 2036 | 267,206 | 13,378 | 280,584 |
| Total | \$ 760,885 | \$ 119,059 | \$ 879,944 |

Note N. – Auxiliary System Bond Revenue Fund

The following schedule reflects the pledged receipts and disbursements of the Bond Revenue Fund of the Auxiliary System for the year ended June 30, 2021:

| Pledged Receipts and Disbursements: | |
|---|---------------------|
| Operating Revenues | \$ 7,519,878 |
| Operating & Maintenance Expenses | (5,261,459) |
| Total Pledged Net Receipts | \$ 2,258,419 |
| Debt Service Principal and Interest Payments | \$ 1,775,581 |
| Debt Service Ratio | 1.27 |

Note O. – Retirement Plans

As required by State law, eligible non-exempt employees (as defined by the U.S. Fair Labor Standards Act) of the University are covered by the Utah Retirement Systems (Systems) and eligible exempt employees (as defined by the U.S. Fair Labor Standards Act) are covered by the defined contribution plans, such as Teachers Insurance and Annuity Association (TIAA) or Fidelity Investments (Fidelity).

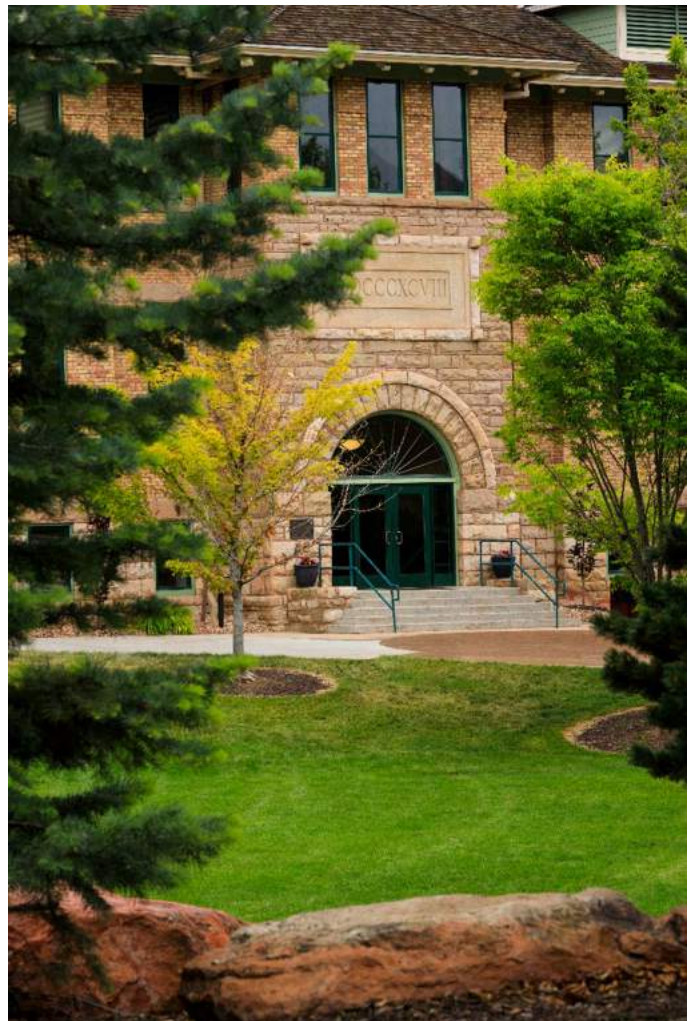
Defined Benefit Plan

Eligible plan participants are provided with pensions through the following cost-sharing, multiple-employer public employee retirement systems:

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Public Employees Contributory Retirement System (Contributory System);
- The Public Safety Retirement System (Public Safety System);
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System)
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighter System);

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Systems, are members of the Tier 2 Retirement System.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the directions of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) 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. The Systems issue a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.



The Systems provide retirement, disability, and death benefits. Retirement benefits are as follows:

| System | Final Average Salary | Years of service required and/or age eligible for benefit | Benefit percent per year of service | COLA** |
|---|----------------------|---|--|--|
| Noncontributory System | Highest 3 years | 30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65 | 2.0% per year all years | Up to 4% |
| Contributory System | Highest 5 years | 30 years any age 20 years age 60* 10 years age 62* 4 years age 65 | 1.25% per year to June 1975; 2.00% per year July 1975 to present | Up to 4% |
| 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% to 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 2.00% 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.

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Systems' Board. Contributions are actuarially

determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Required contribution rates as of June 30, 2021 are as follows:

| System | Employee Paid | Paid by Employer | Employer Contribution Rates |
|--|---------------|------------------|-----------------------------|
| Noncontributory System | N/A | N/A | 22.19% |
| Contributory System | N/A | 6.00% | 17.70% |
| Public Safety System | N/A | N/A | 41.35% |
| Tier 2 Public Employees System* | N/A | N/A | 19.13% |
| Tier 2 Public Safety and Firefighter System* | N/A | N/A | 32.54% |

*Tier 2 rates include a statutorily required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For the year ended June 30, 2021, the University and employee contributions to the Systems were as follows:

| System | Employer Contributions | Employee Contributions |
|--|------------------------|------------------------|
| Noncontributory System | \$ 2,134,147 | N/A |
| Contributory System | 5,929 | \$ 2,010 |
| Public Safety System | 59,220 | - |
| Tier 2 Public Employees System* | 1,156,081 | - |
| Tier 2 Public Safety and Firefighter System* | 42,720 | N/A |
| Total Contributions | \$ 3,398,097 | \$ 2,010 |

*Contributions reported are the Systems' Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

For the year ended June 30, 2021, the University reported a net pension asset of \$82,029 and a net pension liability of \$5,808,505. The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the University's actual contributions to the Systems during the plan year over the total of all University contributions to the Systems during the plan year.

| | December 31, 2020 | | | December 31, 2019 | |
|--|-------------------|-----------------------|---------------------|---------------------|-------------|
| | Net Pension Asset | Net Pension Liability | Proportionate Share | Proportionate Share | Change |
| Noncontributory System | \$ - | \$ 5,647,831 | 0.4236545% | 0.4168153% | 0.0068392% |
| Contributory System | 82,029 | - | 0.3448931% | 0.2952290% | 0.0496641% |
| Public Safety System | - | 103,937 | 0.1604764% | 0.1616796% | -0.0012032% |
| Tier 2 Public Employees System* | - | 51,511 | 0.3581416% | 0.3377578% | 0.0203838% |
| Tier 2 Public Safety and Firefighter System* | - | 5,225 | 0.0582480% | 0.0665695% | -0.0083215% |
| Total Net Pension Asset/Liability | \$ 82,029 | \$ 5,808,504 | | | |

For the year ended June 30, 2021, the University recognized pension expense of \$2,012,442.

At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Differences between expected and actual experience | \$ 684,628 | \$ 23,589 |
| Changes in assumptions | 599,641 | 2,434 |
| Net difference between projected and actual earnings on pension plan investments | - | 6,143,730 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 239,939 | 9,616 |
| Contributions subsequent to the measurement date | 1,783,437 | - |
| Total | \$ 3,307,645 | \$ 6,179,369 |

The \$1,783,436 reported as deferred outflows of resources related to pensions results from contributions made by the University prior to its fiscal year end, but subsequent to the measurement date of December 31, 2020. 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:

| Years Ended December 31 | Net Deferred Outflows (Inflows) of Resources |
|----------------------------|---|
| 2021 | \$ (1,292,758) |
| 2022 | (424,356) |
| 2023 | (2,042,835) |
| 2024 | (1,001,953) |
| 2025 | 17,773 |
| Thereafter | 88,968 |

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation – 2.50%;
- Salary increases 3.25 – 9.75%, average, including inflation;
- Investment rate of return – 6.95%, net of pension plan investment expense, including inflation.

Mortality rates were developed from actual experience and mortality tables, based on 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, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

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

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

| Asset Class | Expected Return Arithmetic Basis | | Long Term Expected Portfolio Real Rate of Return |
|---|----------------------------------|------------------------------------|--|
| | Target Asset Allocation | Real Return Arithmetic Basis | |
| Equity securities | 37.00% | 6.30% | 2.33% |
| Debt securities | 20.00% | 0.00% | 0.00% |
| Real assets | 15.00% | 6.19% | 0.93% |
| Private equity | 12.00% | 9.50% | 1.14% |
| Absolute return | 16.00% | 2.75% | 0.44% |
| Cash and cash equivalent | 0.00% | 0.00% | 0.00% |
| Totals | 100.00% | | 4.84% |
| Inflation | | | 2.50% |
| Expected arithmetic nominal return | | | 7.34% |

The 6.95% assumed rate of return is comprised of an inflation rate of 2.50%, and a real return of 4.45% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contributions rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Systems' Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95%.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

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

| System | 1% Decrease (5.95%) | Discount Rate (6.95%) | 1% Increase (7.95%) |
|--|------------------------|--------------------------|------------------------|
| Noncontributory System | \$ 18,105,667 | \$ 5,647,831 | \$ (4,768,623) |
| Contributory System | 124,520 | (82,029) | (259,078) |
| Public Safety System | 432,939 | 103,938 | (166,450) |
| Tier 2 Public Employees System | 866,772 | 51,511 | (572,142) |
| Tier 2 Public Safety and Firefighter | 24,632 | 5,225 | (10,254) |
| Total Net Pension (Asset)/Liability | \$ 19,554,530 | \$ 5,726,476 | \$ (5,776,547) |

Defined Contribution Savings Plans

Certain Defined Contribution Savings Plans are administered by the Systems' Board and are generally supplemental plans to the basic retirement benefits of the 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.

The University participates in the following Defined Contribution Savings Plans with the Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

Employee and University contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, 2021, were as follows:

| Defined Contribution Plans | University's Contributions | Employee's Contributions |
|----------------------------|----------------------------|--------------------------|
| 401(k) Plan | \$ 313,334 | \$ 264,485 |
| 457(b) Plan | - | 5,631 |
| Roth IRA Plan | N/A | 42,127 |

TIAA and/or Fidelity provide individual defined contribution retirement fund contracts with each participating employee. Employees may allocate contributions by the University to any or all of the providers and the contracts 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 individual contracts and the estimated life expectancy of the employee at retirement. For the year ended June 30, 2021, the University's contribution to this multiple employer defined contribution plan was 14.2% of the employees' annual salary or \$6,803,447, and the fiscal year 2021 contributions are included in pension expense. The

University has no further liability once annual contributions are made. Employee contributions for the year ended June 30, 2021 were \$1,119,741.

For employees participating in a Noncontributory, Tier 2 Public Employee, or Tier 2 Public Safety and Firefighter System, the University is required to contribute 0.89%, or 2.27%, respectively, of the employee's salary into a 401(k)/457 plan. For employees who choose to participate in the Tier 2 Public Employee or Public Safety and Firefighter defined contribution plans (Tier 2 DC), the University is required to contribute 20.02% or 34.81% of the employees' salary of which 10.00% or 14.00% is paid into a 401(k)/457 plan while the remainder is contributed to the Tier 1 Contributory Public Employee System, as required by law.

Changes in Assumptions

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Systems. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the "Retirement Office" column using the "Reports and Stats" tab.

Note P. – Funds Held in Trust by Others

Funds held in trust by others were neither in the possession of nor under the management of the University. These funds, which were not recorded on the University's financial records and which arose from contributions, were held and administered by external fiscal agents, selected by the donors, who distributed net income earned by such funds to the University, where it was recorded when received. Funds held in

trust at June 30, 2021 were \$335,006 at cost and \$401,240 at fair value.

Note Q. – Insurance Coverage

The University insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage through policies administered by the State of Utah Risk Management Fund. This all-risk insurance coverage provides for repair or replacement of damaged property at a replacement cost basis subject to a \$1,000 per occurrence deductible. All revenues from the University operations, rental income for its residence halls, and tuition are insured against loss due to business interruption caused by fire or other insurable perils. Additionally, the University is protected against employee dishonesty exposures under a \$10 million crime policy. The Utah State Risk Management Fund provides coverage to the University for general, automobile, personal injury, errors or omissions, and malpractice liability at \$10 million per occurrence. The University qualifies as a “governmental body” under the Utah Governmental Immunity Act (*Utah Code* Title 63G, Chapter 7, Section 604) which limits applicable claim settlements to \$583,900 for one person in any one occurrence or \$3,000,000 for two or more persons in any

one occurrence and \$233,600 for property damage liability in any one occurrence.

All University employees are covered by worker’s compensation insurance, including employer’s liability coverage, by the Worker’s Compensation Fund of Utah. The University has established a self-insurance fund for employee medical and dental care plans that are administered through Educators Mutual Insurance Company (both plans referred to as Health Care Plan). When claims paid by the Plan on behalf of a member during a plan year exceed a specific threshold (currently \$200,000), the specific stop loss insurance will reimburse the Plan for eligible claims paid above the threshold level. GASB Statement No. 10 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 has recorded the investments of the Health Care Plan funds at June 30, 2021 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 liabilities for the year then ended are recorded in the Statement of Revenues, Expenses, and Changes in Net Position.

Changes in the University’s medical & dental claims liability and other benefit liabilities are as follows:

| Medical & Dental Claims Payable: | 2021 | 2020 |
|--|---------------------|---------------------|
| Estimated Claims Liability - Beginning of Year | \$ 2,170,174 | \$ 2,245,208 |
| Net Current Year Claims and Administration Expenses | 17,197,233 | 16,112,068 |
| Cash Paid for Claims | (15,065,521) | (16,187,102) |
| Estimated Claims Liability - End of Year | 4,301,886 | 2,170,174 |
| Other Accrued Benefits & Deductions Payable | | |
| Retirement Contributions Liability | - | 692,898 |
| Medical Plan Contributions Liability | 3,413 | 89,669 |
| Other Miscellaneous Deductions Liability | 72,564 | 87,212 |
| Total Accrued Benefits & Deductions Payable | \$ 4,377,863 | \$ 3,039,953 |

Note R. – Refundable Government Grants

Congress did not renew the Federal Perkins Loan Program after September 30, 2017. No new Perkins loans could be disbursed after June 30, 2018. The lack of renewal also means that the federal capital contribution (FCC) and the portion of any loan repayments must be returned to the Department of Education,

(DoEd), of which \$79,677 was returned in fiscal year 2021, leaving a liability \$1,130,020 for the University’s balance of FCC.

Note S. – SUU Foundation – Blended Component Unit

The Southern Utah University Foundation (the Foundation) is a legally separate, tax-exempt component unit of the University.

The Foundation acts primarily as a fund-raising organization to supplement resources that are available to the University in support of its programs. The majority of the resources or income the foundation holds and invests are restricted for the benefit of the University by the donors. The University appoints a controlling number of positions on the Board of Directors of the Foundation and the University has the ability to impose its will on the Foundation, significantly influencing the programs, projects and activities of the Foundation. Additionally, the Foundation provides services entirely or almost entirely to the University. For these reasons, the Foundation is considered a component unit of the University

and is presented in the University financial statements as a blended component unit. Separate financial statements for the Foundation can be obtained from the University. Elimination of internal balances and transactions between SUU and the Foundation and a presentation of eliminated balances and transactions in a separate column is required by GASB Statement 34. However, because there are no such internal balances and transactions, the following is a single-column, condensed version of the Foundation financial statements for the fiscal year ended June 30, 2021:

| SUU FOUNDATION | |
|--|---------------------|
| Condensed Statement of Net Position | |
| Assets | |
| Current Assets | |
| Cash & Receivables | \$ 493,592 |
| Noncurrent Assets | |
| Investments | 616,914 |
| Capital Assets, net of | |
| Accumulated Depreciation | 1,280,386 |
| Total Assets | \$ 2,390,892 |
| Net Position | |
| Net Investment in Capital Assets | \$ 1,280,386 |
| Restricted | 616,914 |
| Unrestricted | 493,592 |
| Total Net Position | \$ 2,390,892 |

| SUU FOUNDATION | |
|---|---------------------|
| Statement of Revenues, Expenses, and Changes in Net Position | |
| Total Operating Revenues | \$ - |
| Operating Expenses | |
| Other Expenses | 44,146 |
| Total Operating Expenses | 44,146 |
| Operating Income (Loss) | (44,146) |
| Nonoperating Revenues (Expenses) | |
| Private Gifts | 58,808 |
| Total Nonoperating Revenues (Expenses) | 58,808 |
| Increase in Net Position | 14,662 |
| Net Position at Beginning of Year | 2,376,230 |
| Net Position at End of Year | \$ 2,390,892 |

| SUU FOUNDATION | |
|---|-------------------|
| Statement of Cash Flows | |
| Net Cash Provided (Used) By: | |
| Operating Activities | \$ (2,281) |
| Noncapital Financing Activities | 58,808 |
| Net Increase in Cash | 56,527 |
| Cash & Cash Equivalents at Beginning of Year | 437,065 |
| Cash & Cash Equivalents at End of Year | \$ 493,592 |

| Reconciliation of Operating Income (Loss) | |
|--|-------------------|
| to Net Cash Provided by Operating Activities | |
| Net Operating Income (Loss) | \$ (44,146) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | |
| Depreciation Expense | 41,865 |
| Net Cash Used by Operating Activities | \$ (2,281) |

Note T. – Subsequent Events

Land Exchange Agreement

On September 13, 2021, the University entered into a Land Exchange Agreement for the exchange of multiple parcels of land and improvements as a mutual benefit to each party of the transaction. The parties have obtained appraisals of each of the parcels which are part of this exchange, and because the total appraised value of the University-owned parcels exceeds the appraised value of the parcels to be received, SUU will receive the difference in cash. The amount of cash to be received was reduced by a credit for the University's continued use and occupancy of one of the parcels until May 2022. The parcels involved in the exchange are as follows:

| Parcels exchanged by SUU | | | Parcels received by SUU | | |
|---------------------------------|------------------------------|--------------------|--------------------------------|-------------|------------------|
| Ponderosa Apartments | Dewey Ave & 200 S | \$1,190,000 | Workman Home | 33 N 200 W | \$380,747 |
| | Credit for delayed occupancy | (83,000) | | | |
| Harl and Ann Judd Lot | 296 S 500 W | 60,000 | Historic Home | 107 S 300 W | 400,000 |
| SUU Small Parking Lot | 1025 W 200 S | 130,000 | Closing Fees | | 2,897 |
| | TOTAL | <u>\$1,297,000</u> | | TOTAL | <u>\$783,644</u> |
| | DIFFERENCE – CASH TO SUU | \$513,356 | | | |

On October 19, 2021, the University purchased two additional properties at their appraised value, plus closing costs, with an assumption of a promissory note on the 200 West Residence to be paid to the seller any time 45 days prior to the seller vacating the property, which shall occur before August 15, 2022.

| Parcels purchased by SUU | | |
|---------------------------------|-------------|--------------------|
| Leavitt Group Office Building | 216 S 200 W | \$3,750,000 |
| 200 West Residence | 242 S 200 W | 600,000 |
| | TOTAL | <u>\$4,350,000</u> |

Center for the Arts Loan Forgiveness

On August 23, 2021 and in accordance with the Redemption and Assignment Agreement and the Membership interest purchase agreement, through multiple transactions amongst several third parties, the University purchased all of the rights, title, and interest and became the 100% holder of the loan receivable with a principal balance of \$10,149,500. The balance of the loan receivable was subsequently forgiven. In a subsequent transaction, the Utah Shakespeare Festival Foundation, who is the owner of the Center for the Arts buildings, will donate the Center for the Arts buildings to the University for the purpose of using it as a performing arts center.



REQUIRED SUPPLEMENTARY
INFORMATION

Required Supplementary Information

| Schedule of Proportionate Share of the Net Pension Liability | | | | | | | |
|---|--------------|--------------|---------------|--------------|---------------|---------------|--------------|
| As of December 31 | | | | | | | |
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Noncontributory System | | | | | | | |
| Proportion of Systems net pension liability (asset) | 0.4236545% | 0.4168153% | 0.3814387% | 0.3813235% | 0.3639326% | 0.3636182% | 0.3579107% |
| Proportionate share of Systems net pension liability (asset) | \$ 5,647,831 | \$ 9,260,393 | \$ 14,191,492 | \$ 9,324,741 | \$ 11,794,753 | \$ 11,422,289 | \$ 8,992,609 |
| Covered payroll | \$ 9,919,562 | \$ 9,913,131 | \$ 9,867,938 | \$ 9,923,719 | \$ 9,953,525 | \$ 10,122,213 | \$ 9,923,414 |
| Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll | 56.94% | 93.42% | 143.81% | 93.96% | 118.50% | 112.84% | 90.62% |
| Plan fiduciary net position as a percentage of the total pension liability | 94.3% | 90.1% | 84.1% | 89.2% | 84.9% | 84.5% | 87.2% |
| Contributory System | | | | | | | |
| Proportion of Systems net pension liability (asset) | 0.3448931% | 0.2952290% | 0.1629085% | 0.1345811% | 0.1177917% | 0.1022645% | 0.0922137% |
| Proportionate share of Systems net pension liability (asset) | \$ (82,029) | \$ 20,382 | \$ 115,666 | \$ 8,856 | \$ 64,545 | \$ 64,084 | \$ 10,111 |
| Covered payroll | \$ 33,263 | \$ 32,937 | \$ 31,616 | \$ 30,621 | \$ 31,576 | \$ 32,395 | \$ 33,177 |
| Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll | -246.61% | 61.88% | 365.85% | 28.92% | 204.41% | 197.82% | 30.48% |
| Plan fiduciary net position as a percentage of the total pension liability | 103.7% | 98.9% | 91.4% | 99.2% | 93.4% | 92.4% | 98.7% |
| Public Safety System | | | | | | | |
| Proportion of Systems net pension liability (asset) | 0.1604764% | 0.1616796% | 0.1767365% | 0.1988919% | 0.1857309% | 0.2041688% | 0.1980694% |
| Proportionate share of Systems net pension liability (asset) | \$ 103,938 | \$ 238,757 | \$ 423,063 | \$ 345,846 | \$ 397,109 | \$ 439,548 | \$ 368,060 |
| Covered payroll | \$ 142,157 | \$ 149,886 | \$ 200,394 | \$ 225,094 | \$ 222,402 | \$ 238,257 | \$ 227,905 |
| Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll | 73.11% | 159.29% | 211.12% | 153.64% | 178.55% | 184.48% | 161.50% |
| Plan fiduciary net position as a percentage of the total pension liability | 95.8% | 90.0% | 83.2% | 87.4% | 83.5% | 82.3% | 84.3% |
| Tier 2 Public Employees System | | | | | | | |
| Proportion of Systems net pension liability (asset) | 0.3581416% | 0.3377578% | 0.3210046% | 0.3386836% | 0.2468898% | 0.1795573% | 0.1861719% |
| Proportionate share of Systems net pension liability (asset) | \$ 51,511 | \$ 75,964 | \$ 137,479 | \$ 29,861 | \$ 27,540 | \$ (392) | \$ (5,642) |
| Covered payroll | \$ 5,726,663 | \$ 4,692,603 | \$ 3,751,521 | \$ 3,314,733 | \$ 2,024,701 | \$ 1,160,145 | \$ 913,709 |
| Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll | 0.90% | 1.62% | 3.66% | 0.90% | 1.36% | -0.03% | -0.62% |
| Plan fiduciary net position as a percentage of the total pension liability | 98.3% | 96.5% | 90.8% | 97.4% | 95.1% | 100.2% | 103.5% |
| Tier 2 Public Safety and Firefighter System | | | | | | | |
| Proportion of Systems net pension liability (asset) | 0.0582480% | 0.0665695% | 0.0278155% | 0.0325679% | 0.0156266% | N/A | N/A |
| Proportionate share of Systems net pension liability (asset) | \$ 5,225 | \$ 6,262 | \$ 697 | \$ (377) | \$ (136) | N/A | N/A |
| Covered payroll | \$ 116,153 | \$ 109,724 | \$ 37,254 | \$ 34,377 | \$ 12,911 | N/A | N/A |
| Proportionate share of Systems net pension liability (asset) as a percentage of its covered payroll | 4.50% | 5.71% | 1.87% | -1.10% | -1.05% | N/A | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 93.1% | 89.6% | 95.6% | 103.0% | 103.6% | N/A | N/A |

Note: 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.

| Schedule of Contributions | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| For Fiscal Years Ending June 30 | 2021 | 2020 | 2019 | 2018 | 2017 |
| Noncontributory System | | | | | |
| Contractually Required | \$ 2,134,147 | \$ 2,221,964 | \$ 2,146,318 | \$ 2,158,520 | \$ 2,161,713 |
| Contributions in Relation to the Contractually Required | \$ (2,134,147) | \$ (2,221,964) | \$ (2,146,318) | \$ (2,158,520) | \$ (2,161,713) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 9,668,135 | \$ 10,152,681 | \$ 9,821,482 | \$ 9,925,614 | \$ 9,999,130 |
| Contributions as a Percentage of Covered Payroll | 22.07% | 21.89% | 21.85% | 21.75% | 21.62% |
| Contributory System | | | | | |
| Contractually Required | \$ 5,929 | \$ 5,887 | \$ 8,329 | \$ 5,420 | \$ 5,589 |
| Contributions in Relation to the Contractually Required | \$ (5,929) | \$ (5,887) | \$ (8,329) | \$ (5,420) | \$ (5,589) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 33,496 | \$ 33,263 | \$ 46,594 | \$ 30,621 | \$ 31,576 |
| Contributions as a Percentage of Covered Payroll | 17.70% | 17.70% | 17.88% | 17.70% | 17.70% |
| Public Safety System | | | | | |
| Contractually Required | \$ 59,220 | \$ 62,592 | \$ 71,167 | \$ 91,615 | \$ 87,724 |
| Contributions in Relation to the Contractually Required | \$ (59,220) | \$ (62,592) | \$ (71,167) | \$ (91,615) | \$ (87,724) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 143,217 | \$ 151,370 | \$ 172,110 | \$ 221,560 | \$ 212,151 |
| Contributions as a Percentage of Covered Payroll | 41.35% | 41.35% | 41.35% | 41.35% | 41.35% |
| Tier 2 Public Employees System* | | | | | |
| Contractually Required | \$ 1,156,081 | \$ 1,042,621 | \$ 767,375 | \$ 674,640 | \$ 516,860 |
| Contributions in Relation to the Contractually Required | \$ (1,156,081) | \$ (1,042,621) | \$ (767,375) | \$ (674,640) | \$ (516,860) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 6,041,824 | \$ 5,488,530 | \$ 4,065,417 | \$ 3,658,090 | \$ 2,833,666 |
| Contributions as a Percentage of Covered Payroll | 19.13% | 19.00% | 18.88% | 18.44% | 18.24% |
| Tier 2 Public Safety and Firefighter System* | | | | | |
| Contractually Required | \$ 42,720 | \$ 34,247 | \$ 21,280 | \$ 10,750 | \$ 8,416 |
| Contributions in Relation to the Contractually Required | \$ (42,720) | \$ (34,247) | \$ (21,280) | \$ (10,750) | \$ (8,416) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 122,722 | \$ 114,769 | \$ 71,410 | \$ 36,794 | \$ 28,891 |
| Contributions as a Percentage of Covered Payroll | 34.81% | 29.84% | 29.80% | 29.22% | 29.13% |

*Contractually Required Contributions, Contributions, and Covered Payroll include information for Tier 2 Employees. The Tier 2 Public Employees System was created in fiscal year 2011. Prior to the implementation of GASB Statement No. 68, Tier 2 information was not separately available.

| Schedule of Contributions (continued) | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| For Fiscal Years Ending June 30 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Noncontributory System | | | | | |
| Contractually Required | \$ 2,153,271 | \$ 2,319,809 | \$ 2,027,040 | \$ 1,946,347 | \$ 1,748,575 |
| Contributions in Relation to the Contractually Required | \$ (2,153,271) | \$ (2,319,809) | \$ (2,027,040) | \$ (1,946,347) | \$ (1,748,575) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 9,970,411 | \$ 10,143,115 | \$ 9,817,043 | \$ 10,307,651 | \$ 10,528,325 |
| Contributions as a Percentage of Covered Payroll | 21.60% | 22.87% | 20.65% | 18.88% | 16.61% |
| Contributory System | | | | | |
| Contractually Required | \$ 5,734 | \$ 5,739 | \$ 5,117 | \$ 4,399 | \$ 6,661 |
| Contributions in Relation to the Contractually Required | \$ (5,734) | \$ (5,739) | \$ (5,117) | \$ (4,399) | \$ (6,661) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 32,395 | \$ 32,426 | \$ 32,041 | \$ 30,828 | \$ 53,848 |
| Contributions as a Percentage of Covered Payroll | 17.70% | 17.70% | 15.97% | 14.27% | 12.37% |
| Public Safety System | | | | | |
| Contractually Required | \$ 98,109 | \$ 96,577 | \$ 92,803 | \$ 80,840 | \$ 67,093 |
| Contributions in Relation to the Contractually Required | \$ (98,109) | \$ (96,577) | \$ (92,803) | \$ (80,840) | \$ (67,093) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 237,266 | \$ 233,559 | \$ 236,079 | \$ 216,787 | \$ 243,744 |
| Contributions as a Percentage of Covered Payroll | 41.35% | 41.35% | 39.31% | 37.29% | 27.53% |
| Tier 2 Public Employees System* | | | | | |
| Contractually Required | \$ 251,738 | \$ 85,958 | \$ 66,156 | \$ 49,068 | \$ 14,621 |
| Contributions in Relation to the Contractually Required | \$ (251,738) | \$ (85,958) | \$ (66,156) | \$ (49,068) | \$ (14,621) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 1,380,385 | \$ 1,315,692 | \$ 967,391 | \$ 632,088 | \$ 192,641 |
| Contributions as a Percentage of Covered Payroll | 18.24% | 6.53% | 6.84% | 7.76% | 7.59% |
| Tier 2 Public Safety and Firefighter System* | | | | | |
| Contractually Required | N/A | N/A | N/A | N/A | N/A |
| Contributions in Relation to the Contractually Required | | | | | |
| Contribution Deficiency (Excess) | | | | | |
| Covered Payroll | | | | | |
| Contributions as a Percentage of Covered Payroll | | | | | |

*Contractually Required Contributions, Contributions, and Covered Payroll include information for Tier 2 Employees. The Tier 2 Public Employees System was created in fiscal year 2011. Prior to the implementation of GASB Statement No. 68, Tier 2 information was not separately available.



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Marvin Dodge, Vice President for Finance & Administration
Jared Tippets, Vice President for Student Affairs
Stuart Jones, Vice President for Advancement & Enrollment Management
Debbie Corum, Athletic Director

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Southern Utah University Accounting Services
351 W. University Blvd., Cedar City, UT 84720, 435.586.7724

